

2021 ANNUAL COMPREHENSIVE FINANCIAL REPORT

for the year ended June 30, 2021




ORANGE COUNTY
NORTH CAROLINA

ORANGE COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2021



Prepared by:
Department of Finance & Administrative Services

Submitted by:
Gary Donaldson, CTP
Chief Financial Officer

ORANGE COUNTY, NORTH CAROLINA
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INTRODUCTORY SECTION





ORANGE COUNTY

Department of Finance and Administrative Services

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

January 21, 2022

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 annual comprehensive financial report ("ACFR") of Orange County for the fiscal year ended June 30, 2021.

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 Cherry Bekaert, LLP, 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, 2021, 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 Department of Finance and Administrative Services.

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 ACFR 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, AKG North America, Well Dot Inc. and Wegmans. These investments have contributed to the County's day-time population increasing by 5.2%. The County's stable employment base has consistently resulted in one of the lowest unemployment rates in North Carolina at 3.7% at June 30, 2021.

Fiscal Outlook

The adopted General Fund Budget for FY 2021-22 totals \$244.1 million which represents \$5 million or a 2.1% increase over the FY 2020-21 adopted budget. The County Budget factors in a 3 cent property tax increase to support increased debt service and a mandatory 5% non-personnel operating budget decrease which excludes public health and public safety departments. The County is on a four-year revaluation cycle. The revaluation was effective January 1, 2021 and resulted in a 12.6% increase in real property values, with the tax base increasing from \$19.3 billion to \$21.7 billion representing an increase of \$2.4 billion. The North Carolina Statutes requires jurisdictions to compute a revenue neutral rate following a revaluation. The County neutral rate was .7887 cents per \$100 of assessed value. The adopted budget then increased the revenue neutral rate by 3 cents to .8187 per \$100 of assessed value. The tax increase funds a \$6.6 million increase in debt service. The real and personal collection rate is budgeted to decrease by .5% from 99.2% to 98.7% to account for prolonged taxpayer hardships. The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget maintains per pupil expenditures at \$4,367, which has consistently been among the highest per pupil appropriations in the State. The FY 2021-22 appropriations represents 48.7% of total General Fund revenues. The budget appropriates \$3.6 million to fund school health and safety contractual services. The fiscal year 2021-22 budget fully funds all positions of the County however there is no wage increase due to continued cost containment measures. Property tax revenues comprise \$177.6 million or 73% of General Fund revenues. The FY 2020-21 Sales tax revenues have been budgeted to increase 12% compared to the FY 2020-21 budget due to Federal Stimulus and increased e-commerce sales. The remaining 20% of General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Miscellaneous revenues. The County's FY 2021-22 Budget reflects a K-Shaped economic recovery and any additional COVID-19 impacts on economic recovery.

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 \$17 million as of June 30, 2021.

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 16.6% of General Fund expenditures as of June 30, 2021 attributed to better than anticipated sales tax performance. The County's available fund balance includes reserve by state statute amounts which represents an additional 6.4% of General Fund expenditures as of June 30, 2021.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2020. This marks the twenty-first 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 Annual Comprehensive 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 2021 annual budget document. This is the 30th 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 2021 budget continues to conform to program requirements and is submitting it to the GFOA to determine eligibility for another award.

Orange County departments and 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 thanks to the entire Finance Department, Accounting team and resources in contributing to the preparation of this financial report. Thanks is extended as well to our independent auditors Cherry Bekaert LLP.

A special thanks is extended to 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.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary Donaldson". The signature is written in a cursive, flowing style.

Gary Donaldson, CTP
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Orange County
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

ORANGE COUNTY, NORTH CAROLINA

Board of County Commissioners



Renee Price, Chair



Jamezetta Bedford, Vice-Chair



Amy Fowler



Sally Greene



Jean Hamilton

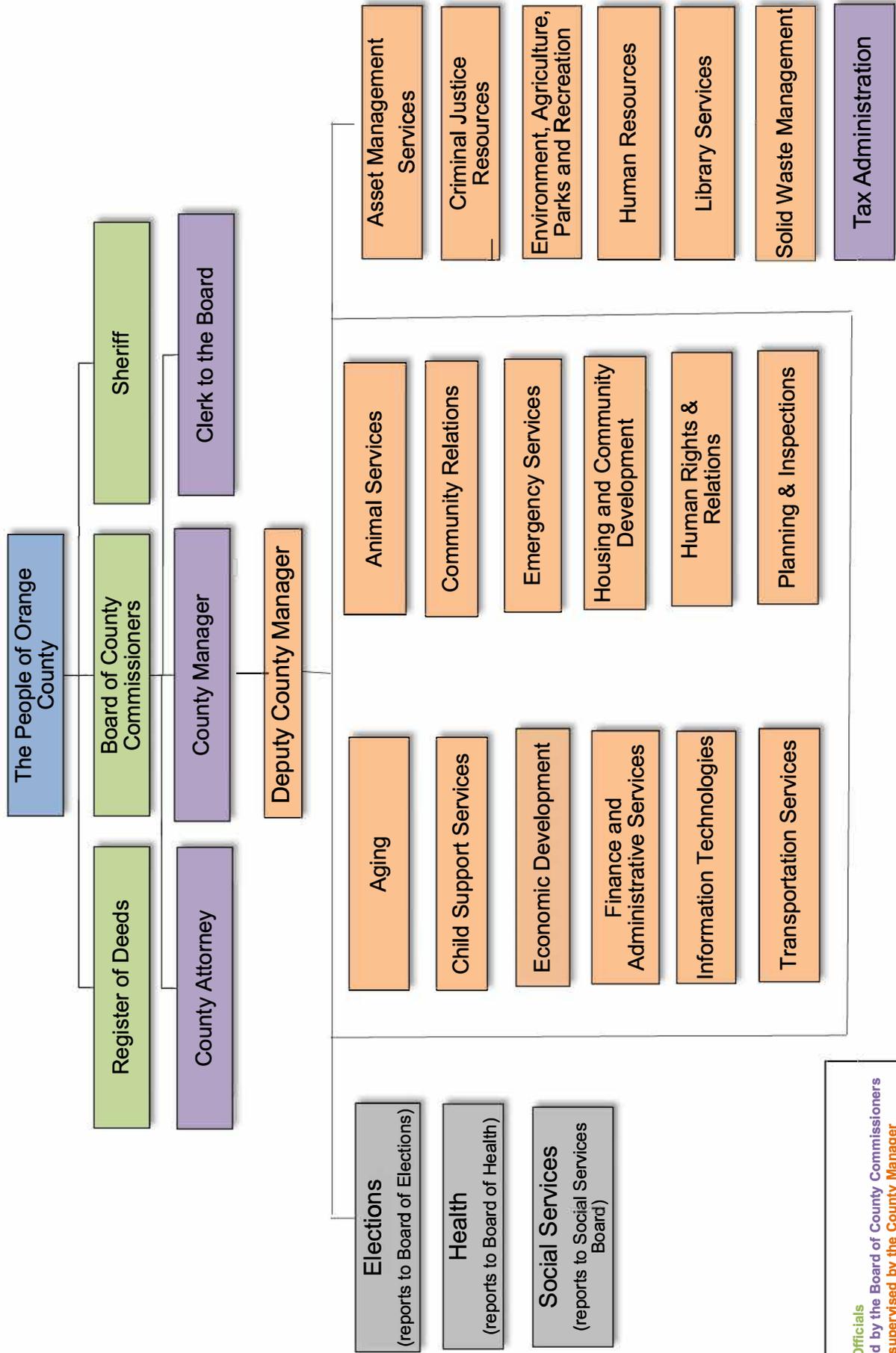


Earl McKee



Anna Richards

Orange County Government



Legend
Elected Officials
 Appointed by the Board of County Commissioners
 Director supervised by the County Manager
 Consultative supervision provided by County Manager's Office

FINANCIAL SECTION



Report of Independent Auditor

To the 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, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 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 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. 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 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 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the general fund, and the COVID-19 relief special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 18 to the financial statements, effective July 1, 2020, the County adopted new accounting guidance promulgated in Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities. As a result, fund balance for several governmental special revenue funds and several fiduciary funds and net position for governmental activities as of June 30, 2020 have been restated. Our opinions are not modified with respect to this matter.

Also as discussed in Note 18 to the financial statements, the County corrected errors that resulted in a prior period adjustment related to debt. As a result, net position and debt in the proprietary fund and business type activities as of June 30, 2020 have been restated. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Financial Data, as listed in the table of contents, 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 and other auditors 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, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are 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 January 21, 2022, 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.

Cheryl Bekaert LLP

Raleigh, North Carolina
January 21, 2022

Management's Discussion and Analysis

Introduction

The management of the government offers readers of Orange County's (the "County") financial statements this Management's Discussion and Analysis ("MDA") of the financial activities of the County for the fiscal year ended June 30, 2021. Readers are encouraged to review the information presented here in conjunction with additional information that is furnished in the County's financial statements, which follow this narrative.

Financial Highlights

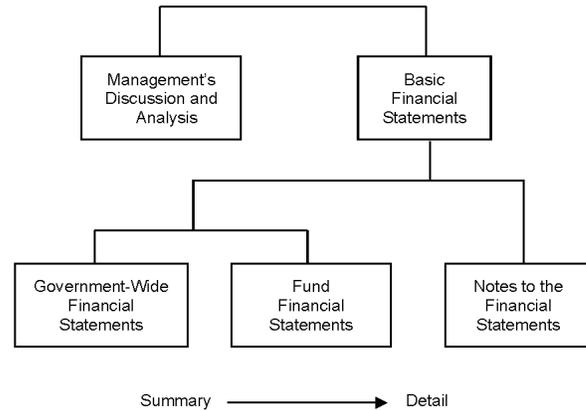
- The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$167.5 million (net position). In accordance with North Carolina law, liabilities of the County include approximately \$159.6 million in long-term 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 County's total net position decreased by \$32.7 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 \$128.4 million, a decrease of \$41 million in comparison with the prior year. The decrease reflects the spending down of bond proceeds during the fiscal year for County and School projects. The General Fund total ending fund balance of \$76.1 million includes \$38.3 million of unassigned fund balance.
- The unassigned General Fund ending fund balance of \$38.3 million represented 16.6% of total General Fund expenditures for the fiscal year consistent with the County policy of unassigned fund balance of 16% of General Fund expenditures.
- 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 is 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.

Required Components of Annual Financial Report
Figure 1



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 non-major 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.

Management's Discussion and Analysis

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 11 through 13 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 one OPEB trust fund and four custodial funds.

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 28-74 of this report.

Management's Discussion and Analysis

Table 1
ORANGE COUNTY, NORTH CAROLINA
Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	Restated 2020	2021	Restated 2020	2021	Restated 2020
ASSETS						
Current and other assets	\$ 157,540	\$ 192,510	\$ 17,061	\$ 17,203	\$ 174,601	\$ 209,713
Capital assets, net	140,087	118,774	18,706	19,816	158,793	138,590
Total assets	297,627	311,284	35,767	37,019	333,394	348,303
DEFERRED OUTFLOWS OF RESOURCES						
	67,090	42,582	636	722	67,726	43,304
LIABILITIES						
Long-term liabilities	509,108	480,149	20,864	19,600	529,972	499,749
Other liabilities	29,511	20,768	716	884	30,227	21,652
Total liabilities	538,619	500,917	21,580	20,484	560,199	521,401
DEFERRED INFLOWS OF RESOURCES						
	8,317	4,884	88	68	8,405	4,952
NET POSITION						
Net investment in capital assets	36,421	32,355	7,741	7,887	44,162	40,242
Restricted	21,813	22,246	-	-	21,813	22,246
Unrestricted (deficit)	(240,453)	(206,536)	6,994	9,302	(233,459)	(197,234)
Total net position	\$ (182,219)	\$ (151,935)	\$ 14,735	\$ 17,189	\$ (167,484)	\$ (134,746)

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 75.

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 \$167.5 million as of June 30, 2021. Net position is reported in three categories: Net investment in capital assets of \$44 million, restricted net position of \$22 million, and unrestricted net position of (\$233.5) 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, 2021, the net investment in capital assets increased by \$4 million.

The final category of net position is unrestricted net position. This balance may be used to meet the County's ongoing obligations to residents and creditors. At June 30, 2021, the total net deficit reported of (\$167.5) million is attributable to the unrestricted net deficit balance of (\$233.5) million, which results primarily from the debt financing related to school system assets.

Consistent with other 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 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 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 obligation to provide the school systems capital funding by the school

Management's Discussion and Analysis

Table 2
ORANGE COUNTY, NORTH CAROLINA
Condensed Statement of Activities
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	Restated 2020	2021	Restated 2020	2021	Restated 2020
REVENUES						
Program revenues:						
Charges for services	\$ 12,647	\$ 15,100	\$ 13,764	\$ 14,078	\$ 26,411	\$ 29,178
Operating grants and contributions	31,345	28,715	6	4	31,351	28,719
Capital grants and contributions	455	1,256	-	-	455	1,256
General revenues:						
Property taxes	201,379	171,493	-	-	201,379	171,493
Other taxes	37,498	33,074	-	-	37,498	33,074
Other revenues	6,894	2,130	345	164	7,239	2,294
Total revenues	290,218	251,768	14,115	14,246	304,333	266,014
EXPENSES						
Community services	14,484	16,617	-	-	14,484	16,617
General government	22,774	20,031	-	-	22,774	20,031
Public safety	41,376	156,766	-	-	41,376	156,766
Human services	56,271	36,883	-	-	56,271	36,883
Education	155,465	48,406	-	-	155,465	48,406
Support services	16,301	19,392	-	-	16,301	19,392
Interest expense	14,276	7,641	-	-	14,276	7,641
Solid Waste landfill	-	-	11,222	10,820	11,222	10,820
SportsPlex	-	-	3,204	3,105	3,204	3,105
Efland sewer	-	-	-	88	-	88
Total expenses	320,947	305,736	14,426	14,013	335,373	319,749
Special item - Efland Sewer conveyance	-	-	(1,698)	-	(1,698)	-
Transfers	445	(2)	(445)	2	-	-
Change in net position	(30,284)	(53,970)	(2,454)	235	(32,738)	(53,735)
NET POSITION						
Beginning balances, restated	(151,935)	(97,965)	17,189	16,954	(134,746)	(81,011)
Ending balances	\$ (182,219)	\$ (151,935)	\$ 14,735	\$ 17,189	\$ (167,484)	\$ (134,746)

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 \$159.6 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.

As noted earlier, the government's total net position decreased \$33.6 million. This decrease resulted from increased long-term debt to support the County's capital improvement program which includes school capital projects that don't result in assets of the County. Also, the following

Management's Discussion and Analysis

positive operational initiatives and results are noted:

- The County's continued efficiency in the collection of property taxes resulted in a collection percentage of 99.3%, higher than the State-wide average of 97%.
- Sales tax revenue, which is the second largest revenue source, increased by \$3.9 million from the prior fiscal year to \$32.1 million or 14.1% increase. This increase is attributed primarily to the Federal Stimulus from the Coronavirus Aid, Relief and Economic Security ("CARES") Act and strong Online Sales.
- The County continued to lead the State in per pupil funding for education.
- 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.
- The unassigned fund balance in the County's General Fund remains strong at \$38.3 million or 16.6% of General Fund expenditures. The county exercises fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year.

Governmental Activities

Governmental activities decreased the County's net position by \$30.3 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 decreased the County's net position by \$2.4 million. The decrease was primarily related to the continued depreciation of the capital assets in the funds.

Financial Analysis of the County's Funds

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. North Carolina General Statute 159-26 requires the County to maintain all of its funds on the modified accrual basis of accounting during the year.

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 \$38.3 million or 16.6% of General Fund expenditures, while total fund balance increased to \$76.1 million or 32.9% 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 16% of total General Fund expenditures and transfers to other funds, while the total fund balance represents 31.7% of General Fund expenditures and transfers to other funds.

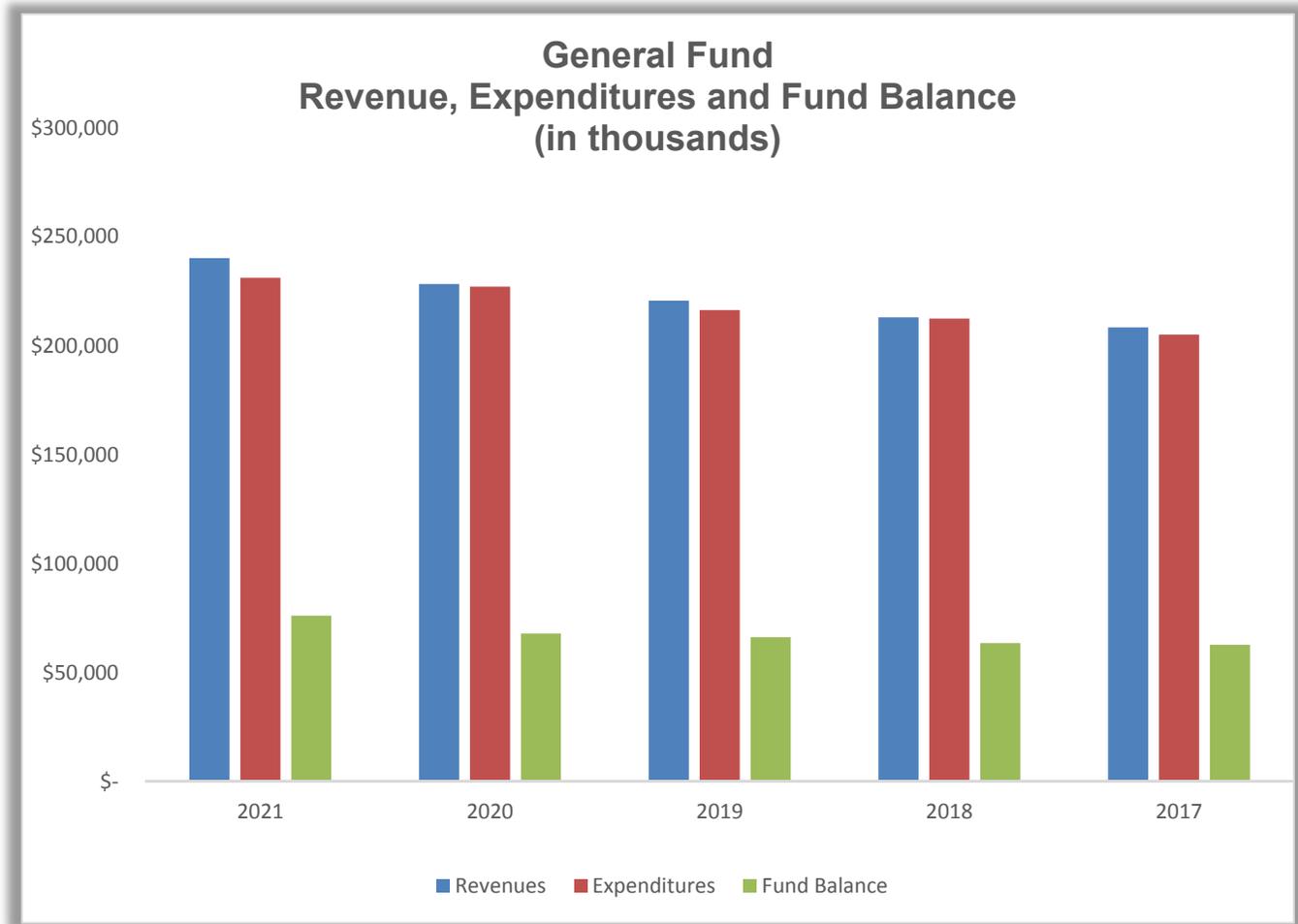
General Fund revenues are \$240.1 million or \$4.3 million higher than the final amended budget or 1.8%. General Fund revenues increased by \$11.8 million from the prior fiscal year. Property tax revenue comprises 70% of the General Fund revenues. Sales tax revenue, the second largest revenue, increased by \$3.9 million from the prior fiscal year. Intergovernmental revenues included remaining CARES Round 2 amounts totaling \$1.5 million. General Fund revenues and other financing sources total \$247.7 million.

General Fund expenditures are \$231.1 million or \$10.7 million lower than the final amended budget. General Fund expenditures increased by \$4.1 million from the prior fiscal year primarily due to increased debt service. 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 \$239.9 million.

COVID-19 Relief Fund revenues represents grant reimbursements recognized as revenue during the year. An additional \$14.1 million has been received but not earned as of June 30, 2021. Current year expenditures represent Bon-Congregate Shelter for displace residents and their families.

The County Capital Improvement Fund reflects an \$18 million decrease in fund balance due to the spending down of bond proceeds to primarily attributed to completing the County's Northern Campus site.

The School Capital Improvement Fund reflects a \$26.8 million decrease in fund balance 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 Cedar Ridge Wing capital outlay expenditures.



As of June 30, 2021, the non-major governmental funds of the County reported a combined fund balance of \$11.9 million, a decrease of \$1.9 million from the prior year. The decrease is primarily due financial assistance to businesses impacted by the COVID-19 pandemic. The non-major governmental funds consist of Article 46 ¼ cents sales taxes, visitors bureau occupancy taxes, and fire district property taxes and housing grant revenue.

General Fund Budgetary Highlights for the Fiscal Year Ending June 30, 2021

The final amended General Fund Budget for FY 2020-21 totals \$241.1 million in expenditures which represents \$4.1 million or a 1.73% increase over the FY 2019-20 final amended 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.

Management's Discussion and Analysis

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 these sales tax proceeds. The County appropriated Article 46 tax proceeds of \$954,759 in emergency loans and small business and agricultural grants to support businesses and farmers during the COVID-19 pandemic.

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

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, 2021 totals \$158.8 million (net of accumulated depreciation) an increase of 14.5% primarily attributed to Construction in Progress for the Northern Campus and other Building Improvements. The other asset components 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.

Table 3
ORANGE COUNTY, NORTH CAROLINA
Capital Assets, Net of Accumulated Depreciation
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 20,074	\$ 20,074	\$ 1,619	\$ 1,619	\$ 21,693	\$ 21,693
Intangible rights	482	482	-	57	482	539
Land improvements	-	-	3,953	505	3,953	505
Buildings and improvements	53,787	46,814	11,632	7,877	65,419	54,691
Leasehold improvements	1,450	1,620	-	-	1,450	1,620
Sewer lines	-	-	-	1,844	-	1,844
Automotive equipment	2,420	1,318	-	-	2,420	1,318
Other equipment	2,007	2,909	1,502	976	3,509	3,885
Construction in progress	59,867	45,557	-	6,938	59,867	52,495
	\$ 140,087	\$ 118,774	\$ 18,706	\$ 19,816	\$ 158,793	\$ 138,590

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 restricted cash of \$164,475 and a total net position of \$3.7 million primarily net investment in capital assets. The Solid Waste Fund reported a net position of \$11.0 million of which \$3.9 million is net investment in capital assets.

Management's Discussion and Analysis

Table 4
ORANGE COUNTY, NORTH CAROLINA
Long-Term Liabilities
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	Restated 2020	2021	Restated 2020
General obligation bonds - direct placement	\$ 124,000	\$ 131,000	\$ -	\$ -	\$ 124,000	\$ 131,000
Bond premiums	9,292	10,453	-	-	9,292	10,453
Installment notes - direct borrowing and direct placement	160,304	160,217	11,096	11,498	171,400	171,715
Note premiums	16,649	10,481	1,003	555	17,652	11,036
Net OPEB liability	161,450	137,190	-	-	161,450	137,190
Pension liabilities	31,796	24,261	1,252	1,259	33,048	25,520
Other	5,617	6,547	7,513	6,288	13,130	12,835
	\$ 509,108	\$ 480,149	\$ 20,864	\$ 19,600	\$ 529,972	\$ 499,749

Long-Term Debt and Obligations

As of June 30, 2021, the County had total bonded debt outstanding of \$124 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 \$160.3 million. A summary of total long-term debt and other long-term liabilities is shown in Note 7.

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 \$295.3 million in net debt applicable to the limit. The County has \$18.4 million in bonds authorized, but unissued, at June 20, 2021 for Orange County Schools and Chapel Hill-Carrboro City Schools. Additional information regarding the County's long-term debt can be found in Note 7 on pages 48-54 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2022

The adopted General Fund Budget for FY 2021-22 totals \$244.1 million which represents \$5 million or a 2.1% increase over the FY 2020-21 adopted budget. The County Budget factors in a 3 cent property tax increase to support increased debt service and a mandatory 5% non-personnel operating budget decrease which excludes public health and public safety departments. The County is on a four-year revaluation cycle. The revaluation was effective January 1, 2021 and resulted in a 12.6% increase in real property values, with the tax base increasing from \$19.3 billion to \$21.7 billion representing an increase of \$2.4 billion. The North Carolina Statutes requires jurisdictions to compute a revenue neutral rate following a revaluation. The County neutral rate was .7887 cents per \$100 of assessed value. The adopted budget then increased the revenue neutral rate by 3 cents to .8187 per \$100 of assessed value. The tax increase funds a \$6.6 million increase in debt service. The real and personal collection rate is budgeted to decrease by .5% from 99.2% to 98.7% to account for prolonged taxpayer hardships. The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget maintains per pupil expenditures at \$4,367, which has consistently been among the highest per pupil appropriations in the State. The FY 2021-22 appropriations represents 48.7% of total General Fund revenues. The budget appropriates \$3.6 million to fund school health and safety contractual services. The fiscal year 2021-22 budget fully funds all positions of the County however there is no wage increase due to continued cost containment measures. Property tax revenues comprise \$177.6 million or 73% of General Fund revenues. The FY 2020-22 Sales tax revenues have been budgeted to increase 12% compared to the FY 2020-21 budget due to Federal Stimulus and increased e-commerce sales. The remaining 20% of

General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Miscellaneous revenues. The County's FY 2021-22 Budget reflects a K-Shaped economic recovery and any additional COVID-19 impacts on economic recovery.

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.

Coronavirus, Aid, Relief and Economic Security (CARES)

The North Carolina General Assembly unanimously approved the Coronavirus Relief Funding (CRF) that was signed by the Governor on May 4, 2020. The CRF package includes relief measures related to public health and safety, education, small business assistance, and continuity of state government operations. The State has included \$ 150 million in initial relief funding, with each county's allocation distributed on a per capita basis, with the exception of the three largest NC counties. Those three counties received Coronavirus Relief funding directly from the U. S. Treasury based on their populations exceeding 500,000.

The Orange County State-wide per capita share for CARES Round 1 and Round 2 was \$5.5 million which was shared with the County's four municipalities of Carrboro, Chapel Hill, Hillsborough and Mebane based on a per capita basis similar to the existing distribution of local option sales tax.

CARES- Round 1 Funds

The CARES Act requires that both Round 1 and 2 funds be spent or encumbered by December 31, 2021. The \$2.6 million Round 1 allocation has been spent. Eighty percent of Round 1 funds supported Non-Congregate Housing, Landlord Incentives, Rent and Utility assistance for residents faced with eviction and other Human Services including Medical Supplies, COVID Testing, Contact Tracing, Food Distribution and Re-entry/Reemployment. The remaining 20% supported Facilities Re-engineering, Air Ionization, Personal Protective Equipment, IT/Telework equipment, and 800 Hot Spots for Orange County Schools.

CARES- Round 2 Funds

The CARES Round 2 spending is \$2.7 million of the total \$2.8 million total allocation with the remaining amount to be spent or encumbered by December 31, 2021. Eighty percent of Round 2 funds continued Housing Stabilization initiatives, Reemployment Services, Child Care, and Food Distribution. The remaining 20% continues Telework equipment requirements for remote work, Zoom services, Lucas CPR devices, and promoting Economic Development promotions to support recovery in the Hospitality/Leisure sectors which was significantly impacted by the COVID recession.

The County will have spent all of its CARES funding by December 31, 2021.

American Rescue Plan Act (ARPA)

The Federal American Rescue Plan Act (ARPA) provides direct allocations to local governments. Orange County is designated to receive approximately \$28.8 million. The first tranche of approximately \$14.4 million was approved by the Board of Commissioners on a budget amendment on June 1, 2021. The second tranche will occur in twelve (12) months. ARPA funds must be obligated by December 31, 2024 and must be fully expended by December 31, 2026.

The ARPA funds are intended to broadly address the negative impacts of the COVID-19 pandemic on individuals, government agencies, organizations, and small businesses. The Treasury Department has issued interim guidance on the use of ARPA funds for local governments. This guidance establishes five broad categories for potential investments:

1. Support public health expenditures, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
2. Address negative economic impacts caused by the public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
3. Replace lost public sector revenue, using this funding to provide government services to the extent of the reduction in revenue experienced due to the pandemic;
4. Provide premium pay for essential workers, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and,
5. Invest in water, sewer, and broadband infrastructure, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

The County is awaiting the U.S. Treasury Final Guidance to ensure full compliance with reporting requirements and allowable expenses. The County Board has approved \$5 million of its first ARPA tranche for Broadband infrastructure, \$1.3 million for Eviction Diversion rental and utility assistance and \$250,000 to provide relief to low-moderate income residents impacted by increased property taxes.

The U.S. Treasury Interim Guidance indicates that the funds may be used to support education programs aimed at addressing educational disparities and child care programs that promote healthy childhood environments including:

- Addressing educational disparities through new or expanded early learning services, providing additional resources to high- poverty school districts, and offering educational services like tutoring or afterschool programs as well as services to address social, emotional, and mental health needs; and,
- Promoting healthy childhood environments, including new or expanded high quality childcare, home visiting programs for families with young children, and enhanced services for child welfare- involved families and foster youth County departments were asked to submit proposals consistent with the interim guidance and the Goals established by the Board of Commissioners in prior funding allocations. County departments submitted requests totaling over \$44 million. In addition to these proposals, the Board of Commissioners approved budget amendments for FY2021-22 allocating \$ 5.3 million to support a broadband infrastructure project, an economic assistance program for property tax relief, and staffing for the Small Business Center at the Orange County Campus of Durham Technical Community College.

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, 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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Orange County ABC Board
ASSETS				
Cash and investments - unrestricted	\$ 90,695,798	\$ 15,378,890	\$ 106,074,688	\$ 4,558,305
Cash and investments - restricted	46,216,133	1,133,765	47,349,898	-
Receivables:				
Taxes receivable, net	3,181,070	-	3,181,070	-
Due from other governments	13,429,712	91,850	13,521,562	-
Other receivables	1,836,673	457,503	2,294,176	4,099
Inventories and prepaid items	588,936	-	588,936	3,241,663
Capital assets:				
Non-depreciable assets	80,422,785	1,619,059	82,041,844	2,024,029
Depreciable assets, net	59,664,650	17,086,520	76,751,170	6,559,559
Net pension asset	248,103	-	248,103	-
Other assets	1,342,948	-	1,342,948	15,476
Total assets	297,626,808	35,767,587	333,394,395	16,403,131
DEFERRED OUTFLOWS OF RESOURCES	67,090,385	635,762	67,726,147	632,712
LIABILITIES				
Accounts payable	7,659,618	371,700	8,031,318	1,265,436
Accrued payroll and other liabilities	3,194,367	331,242	3,525,609	768,942
Accrued interest payable	3,726,546	-	3,726,546	-
Unearned revenue	14,929,967	12,625	14,942,592	-
Long-term liabilities:				
Due within one year	36,070,720	1,854,361	37,925,081	194,934
Due in more than one year	473,037,552	19,009,899	492,047,451	4,612,802
Total liabilities	538,618,770	21,579,827	560,198,597	6,842,114
DEFERRED INFLOWS OF RESOURCES	8,317,183	88,469	8,405,652	38,987
NET POSITION				
Net investment in capital assets	36,420,704	7,740,664	44,161,368	5,868,000
Restricted for:				
Stabilization by State Statute	15,881,733	-	15,881,733	-
Pensions	248,103	-	248,103	-
Public safety	2,503,052	-	2,503,052	-
Human services	2,224,961	-	2,224,961	-
Community services	955,701	-	955,701	-
Working capital	-	-	-	803,992
Unrestricted (deficit)	(240,453,014)	6,994,389	(233,458,625)	3,482,750
Total net position	\$ (182,218,760)	\$ 14,735,053	\$ (167,483,707)	\$ 10,154,742

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

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES				
Community services	\$ 14,484,271	\$ 1,869,153	\$ 914,896	\$ 96,490
General government	22,774,275	3,649,390	4,799,538	-
Public safety	41,376,196	5,731,132	809,780	-
Human services	56,271,330	1,397,409	23,345,104	358,228
Education	155,464,500	-	1,402,354	-
Support services	16,301,136	-	73,773	-
Interest on long-term debt	14,275,755	-	-	-
Total governmental activities	320,947,463	12,647,084	31,345,445	454,718
BUSINESS-TYPE ACTIVITIES				
Solid waste landfill	11,222,179	11,014,939	6,319	-
Sportsplex	3,204,250	2,727,377	-	-
Efland sewer	470	21,734	-	-
Total business-type activities	14,426,899	13,764,050	6,319	-
Total primary government	\$ 335,374,362	\$ 26,411,134	\$ 31,351,764	\$ 454,718
COMPONENT UNIT				
Orange County ABC Board	\$ 25,845,245	\$ 27,158,053	\$ -	\$ -

GENERAL REVENUES AND SPECIAL ITEM

Ad valorem taxes
Sales and use taxes
Other taxes
Grants and contributions not restricted to
specific programs
Investment earnings
Miscellaneous
Special item - Efland sewer conveyance

TRANSFERS

Total general revenues, special item and transfers
Change in net position

NET POSITION

Beginning balances, as previously reported
Prior period adjustments

Beginning balances, as restated
Ending balances

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
\$ (11,603,732)	\$ -	\$ (11,603,732)	\$ -
(14,325,347)	-	(14,325,347)	-
(34,835,284)	-	(34,835,284)	-
(31,170,589)	-	(31,170,589)	-
(154,062,146)	-	(154,062,146)	-
(16,227,363)	-	(16,227,363)	-
(14,275,755)	-	(14,275,755)	-
<u>(276,500,216)</u>	<u>-</u>	<u>(276,500,216)</u>	<u>-</u>
-	(200,921)	(200,921)	-
-	(476,873)	(476,873)	-
-	21,264	21,264	-
<u>-</u>	<u>(656,530)</u>	<u>(656,530)</u>	<u>-</u>
<u>(276,500,216)</u>	<u>(656,530)</u>	<u>(277,156,746)</u>	<u>-</u>
-	-	-	1,312,808
201,379,367	-	201,379,367	-
36,530,714	-	36,530,714	-
967,410	342,141	1,309,551	-
4,402,107	-	4,402,107	-
40,255	2,607	42,862	1,742
2,451,894	-	2,451,894	-
-	(1,697,694)	(1,697,694)	-
445,354	(445,354)	-	-
<u>246,217,101</u>	<u>(1,798,300)</u>	<u>244,418,801</u>	<u>1,742</u>
<u>(30,283,115)</u>	<u>(2,454,830)</u>	<u>(32,737,945)</u>	<u>1,314,550</u>
(152,465,431)	16,634,404	(135,831,027)	8,840,192
529,786	555,479	1,085,265	-
<u>(151,935,645)</u>	<u>17,189,883</u>	<u>(134,745,762)</u>	<u>8,840,192</u>
<u>\$ (182,218,760)</u>	<u>\$ 14,735,053</u>	<u>\$ (167,483,707)</u>	<u>\$ 10,154,742</u>

ORANGE COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2021

	General Fund	COVID-19 Relief Fund	County Capital Improvements Fund
ASSETS			
Cash and investments - unrestricted	\$ 69,436,344	\$ 10,728,502	\$ -
Cash and investments - restricted	-	-	28,225,124
Receivables:			
Property taxes receivable, net	2,429,724	-	-
Due from other governments	12,216,753	-	-
Other receivables	1,126,951	-	-
Due from other funds	19,950	-	-
Inventories and prepaid items	588,936	-	-
Notes receivable	10,818	-	-
Total assets	\$ 85,829,476	\$ 10,728,502	\$ 28,225,124
LIABILITIES			
Accounts payable	\$ 3,375,006	\$ 1,346	\$ 1,126,323
Due to other funds	-	-	-
Accrued payroll and other liabilities	3,063,224	-	-
Unearned revenue	536,976	14,094,286	-
Total liabilities	6,975,206	14,095,632	1,126,323
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes receivable	2,162,605	-	-
Unavailable revenue - prepaid property taxes	574,639	-	-
Total deferred inflows of resources	2,737,244	-	-
FUND BALANCES			
Nonspendable	599,754	-	-
Restricted:			
Stabilization by State Statute	14,858,782	-	-
Public safety	-	-	-
Human services	-	-	-
Community services	-	-	-
Education	-	-	-
Capital projects	-	-	27,098,801
Committed:			
Health benefits	7,543,841	-	-
Education	-	-	-
Human services	-	-	-
Assigned:			
To be used in the subsequent fiscal year	14,757,382	-	-
Unassigned	38,357,267	(3,367,130)	-
Total fund balances	76,117,026	(3,367,130)	27,098,801
Total liabilities, deferred inflows of resources, and fund balances	\$ 85,829,476	\$ 10,728,502	\$ 28,225,124

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

School Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 9,890,250	\$ 90,055,096
17,991,009	-	46,216,133
-	751,346	3,181,070
-	1,212,959	13,429,712
-	709,722	1,836,673
-	-	19,950
-	-	588,936
-	1,332,130	1,342,948
<u>\$ 17,991,009</u>	<u>\$ 13,896,407</u>	<u>\$ 156,670,518</u>
\$ 1,403,956	\$ 917,760	\$ 6,824,391
-	19,950	19,950
-	131,143	3,194,367
-	298,705	14,929,967
<u>1,403,956</u>	<u>1,367,558</u>	<u>24,968,675</u>
-	570,130	2,732,735
-	-	574,639
-	570,130	3,307,374
-	1,332,130	1,931,884
-	1,022,951	15,881,733
-	2,503,052	2,503,052
-	2,224,961	2,224,961
-	955,701	955,701
16,587,053	-	16,587,053
-	515	27,099,316
-	-	7,543,841
-	2,933,874	2,933,874
-	756,432	756,432
-	229,103	14,986,485
-	-	34,990,137
<u>16,587,053</u>	<u>11,958,719</u>	<u>128,394,469</u>
<u>\$ 17,991,009</u>	<u>\$ 13,896,407</u>	<u>\$ 156,670,518</u>

ORANGE COUNTY, NORTH CAROLINA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Reconciliation of the governmental funds' Balance Sheet to the Statement of Net Position

Ending fund balances - total governmental funds	\$ 128,394,469
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources; therefore, the assets are not reported in the governmental funds:	
Assets not subject to depreciation	\$ 80,422,785
Assets subject to depreciation	138,078,831
Less: accumulated depreciation	<u>(78,414,181)</u>
Capital assets, net of accumulated depreciation	140,087,435
Property taxes receivable are not available to pay for current period expenditures; therefore, the balances are reported as unavailable revenue in the governmental funds.	2,732,735
The net pension asset is restricted for pension benefits and is not a current financial resource; therefore, the asset is not reported in the governmental funds.	248,103
Deferred outflows of resources are not financial resources; therefore, the amounts are not reported in the governmental funds:	
Pension deferrals	16,175,044
Other post employment benefits ("OPEB") deferrals	47,890,765
Deferred charges on refunding	3,024,576
Accrued interest payable does not require current financial resources; therefore, the liability is not recognized and accrued in the governmental funds.	(3,726,546)
Long-term liabilities are not due and payable in the current period; therefore, the liabilities are not recognized and accrued in the governmental funds:	
General obligation bonds	(124,000,000)
Bond premiums	(9,291,660)
Limited obligation bonds	(160,303,818)
Bond premiums	(16,649,100)
Net pension liability - Local Government Employees Retirement System	(25,125,507)
Total pension liability - Law Enforcement Officers Special Separation Allowance	(6,671,108)
Net OPEB liability	(161,449,960)
Compensated absences	(5,145,584)
Claims payable	(471,535)
Deferred inflows of resources do not require financial resources; therefore, the amounts are not reported in the governmental funds:	
Pension deferrals	(323,352)
OPEB deferrals	(7,419,192)
The internal service fund is a proprietary fund. It is used by the County to charge costs to other funds. The assets and liabilities of the fund are reported as governmental activities in the Statement of Net Position.	<u>(194,525)</u>
Net position of governmental activities	<u>\$ (182,218,760)</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 (DEFICIT) GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	COVID-19 Relief Fund	County Capital Improvements Fund
REVENUES			
Property taxes	\$ 169,609,395	\$ -	\$ -
Sales taxes	32,101,942	-	109,874
Unrestricted intergovernmental	4,765,309	-	-
Restricted intergovernmental	20,904,872	964,532	454,718
Charges for services	11,549,397	-	-
Investment earnings	17,708	-	12,405
License and permits	281,024	-	-
Miscellaneous	932,459	-	197,206
Total revenues	240,162,106	964,532	774,203
EXPENDITURES			
Current:			
Community services	9,962,876	-	1,494,743
General government	13,549,081	44,487	1,242,354
Public safety	27,428,024	3,239,935	256,495
Human services	41,797,621	-	-
Education	92,671,015	-	-
Support services	11,970,772	-	565,192
Capital outlay	-	-	26,148,205
Debt service:			
Principal retirements	23,266,920	-	-
Interest and other charges	10,497,296	-	1,196,706
Total expenditures	231,143,605	3,284,422	30,903,695
Revenues over (under) expenditures	9,018,501	(2,319,890)	(30,129,492)
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	414,056	-	14,855,458
Premium on long-term debt issued	-	-	3,472,402
Payment to bond escrow agent	-	-	(7,136,379)
Transfers from other funds	7,566,105	-	938,657
Transfers to other funds	(8,826,409)	(325,000)	(107,680)
Sale of capital assets	1,422	-	-
Other financing sources (uses), net	(844,826)	(325,000)	12,022,458
Net change in fund balances	8,173,675	(2,644,890)	(18,107,034)
FUND BALANCES (DEFICIT):			
Beginning balances, as restated	67,943,351	(722,240)	45,205,835
Ending balances	\$ 76,117,026	\$ (3,367,130)	\$ 27,098,801

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

School Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 31,550,939	\$ 201,160,334
-	4,318,898	36,530,714
581,128	555,739	5,902,176
-	9,439,630	31,763,752
-	805,663	12,355,060
8,527	1,445	40,085
-	11,000	292,024
-	1,515,802	2,645,467
589,655	48,199,116	290,689,612
-	2,591,393	14,049,012
-	590,672	15,426,594
-	8,193,853	39,118,307
-	13,354,793	55,152,414
34,985,448	27,808,037	155,464,500
-	-	12,535,964
-	-	26,148,205
-	510,215	23,777,135
-	398,053	12,092,055
34,985,448	53,447,016	353,764,186
(34,395,793)	(5,247,900)	(63,074,574)
7,256,041	-	22,525,555
-	-	3,472,402
-	-	(7,136,379)
4,402,354	3,752,756	16,659,872
(4,000,000)	(490,429)	(13,749,518)
-	-	1,422
7,658,395	3,262,327	21,773,354
(26,737,398)	(1,985,573)	(41,301,220)
43,324,451	13,944,292	169,695,689
\$ 16,587,053	\$ 11,958,719	\$ 128,394,469

ORANGE COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the governmental funds' Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) to the Statement of Activities

Net change in fund balances - total governmental funds \$ (41,301,220)

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

Governmental funds report capital outlays as expenditures; however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense in the Statement of Activities. In addition, the book value of assets disposed is not reported in the governmental funds; however, this amount is netted against the proceeds from sale of assets to record the net gain or loss in the Statement of Activities.

Capital outlay	26,148,205
Depreciation expense	(4,783,256)
Net book value on assets disposed	(51,310)

Receivables deferred in the fund statements because they are not considered available and do not provide current financial resources. The following amounts are recognized as revenue in the Statement of Activities:

Net change in property tax revenue deferred	219,033
Net change in intergovernmental revenues deferred	(1,006,150)

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. The current year differences are as follows:

Long-term debt issued	(22,525,555)
Premiums on long-term debt issued	(3,472,402)
Payment to bond escrow agent	7,136,379
Principal retirements	23,777,135
Amortization of bond premiums	(1,535,230)
Amortization of deferred charges on refunding	(274,962)
Other reconciling debt adjustment	(1,673,671)

The following 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:

Net change in compensated absences	113,737
Net change in interest payable	(373,508)
Net change in claims payable	(14,878)
Pension expense - LGERS	(2,341,619)
Pension expense - LEOSSA	(545,340)
Pension expense - RODSPF	16,490
OPEB expense	(7,038,327)

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.

Change in net position - governmental activities	\$ (30,283,115)
--------------------------------------------------	-----------------

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 BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 167,234,047	\$ 167,234,047	\$ 169,609,395	\$ 2,375,348
Sales tax	25,577,353	25,577,353	32,101,942	6,524,589
Unrestricted intergovernmental	4,635,375	4,933,144	4,765,309	(167,835)
Restricted intergovernmental	13,439,611	23,862,252	20,904,872	(2,957,380)
Charges for services	12,444,279	12,444,279	11,549,397	(894,882)
Investment earnings	530,000	530,000	17,708	(512,292)
License and permits	288,250	288,250	281,024	(7,226)
Miscellaneous	898,372	1,003,000	932,459	(70,541)
Total revenues	225,047,287	235,872,325	240,162,106	4,289,781
EXPENDITURES				
Current:				
Community service	11,264,578	11,436,885	9,962,876	1,474,009
General government	11,440,791	14,733,484	13,549,081	1,184,403
Public safety	27,994,203	29,051,056	27,428,024	1,623,032
Human services	44,678,400	46,160,781	41,797,621	4,363,160
Education	93,440,414	93,809,052	92,671,015	1,138,037
Support services	11,858,157	12,787,530	11,970,772	816,758
Debt service:				
Principal retirements	23,346,978	23,346,978	23,266,920	80,058
Interest and other charges	10,063,947	10,563,673	10,497,296	66,377
Total expenditures	234,087,468	241,889,439	231,143,605	10,745,834
Revenues over (under) expenditures	(9,040,181)	(6,017,114)	9,018,501	15,035,615
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	5,486,817	7,609,519	7,566,105	(43,414)
Transfers to other funds	(4,965,239)	(9,005,671)	(8,826,409)	179,262
Long-term debt issued	200,000	612,651	414,056	(198,595)
Sale of capital assets	50,000	50,000	1,422	(48,578)
Appropriated fund balance	8,268,603	6,750,615	-	(6,750,615)
Other financing sources (uses), net	9,040,181	6,017,114	(844,826)	(6,861,940)
Net change in fund balance	\$ -	\$ -	8,173,675	\$ 8,173,675
FUND BALANCE				
Beginning balance			67,943,351	
Ending balance			\$ 76,117,026	

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

ORANGE COUNTY, NORTH CAROLINA

COVID-19 RELIEF FUND - MAJOR SPECIAL REVENUE FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND DEFICIT - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 3,750,000	\$ 18,169,861	\$ 964,532	\$ (17,205,329)
Total revenues	3,750,000	18,169,861	964,532	(17,205,329)
EXPENDITURES				
Current:				
General government	-	12,744,861	44,487	12,700,374
Public safety	3,750,000	3,750,000	3,239,935	510,065
Total expenditures	3,750,000	16,494,861	3,284,422	13,210,439
Revenues over (under) expenditures	-	1,675,000	(2,319,890)	(3,994,890)
OTHER FINANCING USES				
Transfers to other funds	-	(1,675,000)	(325,000)	1,350,000
Total other financing uses	-	(1,675,000)	(325,000)	1,350,000
Net change in fund deficit	\$ -	\$ -	(2,644,890)	\$ (2,644,890)
FUND DEFICIT				
Beginning balance			(722,240)	
Ending balance			\$ (3,367,130)	

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

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Solid Waste Landfill	SportsPlex	Nonmajor Fund	Total Enterprise Funds	Internal Service Fund
ASSETS					
Current assets:					
Cash and investments - unrestricted \$	15,378,890	\$ -	\$ -	\$ 15,378,890	\$ 640,702
Cash and investments - restricted	969,290	164,475	-	1,133,765	-
Accounts receivable, net	444,025	13,478	-	457,503	-
Due from other governments	91,850	-	-	91,850	-
Total current assets	<u>16,884,055</u>	<u>177,953</u>	<u>-</u>	<u>17,062,008</u>	<u>640,702</u>
Capital assets:					
Nondepreciable assets	824,593	794,466	-	1,619,059	-
Depreciable assets, net	8,400,709	8,685,811	-	17,086,520	-
Capital assets, net	<u>9,225,302</u>	<u>9,480,277</u>	<u>-</u>	<u>18,705,579</u>	<u>-</u>
Total assets	<u>26,109,357</u>	<u>9,658,230</u>	<u>-</u>	<u>35,767,587</u>	<u>640,702</u>
DEFERRED OUTFLOWS OF RESOURCES					
	<u>635,762</u>	<u>-</u>	<u>-</u>	<u>635,762</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	307,854	63,846	-	371,700	835,227
Accrued payroll and other liabilities	226,982	104,260	-	331,242	-
Unearned revenue	-	12,625	-	12,625	-
Current portion:					
Long-term debt	885,650	518,711	-	1,404,361	-
Landfill postclosure	290,000	-	-	290,000	-
Compensated absences payable	160,000	-	-	160,000	-
Total current liabilities	<u>1,870,486</u>	<u>699,442</u>	<u>-</u>	<u>2,569,928</u>	<u>835,227</u>
Noncurrent liabilities:					
Long-term debt	5,438,389	5,255,930	-	10,694,319	-
Landfill postclosure	6,956,899	-	-	6,956,899	-
Compensated absences payable	106,944	-	-	106,944	-
Net pension liability	1,251,737	-	-	1,251,737	-
Total noncurrent liabilities	<u>13,753,969</u>	<u>5,255,930</u>	<u>-</u>	<u>19,009,899</u>	<u>-</u>
Total liabilities	<u>15,624,455</u>	<u>5,955,372</u>	<u>-</u>	<u>21,579,827</u>	<u>835,227</u>
DEFERRED INFLOWS OF RESOURCES					
	<u>88,469</u>	<u>-</u>	<u>-</u>	<u>88,469</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	3,870,553	3,870,111	-	7,740,664	-
Unrestricted	7,161,642	(167,253)	-	6,994,389	(194,525)
Total net position	<u>\$ 11,032,195</u>	<u>\$ 3,702,858</u>	<u>\$ -</u>	<u>\$ 14,735,053</u>	<u>\$ (194,525)</u>

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, 2021

	Solid Waste Landfill	SportsPlex	Nonmajor Fund	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES					
Charges for services	\$ 10,541,673	\$ 2,727,377	\$ 21,734	\$ 13,290,784	\$ -
Employer and employee contributions	-	-	-	-	11,977,121
Other operating revenue	473,266	-	-	473,266	1,990,000
Total operating revenues	11,014,939	2,727,377	21,734	13,764,050	13,967,121
OPERATING EXPENSES					
Operations	8,813,066	1,541,885	-	10,354,951	12,150,645
General and administrative	1,530,301	928,238	470	2,459,009	108,312
Depreciation	747,376	498,357	-	1,245,733	-
Total operating expenses	11,090,743	2,968,480	470	14,059,693	12,258,957
Operating income (loss)	(75,804)	(241,103)	21,264	(295,643)	1,708,164
NON-OPERATING REVENUES					
(EXPENSES)					
Disposal taxes and reimbursements	342,141	-	-	342,141	-
Intergovernmental	6,319	-	-	6,319	-
Investment earnings	2,591	-	16	2,607	170
Gain on disposal of capital assets	68,487	-	-	68,487	-
Interest expense	(199,923)	(235,770)	-	(435,693)	-
Non-operating revenue (expenses), net	219,615	(235,770)	16	(16,139)	170
Income before special item and transfers	143,811	(476,873)	21,280	(311,782)	1,708,334
Special item - Efland sewer conveyance	-	-	(1,697,694)	(1,697,694)	-
Transfers from other funds	57,642	-	-	57,642	-
Transfers to other funds	(475,000)	-	(27,996)	(502,996)	(2,465,000)
Change in net position	(273,547)	(476,873)	(1,704,410)	(2,454,830)	(756,666)
NET POSITION					
Beginning balances, as previously reported	11,305,742	3,624,252	1,704,410	16,634,404	562,141
Prior period adjustment - correction of an error	-	555,479	-	555,479	-
Beginning balances, as restated	11,305,742	4,179,731	1,704,410	17,189,883	562,141
Ending balances	\$ 11,032,195	\$ 3,702,858	\$ -	\$ 14,735,053	\$ (194,525)

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, 2021

	Solid Waste Landfill	SportsPlex	Nonmajor Fund	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 10,796,595	\$ 2,686,989	\$ 21,734	\$ 13,505,318	\$ 11,977,121
Cash paid for goods and services	(4,596,818)	(1,515,717)	(158,828)	(6,271,363)	(12,106,042)
Cash paid to employees	(4,390,596)	(933,483)	-	(5,324,079)	-
Other cash receipts	455,106	-	-	455,106	1,990,000
Net cash provided by (used for) operating activities	<u>2,264,287</u>	<u>237,789</u>	<u>(137,094)</u>	<u>2,364,982</u>	<u>1,861,079</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(475,000)	-	(27,996)	(502,996)	(2,465,000)
Transfers from other funds	57,642	-	-	57,642	-
Cash received from interfund borrowing	-	-	67,607	67,607	-
Cash received from other governments	6,319	-	-	6,319	-
Net cash provided by (used for) non-capital financing activities	<u>(411,039)</u>	<u>-</u>	<u>39,611</u>	<u>(371,428)</u>	<u>(2,465,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition/construction of capital assets	(1,146,974)	(889,717)	-	(2,036,691)	-
Proceeds from issuance of debt	464,445	595,000	-	1,059,445	-
Cash received from interfund borrowing	-	432,022	-	432,022	-
Principal payments on long-term debt	(747,580)	(362,417)	-	(1,109,997)	-
Bond premium	189,355	259,118	-	448,473	-
Refunding deposits with escrow agent	(177,666)	(146,955)	-	(324,621)	-
Debt allocation adjustment	(27,637)	-	-	(27,637)	-
Proceeds from the sale of capital assets	68,487	-	-	68,487	-
Interest paid and fiscal fees paid	(222,889)	(232,248)	-	(455,137)	-
Net cash used for capital and related financing activities	<u>(1,600,459)</u>	<u>(345,197)</u>	<u>-</u>	<u>(1,945,656)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	2,591	-	16	2,607	170
Net increase (decrease) in cash and cash equivalents	255,380	(107,408)	(97,467)	50,505	(603,751)
CASH AND CASH EQUIVALENTS					
Beginning balances	16,092,800	271,883	97,467	16,462,150	1,244,453
Ending balances	<u>\$ 16,348,180</u>	<u>\$ 164,475</u>	<u>\$ -</u>	<u>\$ 16,512,655</u>	<u>\$ 640,702</u>
CASH AND CASH EQUIVALENTS					
Cash and investments - unrestricted	\$ 15,378,890	\$ -	\$ -	\$ 15,378,890	\$ 640,702
Cash and investments - restricted	969,290	164,475	-	1,133,765	-
Total cash and cash equivalents	<u>\$ 16,348,180</u>	<u>\$ 164,475</u>	<u>\$ -</u>	<u>\$ 16,512,655</u>	<u>\$ 640,702</u>

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, 2021

	Solid Waste Landfill	SportsPlex	Nonmajor Fund	Total Enterprise Funds	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	\$ (75,804)	\$ (241,103)	\$ 21,264	\$ (295,643)	\$ 1,708,164
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Disposal taxes and reimbursements	342,141	-	-	342,141	-
Depreciation	747,376	498,357	-	1,245,733	-
Landfill closure and postclosure care costs	1,249,997	-	-	1,249,997	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:					
Decrease (increase) in:					
Accounts receivable	(87,219)	1,375	-	(85,844)	-
Due from other governments	(18,160)	-	-	(18,160)	-
Deferred outflows - pensions	85,995	-	-	85,995	-
Increase (decrease) in:					
Accounts and claims payable	9,118	26,168	(158,358)	(123,072)	152,915
Accrued payroll withholdings	21,289	(5,245)	-	16,044	-
Accrued liabilities	136	-	-	136	-
Unearned revenue	-	(41,763)	-	(41,763)	-
Compensated absences payable	(23,981)	-	-	(23,981)	-
Net pension liability	(7,600)	-	-	(7,600)	-
Deferred charges on refunding	14,454	-	-	14,454	-
Deferred inflows - pensions	6,545	-	-	6,545	-
Net cash provided by (used for) operating activities	<u>\$ 2,264,287</u>	<u>\$ 237,789</u>	<u>\$ (137,094)</u>	<u>\$ 2,364,982</u>	<u>\$ 1,861,079</u>
NON-CASH NON-CAPITAL RELATED FINANCING ACTIVITIES					
Advance from other fund forgiven	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (136,000)</u>	<u>\$ (136,000)</u>	<u>\$ -</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Special item - Efland sewer conveyance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,697,694)</u>	<u>\$ (1,697,694)</u>	<u>\$ -</u>

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2021

	OPEB Trust Fund	Custodial Funds
ASSETS		
Cash and investments - restricted	\$ 429,766	\$ 270,693
Total assets	429,766	270,693
LIABILITIES		
Accounts payable	-	1,253
Accrued liabilities	-	65,181
Total liabilities	-	66,434
NET POSITION		
Restricted for:		
Other postemployment benefits	429,766	-
Individuals, organizations and other governments	-	204,259
Total net position	\$ 429,766	\$ 204,259

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 YEAR ENDED JUNE 30, 2021

	OPEB Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	\$ -	\$ -
Charges for services	-	15,985
Collections on behalf of inmates	-	307,902
Donations	-	7,494
Investment earnings	121,570	33
Corp loan repayments	-	22,659
Total additions	121,570	354,073
DEDUCTIONS		
Benefit payments	-	-
Payments on behalf of inmates	-	279,486
Payments to Orange County	-	25,000
Corp loans disbursed	-	14,168
Other	-	7,629
Total deductions	-	326,283
Change in net position	121,570	27,790
NET POSITION		
Beginning balances, as previously reported	308,196	-
Prior period adjustment-change in accounting principle	-	176,469
Beginning balances, restated	308,196	176,469
Ending balances	\$ 429,766	\$ 204,259

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, 2021

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

The County was founded in 1752 and is located in the northcentral portion of North Carolina (the "State") on the Piedmont Plateau. The County has a commissioner/manager form of government with a seven-member elected Board of Commissioners (the "Board") 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 units. The County's component units are discussed below and are included in the County's reporting entity because of the significance of their operational and financial relationship with the County. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the County.

Discretely Presented Component Units

Orange County Alcoholic Beverage Control Board. 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

Orange County Industrial Facility and Pollution Control Financing Authority. The Orange County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a three-member Board of Commissioners, all of who are appointed by the Board. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the County's financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation

Government-Wide Statements. 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 units. The effect of interfund activity has been removed from these statements in all material areas. 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 charged to external parties.

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

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. Basis of Presentation (Continued)

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining government and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

General Fund. This 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.

COVID-19 Relief Fund. This is a special revenue fund. It accounts for federal funds received from the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act of 2021.

County Capital Improvements Fund. This is a capital project fund. It is used to account for the financial resources used for the acquisition, renovation, and improvement of public facilities.

School Capital Improvements Fund. This is a special revenue fund. It accounts for financial resources used for the construction, acquisition, and renovation of public school facilities. Ownership of the facilities are conveyed to the local education agencies when completed.

The County reports the following major proprietary funds:

Solid Waste Landfill Fund. This is an enterprise fund. It is used to account for the revenues and expenses related to the provision of solid waste disposal and recycling activities for the citizens of Orange County.

SportsPlex Fund. This is an enterprise fund. It is used to account for the operation and maintenance of the Triangle SportsPlex.

The County reports the following fiduciary funds:

OPEB Trust Fund. This fund is used to report resources that are required to be held in trust for the members and beneficiaries of the County's Other Post Employment Benefit ("OPEB") retiree health plan.

Custodial Funds. These funds are used to report fiduciary activities not required to be reported in trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains four custodial funds.

The County reports the following other funds:

Non-major governmental funds. The County maintains twenty-three non-major special revenue and capital projects funds.

Non-major enterprise fund. The County maintained one non-major enterprise fund which was conveyed to a local municipality during the year as further discussed in the special item note.

Internal service fund. The County maintains one internal service fund that is used to account for the County's health and dental insurance benefit it provides to its employees.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Measurement Focus and Basis of Accounting

NCGS 159-26 requires the County to maintain all of its funds on the modified accrual basis of accounting during the year.

Government-Wide, Proprietary, and Fiduciary Fund Financial Statements. These statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Non-change transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from 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 County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements. These statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers most revenues to be available if they are collected within 90 days after year-end, except for property taxes which use a 60 day period. Since September 1, 2013, the State has been responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received.

Sales taxes and certain intergovernmental revenues collected and held by the State at year-end on behalf of the County, are recognized as revenue. Other intergovernmental revenues are not susceptible to accrual because generally they are not measurable until received in cash. All taxes are reported as general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes ("NCGS" or "G.S."). An annual budget ordinance is adopted for the General Fund, special revenues (excluding certain multi-year project funds), all enterprise operating funds and the internal service fund. Project ordinances are adopted for certain multi-year special revenue funds, capital project funds and capital project funds within each major enterprise fund. The enterprise capital project funds are consolidated with their respective operating fund for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the function level for all annually budgeted funds and at the project level for all project ordinances. Amendments are required for any revisions that alter total expenditures of any fund or that change appropriations by more than \$5,000. The Board must approve all amendments. During the year, the original budget ordinances were amended through supplemental appropriations. These changes are reflected in the supplemental budgetary comparison statements and schedules.

The budget ordinance must be adopted by July 1 of each fiscal year, or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted. All annually adopted budgetary appropriations lapse at the end of the fiscal year.

E. Deposits and Investments

All deposits of the County and the ABC Board are made in board-designated official depositories and are secured as required by NCGS 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in the State. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market deposit accounts, and certificate of deposit.

NCGS 159-30(c) authorizes the County and the ABC Board 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").

NCGS 159-30.1 allows the County to establish and fund an irrevocable trust for the purpose of paying OPEB expenses for which the County is liable. The County's OPEB Trust is 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 NCGS 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 NCGS 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 (the "STIF") consisting of short to intermediate treasuries, agencies and corporate issues authorized by NCGS 147-69.1, the Bond Index Fund (the "BIF") consisting of high quality debt securities eligible under NCGS 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under NCGS 147-69.2(b)(8).

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

E. Deposits and Investments (Continued)

The majority of the County's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost.

NCCMT. This investment, which consists of two SEC-registered funds, is authorized by NCGS 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAmf by Moody Investor Services. The Government Portfolio is reported at fair value.

The STIF. This investment is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. These investments are valued by the custodian using Level 2 inputs which in this case involves inputs other than quoted prices included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2021 of 1.3 years. Under the authority of NCGS 147.69.3, no unrealized gains or losses of the STIF are distributed participants of the fund.

The BIF. This investment is measured at fair value using Level 2 inputs and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. The BIF does not have a credit rating, was valued at \$1 per unit and had an average maturity of 7.97 years at June 30, 2021.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund. This investment is a common trust fund considered to be commingled in nature. The investment's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2021, the fair value of the funds was \$23.107392 per share. Fair value of this investment is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

F. Cash and Cash Equivalents

The County pools moneys from all funds, except the OPEB Trust Fund, to facilitate disbursement and investment and to maximize investment earnings. Therefore, all cash and investments are considered cash and cash equivalents. The ABC Board considers demand deposits and investments with a maturity date of 90 days or less at the time of purchase to be cash.

G. Restricted Assets

The unexpended debt proceeds of the governmental funds/governmental activities are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. The unexpended debt proceeds of the enterprise funds/business-type activities are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. Cash and investments in the OPEB Trust Fund is considered restricted because it can only be used to pay OPEB obligations.

H. 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 NCGS 105-347 and NCGS 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, 2020.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

I. 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.

J. 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."

K. Inventories

The inventories of the County and the ABC Board are valued at cost (first-in, first-out) which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when purchased. The inventory of the ABC Board consists of materials and supplies held for consumption or resale and is reported at lower of cost or market.

L. Prepaid Items

Payments made to vendors for services that will benefit future periods 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.

M. 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.

The County holds title to certain Orange County Board of Education and Chapel Hill-Carrboro City Board of Education (the "Schools") 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 Schools give the Schools 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 Schools once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are recorded as capital assets in the Schools' respective financial statements.

Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Land improvements	20 to 30 years
Building and leasehold improvements	20 to 30 years
Automotive equipment	3 to 5 years
Other equipment	5 to 20 years

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Capital Assets (Continued)

Capital assets of the ABC Board are depreciated on a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	25 to 50 years
Building improvements	10 to 15 years
Autos and trucks	5 to 7 years
Furniture, fixtures, and equipment	5 to 7 years

N. Deferred Outflows/Inflows of Resources

In the Statement of Net Position, 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 expense until then. The County has several items that meet this criterion - deferred charges on refunding, pension and OPEB related deferrals, and contributions made to the pension and OPEB plans in the current fiscal year. The ABC Board's deferred outflows consist of pension and OPEB related deferrals and contributions made to the pension plan in the current year.

In the Statement of Net Position, deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as revenue until then. The County has several items that meet this criterion – property taxes receivable (governmental funds), prepaid property taxes, pension related deferrals and OPEB related deferrals. The ABC Board's deferred inflows consist pension related deferrals.

O. 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.

Employees of the ABC Board hired prior to July 1, 1997 may accumulate up to twenty-four days of earned vacation; employees hired on or after July 1, 1997 may accumulated up to twenty days of earned vacations and such leave is fully vested when earned. Employees can accumulate an unlimited amount of sick leave. Sick leave does not vest, but unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. The ABC Board has no obligation to pay sick leave until it is actually taken.

P. 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Net Position/Fund Balances

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

Fund balances in the governmental fund financial statements are composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balances can be spent. Fund balances are classified as follows:

Nonspendable fund balance. This classification includes amounts that 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.

- Inventories and prepaid items - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories and prepaid items, which are not expendable available resources.
- Notes receivable - portion of fund balance that is not an available resource because it represents the year-end balance of notes receivable, which are not expendable available resources.

Restricted fund balance. This classification includes amounts that are restricted to specific purposes externally imposed by creditors, grantors, contributors, laws or regulations of other governments.

- Restricted for stabilization by State statute - G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS"), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by the nonspendable portion of fund balance. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.
- Restricted for public safety - This portion of fund balance is restricted by revenue source for certain public safety programs of the County.
- Restricted for human services - This portion of fund balance is restricted by revenue source for certain human services programs of the County. It also includes amounts that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.
- Restricted for community services - This portion of fund balance is restricted by revenue source for certain community services programs of the County.
- Restricted for education - This portion of fund balance is restricted by financing source for the specific school projects the debt was originally issued.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Q. Net Position/Fund Balances (Continued)

- Restricted for capital projects - This portion of fund balance is restricted by financing source for the specific projects the debt was originally issued.
- Restricted for working capital – The North Carolina Alcoholic Beverage Control Commission Rule [.0902] defines working capital as the total of cash, investments and inventory less all unsecured liabilities. The ABC Board must set its working capital requirements at not less than two weeks of average gross sales of the last fiscal year or greater than three months of average gross sales of the last fiscal year.

Committed fund balance. This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board. Similarly, the Board may only modify or rescind the commitment by formal action of the Board.

- Committed for health benefits - This portion of fund balance has been constrained by the Board to pay health benefits for employees of the County.
- Committed for education - This portion of fund balance has been constrained by the Board from sales tax to be used for projects to benefit the Schools.
- Committed for human services - This portion of fund balance has been constrained by the Board for the County's adoption assistance program.

Assigned fund balance. This classification includes amounts constrained by the Board to be used for specific purposes but, are neither restricted nor committed.

- To be used in the subsequent fiscal year - This portion of fund balance has been appropriated in the next year's budget and has not been classified as restricted or committed.

Unassigned fund balance. This classification includes the remaining portion of fund balance that is spendable and has not been restricted, committed or assigned. Any governmental fund with a fund deficit is classified as unassigned.

The County has a formal board adopted minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that unassigned fund balance be maintained at 16.0 percent of total expenditures in the General Fund.

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

S. 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

T. 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.

U. Distribution of Income

ABC Board - NCGS 18B-805(e) requires that the minimum distribution set aside in (c)(i), plus any profit remaining after deducting amounts required for law enforcement, education, and retaining proper working capital, be paid quarterly to the related municipal and county governments.

V. 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.

W. Subsequent events

The County evaluates subsequent events up through the date this report is made available. The ABC Board evaluated subsequent events through July 30, 2021. The County has extended consideration of additional subsequent events that could potentially affect the ABC Board's financial statements; no additional disclosures were noted.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Noncompliance with NCGS. The ABC Board experienced a significant increase in sales and sales-related expenses, including employee wages, due to the COVID-19 pandemic. While the ABC Board did amend its budgets to account for this activity, the significant increase resulted in higher sales and sales-related expenses than anticipated. The ABC Board will more closely review the budget reports and annual activity to ensure compliance in the future.

Deficit in fund balance. The County's COVID-19 Relief Fund had a deficit fund balance of \$3,367,130 as of June 30, 2021. The deficit is due to a timing difference. The County has received \$1.5 million subsequent to year end which represents reimbursements for costs incurred in responding to the impact of COVID-19 on the County's citizens. The remaining amount of \$1.8 million is expected to be received later in the year. In addition to the subsequent deposit of \$1.5 million, the County has assigned \$5 million of fund balance in the General Fund to be transferred to the COVID-19 Relief Fund during the year ending June 20, 2022.

NOTE 3. DEPOSITS AND INVESTMENTS

All the County's and ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the County's or ABC Board's agents in the County's or ABC Board's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and ABC Board, these deposits are considered to be held by their agents in the County's and ABC Board's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, ABC Board or the escrow agent.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS

Because of the inability to measure the exact amounts of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County and ABC Board have no formal policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all pooling method financial institutions and to monitor them for compliance. The County and ABC Board complies with the provisions of NCGS 159-31 when designating official depositories and verifying that deposits are properly secured.

The County's deposits, at June 30, 2021, had a carrying amount of \$40,201,846 and a bank balance of \$40,918,109. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$40,418,109 was covered by collateral held under the Pooling Method. The County's petty cash accounts, at June 30, 2021, totaled \$5,409.

The ABC Board's deposits, at June 30, 2021, had a carrying amount of \$4,558,305 and a bank balance of \$4,840,516. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$4,590,516 was covered by collateral held under the Pooling Method.

All investments of the County are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets. 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 investment balances, at June 30, 2021, consist of the following:

<u>Investment Type</u>	<u>Measurement Method</u>	<u>Fair Value</u>	<u>Less than 6 months</u>
NCCMT – Government Portfolio	Fair Value – Level 1	\$ 113,488,024	\$ 113,488,024
STIF	Various	<u>429,766</u>	<u>429,766</u>
Total investments		<u>\$ 113,917,790</u>	<u>\$ 113,917,790</u>

The NCCMT Government Portfolio has a weighted average maturity of less than 90 days; therefore, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has a AAAM rating from S&P and AAA-mf by Moody's Investor Service.

The OPEB Trust Fund is invested in the State Treasurer's STIF pursuant to NCGS 159-30.1. The STIF may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the NCGS. The County, at June 30, 2021, was invested as follows: BlackRock's MSCI ACWI EQ Index Non-lendable Class B Fund 99.86%; North Carolina Non-Pension Fixed Income 0.12%; and State Treasurer's STIF 0.02%.

Interest Rate Risk. The County and ABC Board does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 3. DEPOSITS AND INVESTMENTS

Credit risk. The County and ABC Board limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County's investments consist of investments in the NCCMT Government Portfolio which carried a credit rating of AAAM by Standard & Poor's as of June 30, 2021.

The County does not have a formal investment policy regarding credit risk for the OPEB Trust Fund. The STIF is unrated and authorized under NCGS 147-69.1. The 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 NCGS 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. NCGS 159-31 requires 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. The County and ABC Board's deposits are insured or collateralized at June 30, 2021 as required by NCGS.

NOTE 4. RECEIVABLES

The County's receivable balances at June 30, 2021 consisted of the following:

<u>Governmental Activities</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Taxes receivable	\$ 4,396,261	\$ 751,346	\$ 5,147,607
Accounts receivable	995,808	709,722	1,705,530
Other	131,143	-	131,143
Allowance for doubtful accounts	<u>(1,966,537)</u>	<u>-</u>	<u>(1,966,537)</u>
Net governmental activities	<u>\$ 3,556,675</u>	<u>\$ 1,461,068</u>	<u>\$ 5,017,743</u>
	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Total</u>
Accounts receivable	\$ 549,442	\$ 13,478	\$ 562,920
Allowance for uncollectible	<u>(105,417)</u>	<u>-</u>	<u>(105,417)</u>
Net business-type activities	<u>\$ 444,025</u>	<u>\$ 13,478</u>	<u>\$ 457,503</u>

The ABC Board's receivable balance at June 30, 2021 was \$4,099. There was no allowance for uncollectible accounts.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 4. RECEIVABLES

Due from other governments that is owed to the County consists of the following:

	Governmental Activities	Business-Type Activities
State of North Carolina:		
Local option sales tax	\$ 8,858,085	\$ -
Sales and use taxes	2,529,621	-
Other taxes	1,638,928	-
Grants	31,564	91,850
Federal government:		
Grants	371,482	-
Local:		
Other	32	-
Total due from other governments	\$ 13,429,712	\$ 91,850

NOTE 5. INVENTORIES

The County's inventories, at June 30, 2021, consisted of expendable supplies in the amount of \$9,645.

The ABC Board's inventories, at June 30, 2021, consisted of the following:

	Cost
Liquor in stores	\$ 2,190,454
Liquor in warehouse	905,360
Wine	7,718
Bags	19,078
Total inventories	\$ 3,122,610

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ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6. CAPITAL ASSETS

The County – Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals/ Reclassifications</u>	<u>Ending Balances</u>
Governmental activities:				
<u>Capital assets not depreciated:</u>				
Land	\$ 20,073,934	\$ -	\$ -	\$ 20,073,934
Intangible rights	481,624	-	-	481,624
Construction in progress	45,557,173	24,061,390	(9,751,336)	59,867,227
	<u>66,112,731</u>	<u>24,061,390</u>	<u>(9,751,336)</u>	<u>80,422,785</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements	97,850,627	9,751,336	-	107,601,963
Leasehold improvements	3,411,653	-	-	3,411,653
Automotive Equipment	11,377,034	1,864,190	(188,133)	13,053,091
Other Equipment	13,778,524	222,625	10,975	14,012,124
	<u>126,417,838</u>	<u>11,838,151</u>	<u>(177,158)</u>	<u>138,078,831</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	51,036,785	2,948,731	(170,580)	53,814,936
Leasehold improvements	1,791,121	-	170,580	1,961,701
Automotive Equipment	10,059,485	674,598	(101,040)	10,633,043
Other Equipment	10,869,382	1,159,927	(24,808)	12,004,501
	<u>73,756,773</u>	<u>4,783,256</u>	<u>(125,848)</u>	<u>78,414,181</u>
Capital assets being depreciated, net	<u>52,661,065</u>	<u>7,054,895</u>	<u>(51,310)</u>	<u>59,664,650</u>
Capital assets, net	<u>\$ 118,773,796</u>	<u>\$ 31,116,285</u>	<u>\$ (9,802,646)</u>	<u>\$ 140,087,435</u>

Depreciation expense was charged to the following functions:

Community Services	\$ 117,965
General Government	65,806
Public Safety	1,242,603
Human Services	124,084
Support Services	3,232,798
	<u>\$ 4,783,256</u>

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6. CAPITAL ASSETS

	Beginning Balances	Additions	Disposals/ Reclassifications	Ending Balances
Business-type activities:				
<i>Solid Waste Landfill</i>				
<u>Capital assets not depreciated:</u>				
Land	\$ 824,593	\$ -	\$ -	\$ 824,593
Construction in progress	3,451,475	14,655	(3,466,130)	-
	4,276,068	14,655	(3,466,130)	824,593
 <u>Capital assets being depreciated:</u>				
Land improvements	3,956,457	3,466,130	-	7,422,587
Buildings	5,084,038	-	-	5,084,038
Equipment	11,289,773	1,132,319	(225,662)	12,196,430
	20,330,268	4,598,449	(225,662)	24,703,055
 <u>Less accumulated depreciation for:</u>				
Land improvements	3,451,718	18,011	-	3,469,729
Buildings	1,908,188	163,499	-	2,071,687
Equipment	10,420,726	565,866	(225,662)	10,760,930
	15,780,632	747,376	(225,662)	16,302,346
Capital assets being depreciated, net	4,549,636	3,851,073	-	8,400,709
Capital assets, net	\$ 8,825,704	\$ 3,865,728	\$ (3,466,130)	\$ 9,225,302
	Beginning Balances	Additions	Disposals/ Reclassifications	Ending Balances
Business-type activities:				
<i>SportsPlex</i>				
<u>Capital assets not depreciated:</u>				
Land	\$ 794,466	\$ -	\$ -	\$ 794,466
Construction in progress	3,486,419	889,107	(4,375,526)	-
	4,280,885	889,107	(4,375,526)	794,466
 <u>Capital assets being depreciated:</u>				
Buildings	8,367,420	4,375,526	-	12,742,946
Equipment	659,233	-	1	659,234
	9,026,653	4,375,526	1	13,402,180
 <u>Less accumulated depreciation for:</u>				
Buildings	3,666,110	457,979	(609)	4,123,480
Equipment	552,511	40,378	-	592,889
	4,218,621	498,357	(609)	4,716,369
Capital assets being depreciated, net	4,808,032	3,877,169	610	8,685,811
Capital assets, net	\$ 9,088,917	\$ 4,766,276	\$ (4,374,916)	\$ 9,480,277

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 6. CAPITAL ASSETS

The ABC Board – Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balances</u>
Discretely presented component unit:				
<u>Capital assets not depreciated:</u>				
Land	\$ 1,832,547	\$ 118,494	\$ -	\$ 1,951,041
Construction in progress	-	72,988	-	72,988
	<u>1,832,547</u>	<u>191,482</u>	<u>-</u>	<u>2,024,029</u>
<u>Capital assets being depreciated:</u>				
Buildings and improvements	7,820,788	145,151	-	7,965,939
Store fixtures and equipment	1,218,035	23,076	-	1,241,111
Warehouse fixtures and equipment	105,059	30,887	-	135,946
Office furniture, fixtures and equipment	276,364	4,928	-	281,292
Leasehold improvements	232,407	-	-	232,407
Motor vehicles	205,630	-	-	205,630
	<u>9,858,283</u>	<u>204,042</u>	<u>-</u>	<u>10,062,325</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements	1,712,802	234,054	-	1,946,856
Store fixtures and equipment	867,705	120,777	-	988,482
Warehouse fixtures and equipment	80,220	18,623	-	98,843
Office furniture, fixtures and equipment	196,114	20,316	-	216,430
Leasehold improvements	67,087	23,799	-	90,886
Motor vehicles	140,650	20,619	-	161,269
	<u>3,064,578</u>	<u>438,188</u>	<u>-</u>	<u>3,502,766</u>
Capital assets being depreciated, net	<u>6,793,705</u>	<u>(234,146)</u>	<u>-</u>	<u>6,559,559</u>
Capital assets, net	<u>\$ 8,626,252</u>	<u>\$ (42,664)</u>	<u>\$ -</u>	<u>\$ 8,583,588</u>

Construction commitments – The County has active construction projects in progress at June 30, 2021. The County has contractual commitments on these projects of approximately \$3,930,000.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

The County – Long-term liability activity for the year ended June 30, 2021 is as follows:

	Beginning Balances	Additions	Repayments and Adjustments	Ending Balances	Due Within One Year
Governmental activities:					
General obligation bonds -					
direct placement	\$ 131,000,000	\$ -	\$ 7,000,000	\$ 124,000,000	\$ 12,790,000
Bond premiums	10,452,563	-	1,160,903	9,291,660	1,245,330
Total general obligation bonds	<u>141,452,563</u>	<u>-</u>	<u>8,160,903</u>	<u>133,291,660</u>	<u>14,035,330</u>
Installment notes - direct borrow-					
ing and direct placement	160,217,516	22,525,555	22,439,253	160,303,818	17,354,697
Note premiums	10,480,565	3,472,402	(2,696,133)	16,649,100	1,308,693
Total installment notes	<u>170,698,081</u>	<u>25,997,957</u>	<u>19,743,120</u>	<u>176,952,918</u>	<u>18,663,390</u>
Revolving loan	831,074	-	831,074	-	-
Net pension liability - LGERS	19,552,200	5,573,307	-	25,125,507	-
Total pension liability - LEOSSA	4,708,711	1,962,397	-	6,671,108	-
Compensated absences	5,259,321	3,041,856	3,155,593	5,145,584	3,100,000
Claims payable	456,657	2,823,591	2,808,713	471,535	272,000
Net OPEB liability	137,190,344	24,259,616	-	161,449,960	-
Total long-term liabilities	<u>\$ 480,148,951</u>	<u>\$ 63,658,724</u>	<u>\$ 34,699,403</u>	<u>\$ 509,108,272</u>	<u>\$ 36,070,720</u>
	Beginning Balances (Restated)	Additions	Repayments and Adjustments	Ending Balances	Due Within One Year
Business-type activities:					
<i>Solid Waste Landfill</i>					
Installment notes - direct borrow-					
ing and direct placement	\$ 6,202,101	\$ 464,445	\$ 952,882	\$ 5,713,664	\$ 885,650
Note premiums	421,020	189,355	-	610,375	-
Total installment notes	<u>6,623,121</u>	<u>653,800</u>	<u>952,882</u>	<u>6,324,039</u>	<u>885,650</u>
Net pension liability - LGERS	1,259,337	-	7,600	1,251,737	-
Post-closure care costs	5,996,902	1,249,997	-	7,246,899	290,000
Compensated absences	290,925	150,574	174,555	266,944	160,000
Total long-term liabilities	<u>\$ 14,170,285</u>	<u>\$ 2,054,371</u>	<u>\$ 1,135,037</u>	<u>\$ 15,089,619</u>	<u>\$ 1,335,650</u>
<i>SportsPlex</i>					
Installment notes - direct borrow-					
ing and direct placement	\$ 5,296,362	\$ 595,000	\$ 509,372	\$ 5,381,990	\$ 518,711
Note premiums	133,533	259,118	-	392,651	-
Total long-term liabilities	<u>\$ 5,429,895</u>	<u>\$ 854,118</u>	<u>\$ 509,372</u>	<u>\$ 5,774,641</u>	<u>\$ 518,711</u>

For all governmental funds, compensated absences and claims payable are liquidated through the General Fund. The pension and OPEB liabilities are liquidated primarily through the General Fund.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

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 at June 30, 2021 were as follows:

Governmental activities:	<u>Outstanding Balance</u>
\$24,440,000 Series 2011 refunding serial bonds, due in semi-annual installments through February, 2023 with interest ranging from 3.00 to 4.00%.	\$ 8,105,000
\$13,300,000 Series 2012 refunding serial bonds, due in semi-annual installments through April, 2024 with interest at 4.00%.	6,445,000
\$5,900,000 Series 2017A school bonds, due in annual installments through February, 2028 with interest ranging from 4.00 to 5.00%	4,400,000
\$21,000,000 Series 2017B school bonds, due in annual installments through February, 2028 with interest ranging from 2.15 to 5.00%	20,590,000
\$64,400,000 Series 2018 school bonds, due in annual installments through August, 2038 with interest ranging from 2.65 to 5.00%	64,400,000
\$20,060,000 Series 2020 school bonds, due in annual installments through August, 2040 with interest ranging from 2.00 to 5.00%	<u>20,060,000</u>
Total general obligation bonds	<u>\$ 124,000,000</u>

Of the amount serviced by the County's General Fund shown above, \$109,450,000 is considered to be debt related to the Schools.

The annual debt service requirements to maturity on the general obligation bonds are as follows:

	Governmental Activities		
	Principal	Interest	Total
Year ending June 30:			
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	6,055,000	2,911,100	8,966,100
2027-2031	30,275,000	10,384,108	40,659,108
2032-2036	30,235,000	5,098,432	35,333,432
2037-2041	18,665,000	928,780	19,593,780
Total debt service	<u>\$ 124,000,000</u>	<u>\$ 34,963,920</u>	<u>\$ 158,963,920</u>

As of June 30, 2021, the County has \$18.6 million of authorized but unissued bonds. The County is subject to the Local Government Bond Act of North Carolina which limits the amount debt local governments can issue to 8% of the appraised value of property subject to taxation. The County's debt margin, at June 30, 2021, was approximately \$1,260,597,000.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

Installment Notes Payable

All financing agreements are secured by the underlying assets along with the full faith and taxing authority of the County. The outstanding balances at June 30, 2021 were as follows:

	<u>Outstanding Balance</u>
Governmental activities:	
Direct borrowing - \$9,889,439 Certificates of Participation due in annual installments through January, 2026 with interest ranging from 4.00 to 5.00%.	\$ 3,296,480
Direct placement - \$35,620,168 Series 2011 limited obligation bonds due in annual installments through October, 2021 with interest at 5.00%.	2,208,534
Direct placement - \$55,257,136 Series 2012 limited obligation bonds due in annual installments through October, 2022 with interest ranging from 0.00 to 5.00%.	8,386,045
Direct placement - \$4,136,434 of qualified school construction bonds due in annual installments through March, 2025 at 0% interest.	1,103,049
Direct placement - \$17,029,037 Series 2015 NM limited obligation bonds due in annual installments through April, 2030 with interest ranging from 3.25 to 5.00%.	9,827,050
Direct placement - \$25,556,391 Series 2017 limited obligation bonds due in annual installments through October, 2032 with interest ranging from 0.00 to 5.00%.	23,968,540
Direct borrowing - \$10,079,071 Series 2017 from Sterling Bank due in annual installments through June, 2037 with interest at 2.83%.	7,399,000
Direct placement - \$7,242,241 Series 2018 limited obligation bonds due in annual installments through October, 2038 with interest ranging from 3.25 to 5.00%.	5,680,000
Direct placement - \$12,796,234 Series 2019A limited obligation bonds due in annual installments through October, 2039 with interest ranging from 4.00 to 5.00%.	11,900,000
Direct placement - \$28,869,388 Series 2019B limited obligation bonds due in annual installments through October, 2039 with interest ranging from 1.75 to 5.00%.	24,346,565
Direct placement - \$39,663,000 Series 2020 limited obligation bonds due in annual installments through October, 2040 with interest at 2.70%.	39,663,000
Direct placement - \$18,490,000 Series 2021A limited obligation bonds due in annual installments through November, 2041 with interest ranging from 2.00 to 5.00%.	18,490,000
Direct placement - \$4,035,555 Series 2021B taxable limited obligation refunding bonds due in annual installments through November, 2041 with interest ranging from 2.00 to 5.00%.	<u>4,035,555</u>
Total installment notes - governmental activities	<u>\$ 160,303,818</u>

Of the amount serviced by the County's General Fund shown above, \$50,156,889 is considered to be debt related to the Schools.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

Installment Notes Payable (Continued)

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

	Governmental Activities		
	Principal	Interest	Total
Year ending June 30:			
2022	\$ 17,354,697	\$ 5,960,338	\$ 23,315,035
2023	16,210,566	5,294,088	21,504,654
2024	15,732,206	4,640,473	20,372,679
2025	14,579,692	4,053,257	18,632,949
2026	12,393,353	3,484,279	15,877,632
2027-2031	42,310,905	10,575,022	52,885,927
2032-2036	24,211,399	4,581,460	28,792,859
2037-2041	17,076,000	1,162,780	18,238,780
2042-2046	435,000	4,350	439,350
Total debt service	\$ 160,303,818	\$ 39,756,047	\$ 200,059,865

Business-type activities:

Solid Waste Landfill

	Outstanding Balance
Direct placement - \$1,819,028 Series 2011 limited obligation bonds due in annual installments through October, 2021 with interest at 5.00%.	\$ 112,784
Direct placement - \$2,711,193 Series 2012 limited obligation bonds due in annual installments through October, 2022 with interest ranging from 0.00 to 5.00%.	425,607
Direct placement - \$1,022,396 Series 2015 NM limited obligation bonds due in annual installments through April, 2030 with interest ranging from 3.25 to 5.00%.	590,000
Direct placement - \$1,228,736 Series 2017 limited obligation bonds due in annual installments through October, 2032 with interest ranging from 0.00 to 5.00%.	1,152,393
Direct borrowing - \$350,091 Series 2017 from Sterling Bank due in annual installments through June, 2037 with interest at 2.83%.	257,000
Direct placement - \$267,759 Series 2018 limited obligation bonds due in annual installments through October, 2038 with interest ranging from 3.25 to 5.00%.	210,000
Direct placement - \$1,338,766 Series 2019A limited obligation bonds due in annual installments through October, 2039 with interest ranging from 4.00 to 5.00%.	1,245,000
Direct placement - \$306,444 Series 2019B limited obligation bonds due in annual installments through October, 2039 with interest ranging from 1.75 to 5.00%.	258,435
Direct placement - \$998,000 Series 2020 limited obligation bonds due in annual installments through October, 2040 with interest at 2.70%.	998,000

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

Installment Notes Payable (Continued)

	Outstanding Balance
Business-type activities:	
<i>Solid Waste Landfill (Continued)</i>	
Direct placement - \$270,000 Series 2021A limited obligation bonds due in annual installments through November, 2041 with interest ranging from 2.00 to 5.00%.	\$ 270,000
Direct placement - \$194,445 Series 2021B taxable limited obligation refunding bonds due in annual installments through November, 2041 with interest ranging from 2.00 to 5.00%.	194,445
Total installment notes - Solid Waste Landfill	\$ 5,713,664
<i>SportsPlex</i>	
Direct placement - \$865,804 Series 2011 limited obligation bonds due in annual installments through October, 2021 with interest at 5.00%.	\$ 53,682
Direct placement - \$1,011,671 Series 2012 limited obligation bonds due in annual installments through October, 2022 with interest ranging from 0.00 to 5.00%.	448,291
Direct placement - \$2,058,567 Series 2015 NM limited obligation bonds due in annual installments through April, 2030 with interest ranging from 3.25 to 5.00%.	1,187,950
Direct placement - \$334,873 Series 2017 limited obligation bonds due in annual installments through October, 2032 with interest ranging from 0.00 to 5.00%.	314,067
Direct borrowing - \$3,041,839 Series 2017 from Sterling Bank due in annual installments through June, 2037 with interest at 2.83%.	2,233,000
Direct placement - \$569,169 Series 2019B limited obligation bonds due in annual installments through October, 2039 with interest ranging from 1.75 to 5.00%.	480,000
Direct placement - \$70,000 Series 2020 limited obligation bonds due in annual installments through October, 2040 with interest at 2.70%.	70,000
Direct placement - \$595,000 Series 2021A limited obligation bonds due in annual installments through November, 2041 with interest ranging from 2.00 to 5.00%.	595,000
Total installment notes - SportsPlex	\$ 5,381,990

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

	Business-Type Activities			
	Solid Waste Landfill		SportsPlex	
	Principal	Interest	Principal	Interest
Year ending June 30:				
2022	\$ 885,650	\$ 223,609	\$ 518,711	\$ 165,461
2023	920,655	184,575	551,779	144,679
2024	779,733	148,899	553,118	156,045
2025	631,436	120,842	551,930	134,352
2026	551,021	96,040	530,922	110,518
2027-2031	1,501,568	192,175	1,351,528	323,457
2032-2036	298,601	45,380	955,000	137,074
2037-2041	145,000	10,788	344,000	18,921
2042-2046	-	-	25,000	250
Total debt service	\$ 5,713,664	\$ 1,022,308	\$ 5,381,988	\$ 1,190,757

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

Installment Notes Payable (Continued)

During 2021 the County issued \$19,355,000 and \$4,230,000 in limited obligation bonds Series 2019A and 2019B, respectively ("LOBs"). The LOBs carry interest rates ranging from 2.00% - 5.00%. The proceeds of the LOBs, along with \$3,634,848 in premium on Series 2019A, were used to partially advance refund \$3,865,000 and \$3,596,000 of Series 2012 and 2014 serial bonds, respectively.

The ABC Board – Long-term liability activity for the year ended June 30, 2021 is as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Repayments and Adjustments</u>	<u>Ending Balances</u>	<u>Due Within One Year</u>
Notes payable	\$ 3,229,323	\$ -	\$ 513,735	\$ 2,715,588	\$ 194,934
Net pension liability - LGERS	661,702	178,053	-	839,755	-
Retiree health insurance	1,307,654	-	55,261	1,252,393	-
Total long-term liabilities	<u>\$ 5,198,679</u>	<u>\$ 178,053</u>	<u>\$ 568,996</u>	<u>\$ 4,807,736</u>	<u>\$ 194,934</u>

Notes Payable

The ABC Board's notes payable are secured by the underlying assets. The outstanding balances at June 30, 2021 are as follows:

	<u>Outstanding Balance</u>
Note payable from BB&T Governmental Finance due in monthly installments of \$9,075 including interest at 3.15%.	\$ 755,090
Note payable from Roxboro Savings Bank due in monthly installments of \$17,042 including interest at 5.39%.	<u>1,960,498</u>
Total notes payable	<u>\$ 2,715,588</u>

The ABC Board's current maturities on notes payable are as follows:

	<u>Principal</u>
Year ending June 30:	
2022	\$ 194,934
2023	203,238
2024	211,913
2025	220,976
2026	230,446
Thereafter	<u>1,654,081</u>
	<u>\$ 2,715,588</u>

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 7. LONG-TERM DEBT

Landfill Closure and Post-Closure Care Costs

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 of \$7,246,899 for closure and post-closure care in the Solid Waste Landfill Fund. The County's municipal solid waste landfill is no longer accepting waste and has been closed with all estimated post-closure costs estimated and 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, 2021, 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.

NOTE 8. INTERFUND BALANCES AND TRANSFERS

Interfund Receivables and Payables

The County uses a central depository to pool its cash and investments. The General Fund is the primary lending fund when timing differences create cash deficits in other funds. These deficits are temporary and are reported as "Due to other funds". The offsetting receivable balance is recorded in the General Fund as "Due from other funds". Interfund balances between governmental funds and the internal service fund is eliminated at the government-wide level. The outstanding balance of \$19,950, at June 30, 2021, was between the General Fund and a nonmajor special revenue fund and it was eliminated at the government-wide level.

Transfers

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. The following is a summary of the transfers made during the year:

Transfers from other funds

	General Fund	County Capital Improvements Fund	School Capital Improvements Fund	Non-major Governmental Funds	Solid Waste Landfill Fund	Transfers to other Funds
General Fund	\$ -	\$ 938,657	\$ 4,402,354	\$ 3,427,756	\$ 57,642	\$ 8,826,409
COVID-19 Relief Fund	-	-	-	325,000	-	325,000
County Capital Improve- ments Fund	107,680	-	-	-	-	107,680
School Capital Improve- ments Fund	4,000,000	-	-	-	-	4,000,000
Non-major governmental funds	490,429	-	-	-	-	490,429
Solid Waste Landfill Fund	475,000	-	-	-	-	475,000
Non-major enterprise fund	27,996	-	-	-	-	27,996
Internal Service Fund	2,465,000	-	-	-	-	2,465,000
Total transfers	<u>\$ 7,566,105</u>	<u>\$ 938,657</u>	<u>\$ 4,402,354</u>	<u>\$ 3,752,756</u>	<u>\$ 57,642</u>	<u>\$ 8,144,049</u>

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 9. SPECIAL ITEM

The County has constructed water and sewer infrastructure in the Efland area and accounted for the activity in an enterprise fund. Pursuant to a County resolution, the County transferred ownership of the infrastructure to the City of Mebane, North Carolina during the year. The close out of the non-major enterprise fund resulted in \$1,697,694 reported as a special item.

NOTE 10. NET POSITION/FUND BALANCE

Net Investment in Capital Assets

As discussed in Note 1M, the County issues debt for the acquisition and construction of assets for the Schools. The calculation of "Net Investment in Capital Assets" must exclude school related debt because the County does not own the assets. The following summarizes the County's calculation:

	Governmental Activities	Business-type Activities
Capital assets, net	\$ 140,087,435	\$ 18,705,579
Less:		
County related debt - bonds	(14,550,000)	-
County related debt - installment notes	(110,146,929)	(11,095,654)
Unamortized premium on county related debt	(7,194,926)	(1,003,026)
Add:		
Unexpended proceeds on county related debt	28,225,124	1,133,765
Net investment in capital assets	\$ 36,420,704	\$ 7,740,664

Encumbrances

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances in the General Fund, at June 30, 2021, were \$1,161,002.

Fund balance available for Appropriation

Certain portions of fund balance are not available for spending. The following schedule provides the County and its citizens with information on the portion of fund balance, in the General Fund, that is available for appropriation:

Total fund balance – General Fund	\$ 76,117,026
Less:	
Nonspendable fund balance	(599,754)
Stabilization by state statute	(14,858,782)
Encumbrances	(1,161,002)
Fund balance available for appropriation	\$ 59,497,488

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

A. Local Governmental Employees' Retirement System

Plan Description. The County and ABC Board are participating employers 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 Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The State's ACFR 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.

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 NCGS 128-30 and may be amended only by the North Carolina General Assembly. County and ABC Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for 2021 was 10.90% of compensation for law enforcement officers and 10.15% for general employees and firefighters. The ABC Board's contractually required contribution rate was 8.00% of compensation for law enforcement officers and 7.35% for general employees. The total actuarially determined employer and employee contributions are expected to finance the costs of benefits earned by employees during the year. Contributions from the County and ABC Board, for the year ended June 30, 2021, were \$5,549,552 and \$164,232, respectively.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

A. Local Governmental Employees' Retirement System (Continued)

Refunds of Contributions – County and ABC Board 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

The County and ABC Board reported a liability, at June 30, 2021, for its proportionate share of the net pension liability in the amount of \$26,377,244 and \$839,755, respectively. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's and ABC Board's proportion of the net pension liability was based on a projection of the County's and ABC Board'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. The County's proportion was 0.73815%, at June 30, 2021, which was a decrease of 0.02392% from its proportion measured as of June 30, 2020. The ABC Board's proportion was 0.02350%, at June 30, 2020, which was a decrease of 0.00073% from its proportion measured as of June 30, 2019.

The County and the ABC Board recognized pension expense, for the year ended June 30, 2021, of \$9,065,538 and \$276,636, respectively. The County and ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions, at June 30, 2021, from the following sources:

	County		ABC Board	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,330,983	\$ -	\$ 106,046	\$ -
Changes of assumptions	1,962,984	-	62,494	-
Net difference between projected and actual earnings on pension plan investments	3,711,890	-	118,173	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	36,030	208,907	1,338	38,987
Contributions subsequent to the measurement date	5,549,552	-	164,232	-
	\$ 14,591,439	\$ 208,907	\$ 452,283	\$ 38,987

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

A. Local Governmental Employees' Retirement System (Continued)

County and ABC Board contributions made subsequent to the measurement date of \$5,549,552 and \$164,232, respectively, 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, 2022. Other amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

	County	ABC Board
Year ending June 30:		
2022	\$ 2,476,926	\$ 67,610
2023	3,335,619	93,029
2024	1,921,907	53,453
2025	1,098,528	34,973
Total	\$ 8,832,980	\$ 249,065

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

Inflation	3.0 percent
Salary increases	3.5 – 8.10% percent
Investment rate of return	7.0 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, 2019 valuation were based on the results of an actuarial experience study as of 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. 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

A. Local Governmental Employees' Retirement System (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100.0%	

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 3.05%. 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.

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:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability	\$ 53,516,554	\$ 26,377,244	\$ 3,822,569
ABC Board's proportionate share of the net pension liability	\$ 1,703,772	\$ 839,755	\$ 121,697

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

B. Law Enforcement Officers Special Separation Allowance

Plan Description. The 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, 2019, the date of the most recent actuarial valuation the Separation Allowance's membership consisted of:

Retirees receiving benefits	14
Active plan members	<u>98</u>
Total participants	<u>112</u>

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, 2019 valuation. The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 – 7.75 percent
Discount rate	1.93 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 3.26% to 1.93% due to a change in the Municipal Bond Rate.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the LGERS for the five-year period ending December 31, 2014.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

B. Law Enforcement Officers Special Separation Allowance (Continued)

Mortality Assumptions. All mortality rates use Pub-2010 amount-weighted tables.

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 \$240,710 as benefits came due for the reporting period.

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

The County reported a total pension liability at June 30, 2021 of \$6,671,108. The total pension liability was measured as of December 31, 2020, based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020, utilizing update procedures incorporating the actuarial assumptions. The County recognized pension expense of \$789,273 for the year ended June 30, 2021. The County reported deferred outflows of resources and deferred inflows of resources related to pensions, at June 30, 2021, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 597,655	\$ -
Changes of assumptions and other inputs	1,464,481	89,158
Benefit payments made subsequent to the measurement date	136,277	-
	\$ 2,198,413	\$ 89,158

An amount of \$136,277 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, 2022. 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:	
2022	\$ 469,702
2023	466,347
2024	414,486
2025	368,262
2026	254,181
Total	\$ 1,972,978

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

B. Law Enforcement Officers Special Separation Allowance (Continued)

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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
County's LEOSSA total pension liability	\$ 7,212,270	\$ 6,671,108	\$ 6,173,802

Changes in the Total Pension Liability. The changes in County's the total pension liability for the year ended June 30, 2021, were as follows:

Beginning balance	\$ 4,708,711
Service Cost	169,991
Interest on the total pension liability	149,580
Difference between expected and actual experience	301,174
Changes of assumptions or other inputs	1,582,362
Benefit payments	(240,710)
Ending balance	\$ 6,671,108

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.

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

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 \$9,819 for the year ended June 30, 2021.

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

The County reported an asset of \$248,103 at June 30, 2021 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, 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, 2020, the County's proportion was 1.08257%, which was a decrease of 0.07042% from its proportion measured as of June 30, 2019.

The County recognized pension expense of \$14,829 for the year ended June 30, 2021. The County reported deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2021 from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,056
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	21,229
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,135	8,916
Contributions subsequent to the measurement date	9,819	-
	\$ 20,954	\$ 35,201

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

C. Register of Deeds Supplemental Pension Fund (Continued)

County contributions made subsequent to the measurement date of \$9,819 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension asset during the year ended June 30, 2022. 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:	
2022	\$ (2,583)
2023	(6,554)
2024	(9,581)
2025	<u>(5,348)</u>
Total	<u>\$ (24,066)</u>

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

Inflation	3.00 percent
Salary increases	3.50 – 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2019 valuation were adopted for use beginning with the December 31, 2015 actuarial valuation, based on the results of the experience study prepared as of 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, 2021, 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

C. Register of Deeds Supplemental Pension Fund (Continued)

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.

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 asset	\$ 210,733	\$ 248,103	\$ 279,725

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the state of North Carolina.

D. Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions

The net pension liability (asset) for LGERS and RODSPF were measured as of June 30, 2020, and the total pension liability (asset) used to calculate the net pension liability (asset) were determined by an actuarial valuations as of December 31, 2019. The total pension liability for LEOSSA was measured as of December 31, 2020, with an actuarial valuation date of December 31, 2019.

The County and ABC Board's proportion of the net pension liability (asset) was based on each unit's share of contributions to the pension plan relative to the contribution of all participating entities. The following is information related to the proportionate share and pension expense:

	County				ABC Board
	LGERS	RODSPF	LEOSSA	Total	LGERS
Pension expense	\$ 9,065,538	\$ 14,829	\$ 789,273	\$ 9,869,640	\$ 276,636
Pension liabilities	26,377,244	-	6,671,108	26,377,244	839,755
Net pension asset	-	(248,103)	-	(248,103)	-
Proportion of the net pension liability (asset)	0.73815%	1.08257%	N/A	N/A	0.02350%

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

D. Pension Liabilities (Asset), Pension Expense, and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions (Continued)

The County and ABC Board reported deferred outflows of resources and deferred inflows of resources, at June 30, 2021, related to pensions from the following sources:

	County				ABC Board
	LGERS	RODSPF	LEOSSA	Total	LGERS
Deferred outflows of resources:					
Differences between expected and actual experience	\$ 3,330,983	\$ -	\$ 597,655	\$ 3,928,638	\$ 106,046
Changes in assumptions	1,962,984	-	1,464,481	3,427,465	62,494
Net difference between projected and actual earnings on plan investments	3,711,890	-	-	3,711,890	118,173
Changes in proportion and differences between contributions and proportionate share of contributions	36,030	11,135	-	47,165	1,338
Contributions, benefit payments and administrative costs paid subsequent to the measurement date	5,549,552	9,819	136,277	5,695,648	164,232
	<u>\$ 14,591,439</u>	<u>\$ 20,954</u>	<u>\$ 2,198,413</u>	<u>\$ 16,810,806</u>	<u>\$ 452,283</u>
Deferred inflows of resources:					
Differences between expected and actual experience	\$ -	\$ 5,056	\$ -	\$ 5,056	\$ -
Changes in assumptions	-	-	89,158	89,158	-
Net difference between projected and actual earnings on plan investments	-	21,229	-	21,229	-
Changes in proportion and differences between contributions and proportionate share of contributions	208,907	8,916	-	217,823	38,987
	<u>\$ 208,907</u>	<u>\$ 35,201</u>	<u>\$ 89,158</u>	<u>\$ 333,266</u>	<u>\$ 38,987</u>

E. 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 Annual Comprehensive Financial Report (ACFR) for the state of North Carolina. The State's ACFR 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 11. PENSION PLANS

E. Supplemental Retirement Income Plan for Law Enforcement Officers (Continued)

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.

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. County OPEB Plan

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 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, 2020, the date of the latest actuarial valuation:

Inactive members or beneficiaries currently	
Receiving benefits	431
Active plan members	<u>1,057</u>
Total membership	<u>1,488</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. The County contributed \$2,557 per active employee for the year ended June 30, 2021. 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. Benefit payments made by the County were \$2,703,205 for the year ended June 30, 2021.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. County OPEB Plan (Continued)

Investments

Investment policy. The PHCB 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 PHCB Plan 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, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity Index Fund	75.0%	6.75%
Fixed Income Index Fund	15.0%	2.84%
Cash	10.0%	2.32%
Total	100.0%	

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

Rate of return. The annual money weighted rate of return on investments of the HCB Plan, net of investment expense, was 7.0 percent for the year ended June 30, 2021. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The County's total OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	2.16%
Inflation rate	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation:	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Long-term expected rate of return on OPEB investments	7.00%, net of OPEB investment expense including price inflation
Municipal bond rate	2.16%
Healthcare cost trend rates:	
Pre-Medicare and prescription drug	7.00% for 2020, decreasing to an ultimate rate of 4.50% by 2030
Medicare and prescription drug	5.25% for 2020, decreasing to an ultimate rate of 4.50% by 2024

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. County OPEB Plan (Continued)

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

Mortality assumptions. Mortality rates were based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

Long-term rate of return. 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:

Asset Class	Target Allocation
Equity Index Fund	75.0%
Fixed Income Index Fund	15.0%
Cash	10.0%
Total	100.0%

Discount rate. The discount rate used to measure the net OPEB liability was 2.16 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 2021. Therefore, the long-term expected rate of return on OPEB plan investments was applied to projected benefit payments until 2021 to determine the net OPEB liability. For projected benefit payments of current plan members after 2021, the index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 2.16 percent as determined by the Bond Buyer 20 year Bond GO Index Rate as of June 30, 2021 – was used. The discount rate of 2.16 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 2.16 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.

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 (1.16%) or 1-percentage-point higher (3.16%) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	\$ 194,693,686	\$ 161,449,960	\$ 135,764,724

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. County OPEB Plan (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 (6.00% decreasing to 3.50%) or 1-percentage-point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 132,642,618	\$ 161,449,960	\$ 199,508,310

Changes in the Net OPEB Liability of the County. The changes in the components of the County's net OPEB liability for the year ended June 30, 2021, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balances	\$ 137,498,540	\$ 308,196	\$ 137,190,344
Changes for the year:			
Service cost	5,517,347	-	5,517,347
Interest	3,009,011	-	3,009,011
Difference between expected and actual experience	23,633,990	-	23,633,990
Changes of assumptions and other inputs	(5,075,957)	-	(5,075,957)
Contributions	-	2,703,205	(2,703,205)
Net investment income	-	121,570	(121,570)
Benefit payments	(2,703,205)	(2,703,205)	-
Net changes	24,381,186	121,570	24,259,616
Ending balances	\$ 161,879,726	\$ 429,766	\$ 161,449,960

The Plan's fiduciary net position as a percentage of the total OPEB liability 0.27%

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 County's total OPEB liability.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. County OPEB Plan (Continued)

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

The County recognized OPEB expense of \$15,589,499 for the year ended June 30, 2021. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB, at June 30, 2021, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 20,172,703	\$ 987,219
Changes of assumptions and other inputs	21,924,330	6,348,360
Net difference between project and actual earning on OPEB	-	83,613
Benefit payments made subsequent to the measurement date	5,793,732	-
	\$ 47,890,765	\$ 7,419,192

The County paid \$5,793,732 in benefit payments subsequent to the measurement date that are reported as deferred outflows and inflows of resources which will be recognized as a decrease of the net OPEB liability in the year ended June 30, 2022. Other 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:	
2022	\$ 7,024,317
2023	7,026,490
2024	7,230,869
2025	7,269,502
2026	4,966,788
Thereafter	1,159,875
Total	\$ 34,677,841

B. ABC Board OPEB Plan

Plan Description. The ABC Board administers a single-employer defined benefit retiree healthcare plan. The plan provides healthcare coverage for qualified retired employees as provided by the ABC Board policies and procedures manual.

Funding Policy. The payment requirement for this coverage is based on the insurance premium rates charged by the insurance provider and is paid in full for the benefit of all qualified retired employees.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

B. ABC Board OPEB Plan (Continued)

Changes in the Net OPEB Liability of the ABC Board. The changes in the components of the ABC Board's net OPEB liability for the year ended June 30, 2021, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Beginning balances	\$ 1,522,422	\$ 271,518	\$ 1,250,904
Changes for the year:			
Service cost	31,461	-	31,461
Interest	48,524	-	48,524
Difference between expected and actual experience	33,164	-	-
Contributions	-	113,149	(113,149)
Net investment income	-	5,226	(5,226)
Administrative expenses	-	(6,715)	6,715
Benefit payments	(59,502)	(59,502)	-
Ending balances	\$ 1,576,069	\$ 323,676	\$ 1,252,393

Additional Plan Information. The ABC Board issues a separate financial statement. Additional information about the OPEB plan may be obtained at its administrative office at: 122 Highway 70 East, Hillsborough, North Carolina 27278.

NOTE 13. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The County has deferred outflows of resources and deferred inflows of resources at June 30, 2021. Each deferral may be accounted for differently under the modified accrual basis of accounting and the full accrual basis of accounting. The following is a summary of each deferral under each basis of accounting:

	Modified Accrual	Full Accrual
Deferred Outflows of Resources:		
<i>Governmental activities:</i>		
Pension - LGERS	\$ -	\$ 13,955,677
Pension - LEOSSA	-	2,198,413
Pension - RODSPF	-	20,954
OPEB	-	47,890,765
Deferred loss on refunding bonds	-	3,024,576
Total governmental activities	\$ -	\$ 67,090,385
<i>Business-type activities:</i>		
Pension - LGERS	\$ -	\$ 635,762

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 13. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

	Modified Accrual	Full Accrual
Deferred Inflows of Resources:		
<i>Governmental activities:</i>		
Unavailable revenue:		
Property taxes receivable	\$ 2,732,735	\$ -
Prepaid property taxes	574,639	574,639
Pension - LGERS	-	198,993
Pension - LEOSSA	-	89,158
Pension - RODSPF	-	35,201
OPEB	-	7,419,192
Total governmental activities	\$ 3,307,374	\$ 8,317,183
<i>Business-type activities:</i>		
Pension - LGERS	\$ -	\$ 9,914
Deferred loss on refunding bonds	-	78,555
Total business-type activities	\$ -	\$ 88,469

NOTE 14. 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 Blue Cross-Blue Shield ("Blue Cross") and Delta Dental ("Delta"), respectively. Claims are administered and paid directly from the plan by Blue Cross and Delta. 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.

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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 14. RISK MANAGEMENT

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.

The County records a liability for estimated claims incurred but not reported (IBNR) at the end of every year based on an analysis provided by third parties. The following table summarize IBNR for the two-year period ended June 30, 2021:

	2021	2020
Dental and health insurance:		
Beginning balances:	\$ 682,312	\$ 806,804
Add:		
Claims incurred and changes in IBNR	12,150,645	12,147,588
Less:		
Claims paid	11,997,730	12,272,080
Ending balances	\$ 835,227	\$ 682,312
	2021	2020
Workers compensation:		
Beginning balances:	\$ 456,657	\$ 602,955
Add:		
Claims incurred and changes in IBNR	2,823,591	179,066
Less:		
Claims paid	2,808,713	325,364
Ending balances	\$ 471,535	\$ 456,657

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 15. COMMITMENTS AND CONTINGENCIES

A. Claims and 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.

B. Federal and State Assistance Programs

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.

C. Coronavirus Disease

The World Health Organization declared the spread of Coronavirus Disease ("COVID-19") a worldwide pandemic in March 2020. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. COVID-19 continues to have an effect on the economy and will most likely have some effect on certain county revenues and services during the 2022 fiscal year. Management believes the County is taking appropriate actions to mitigate any negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

NOTE 16. 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 17. 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. 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, 2021. 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.

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 18. PRIOR PERIOD ADJUSTMENTS

A. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities* (effective July 1, 2020). This statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. The cumulative effect of this change on fund balances and net position were as follows:

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)	
\$ -	\$ -	\$ -	\$ 4,411	Cash related to funds held on behalf of incarcerated inmates was reclassified from the fiduciary agency fund into fiduciary net position in a newly created Jail Inmate Pay Custodial Fund.
-	-	-	27,435	Cash related to funds held on behalf of farmers was reclassified from the fiduciary agency fund into fiduciary net position in a newly created Crop Loan Fund.
-	-	-	132,175	Cash related to funds held on behalf of American Stone Company was reclassified from the fiduciary agency fund into fiduciary net position in a newly created American Stone No Fault Well Repair Fund.
-	-	-	12,448	Cash related to funds held on behalf of County residents for summer camp registrations was reclassified from the fiduciary agency fund into fiduciary net position in a newly created Cooperative Extension 4-H Fund.
421,276	-	421,276	-	Cash received under the Mental Health Insurance Fund net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Mental Health Insurance Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
71,326	-	71,326	-	Cash received under the DSS Trust Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
4,223	-	4,223	-	Cash and receivables from Communications Tower trust net of liabilities owed to other entities were reclassified out of the Agency Fund into a newly created Communication Tower Trust Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
32,961	-	32,961	-	Cash and receivables from Communications Tower trust net of liabilities owed to other organizations were reclassified out of the Agency Fund into a newly created Orange County Giving Fund Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.
<u>\$ 529,786</u>	<u>\$ -</u>	<u>\$ 529,786</u>	<u>\$ 176,469</u>	

B. Correction of an Error

Beginning net position for business-type activities and the SportsPlex enterprise fund have been restated as of July 1, 2020 to correct for misstatements that occurred in prior years. The net effect of these restatements is summarized as follows:

Fund balance/Net Position	Business-type Activities	SportsPlex Fund
Beginning balances - as previously reported	\$ 16,634,404	\$ 3,624,252
Adjustments:		
Installment notes payable	555,479	555,479
Beginning balances - as restated	<u>\$ 17,189,883</u>	<u>\$ 4,179,731</u>

The net effect of the above restatement, for the year ended June 30, 2020, would have no effect on the change in net position for business-type activities and the SportsPlex Fund (a major enterprise fund).

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 19. SUBSEQUENT EVENTS

The County received a check on December 28, 2021 in the amount of \$1,508,132 as reimbursement for the County's non-congregate sheltering costs incurred during the year ended June 30, 2021. These funds have been recorded in the County's COVID-19 Relief Fund which had a deficit balance at June 30, 2021.

The Board unanimously approved a budget amendment on December 14, 2021 to transfer \$790,000 and \$560,000 from the General Fund to the Sportsplex and Visitors Bureau Fund, respectively. This additional funding is to support the County's services in these funds as a result of the adverse impact of COVID-19 public health closures.

REQUIRED SUPPLEMENTARY INFORMATION



ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS OPEB RETIREMENT PLAN LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 5,517,347	\$ 3,759,792	\$ 3,546,801	\$ 3,733,643
Interest on total OPEB liability	3,009,011	3,703,143	3,694,759	3,398,954
Difference between expected and actual experience	23,633,990	(804,583)	(793,706)	574,520
Changes of assumptions and other inputs	(5,075,957)	26,272,770	6,841,423	(5,125,557)
Benefit payments	<u>(2,703,205)</u>	<u>(2,452,218)</u>	<u>(2,477,527)</u>	<u>(3,137,462)</u>
Net change in total OPEB liability	24,381,186	30,478,904	10,811,750	(555,902)
Beginning balance	<u>137,498,540</u>	<u>107,019,636</u>	<u>96,207,886</u>	<u>96,763,788</u>
Ending balance (a)	<u>\$ 161,879,726</u>	<u>\$ 137,498,540</u>	<u>\$ 107,019,636</u>	<u>\$ 96,207,886</u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 2,703,205	\$ 2,452,218	\$ 2,477,527	\$ 3,137,462
Net investment income	121,570	7,255	17,163	23,856
Benefit payments	<u>(2,703,205)</u>	<u>(2,452,218)</u>	<u>(2,477,527)</u>	<u>(3,137,462)</u>
Net change in plan fiduciary net position	121,570	7,255	17,163	23,856
Beginning balance	<u>308,196</u>	<u>300,941</u>	<u>283,778</u>	<u>259,922</u>
Ending balance (b)	<u>\$ 429,766</u>	<u>\$ 308,196</u>	<u>\$ 300,941</u>	<u>\$ 283,778</u>
Net OPEB liability (a) - (b)	<u>\$ 161,449,960</u>	<u>\$ 137,190,344</u>	<u>\$ 106,718,695</u>	<u>\$ 95,924,108</u>
RELATED RATIOS				
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.2662%</u>	<u>0.2246%</u>	<u>0.2820%</u>	<u>0.2958%</u>
Covered payroll	<u>\$ 55,572,023</u>	<u>\$ 47,235,903</u>	<u>\$ 47,235,903</u>	<u>\$ 45,902,461</u>
Net OPEB liability as a percentage of covered payroll	<u>290.52%</u>	<u>290.44%</u>	<u>225.93%</u>	<u>208.97%</u>

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 75 does not exist. This schedule is building to be a ten year schedule as information becomes available.

Schedule A-1

	2017	2016	2015	2014	2013	2012
\$	4,183,701	\$ N/A				
	3,039,332	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
	(9,448,990)	N/A	N/A	N/A	N/A	N/A
	(3,300,768)	N/A	N/A	N/A	N/A	N/A
	(5,526,725)	N/A	N/A	N/A	N/A	N/A
	102,290,513	N/A	N/A	N/A	N/A	N/A
\$	96,763,788	\$ N/A				
\$	3,550,768	\$ N/A				
	9,922	N/A	N/A	N/A	N/A	N/A
	(3,300,768)	N/A	N/A	N/A	N/A	N/A
	259,922	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
\$	259,922	\$ N/A				
\$	96,503,866	\$ N/A				
	0.2693%	N/A	N/A	N/A	N/A	N/A
\$	42,769,990	\$ N/A				
	225.63%	N/A	N/A	N/A	N/A	N/A

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY CONTRIBUTIONS OPEB RETIREMENT PLAN LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Actuarially determined contribution	\$ 7,895,271	\$ 7,895,271	\$ 7,192,181	\$ 7,192,181
Contributions in relation to the actuarially determined contribution	2,703,205	2,452,218	2,477,527	3,137,462
Contribution deficiency (excess)	\$ 5,192,066	\$ 5,443,053	\$ 4,714,654	\$ 4,054,719
Covered payroll	\$ 55,572,023	\$ 47,235,903	\$ 47,235,903	\$ 45,902,461
Contributions as a percentage of covered payroll	4.86%	5.19%	5.25%	6.84%

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 75 does not exist. This schedule is building to be a ten year schedule as information becomes available.

Current year actuarial assumptions:

Valuation date	June 30, one year prior to the end of the fiscal year in which contributions are reported.
Cost method	Entry Age.
Asset valuation method	Market Value.
Inflation	2.5%
Long-term rate of return on investments	7.00%, net of investment expenses, including inflation
wage inflation	3.25%
Projected salary increases, including wage inflation:	
General employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law enforcement officers	3.25% - 7.90%
Cost-of-living Adjustment	None
Amortization Method	Level Percentage of Payroll, Assuming 3.50% Payroll Growth
Remaining Amortization Period	26 years, closed
Health Care Cost Trends:	
Pre-Medicare and prescription drug	7.00% for 2020, decreasing to an ultimate rate of 4.50% by 2030.
Medicare and prescription drug	5.25% for 2020, decreasing to an ultimate rate of 4.50% by 2024.
Mortality	Rates based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

Schedule A-2

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 6,820,935	\$ 5,374,915	\$ N/A	\$ N/A	\$ N/A	\$ N/A
3,550,768	2,361,272	N/A	N/A	N/A	N/A
<u>\$ 3,270,167</u>	<u>\$ 3,013,643</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 45,902,461</u>	<u>\$ 42,769,990</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>7.74%</u>	<u>5.52%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF OPEB INVESTMENT RETURNS OPEB RETIREMENT PLAN LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	<u>7.00%</u>	<u>2.41%</u>	<u>6.05%</u>	<u>0.70%</u>

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 75 does not exist. This schedule is building to be a ten year schedule as information becomes available.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>4.00%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE LAST TEN FISCAL YEARS

	2021	2020	2019	2018
TOTAL PENSION LIABILITY				
Beginning balance	\$ 4,708,711	\$ 4,177,156	\$ 4,016,727	\$ 3,542,524
Service Cost	169,991	149,644	158,300	134,129
Interest on the total pension liability	149,580	148,114	123,815	133,794
Difference between expected and actual experience	301,174	314,668	237,158	130,316
Changes of assumptions or other inputs	1,582,362	135,303	(161,804)	228,699
Benefit payments	(240,710)	(216,174)	(197,040)	(152,735)
Ending balance	\$ 6,671,108	\$ 4,708,711	\$ 4,177,156	\$ 4,016,727

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 73 does not exist. This schedule is building to be a ten year schedule as information becomes available.

Schedule A-4

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	3,494,747	\$ N/A				
	135,380	N/A	N/A	N/A	N/A	N/A
	122,514	N/A	N/A	N/A	N/A	N/A
	-	N/A	N/A	N/A	N/A	N/A
	(84,160)	N/A	N/A	N/A	N/A	N/A
	(125,957)	N/A	N/A	N/A	N/A	N/A
<u>\$</u>	<u>3,542,524</u>	<u>\$ N/A</u>				

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Total pension liability	\$ 6,671,108	\$ 4,708,711	\$ 4,177,156	\$ 4,016,727
Covered payroll	\$ 5,908,664	\$ 5,400,524	\$ 5,161,378	\$ 5,086,750
Total pension liability as a percentage of covered payroll	112.90%	87.19%	80.93%	78.96%

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 73 does not exist. This schedule is building to be a ten year schedule as information becomes available.

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

Schedule A-5

2017	2016	2015	2014	2013	2012
\$ 3,542,524	\$ 3,494,747	\$ N/A	\$ N/A	\$ N/A	\$ N/A
\$ 4,842,049	\$ 4,190,815	\$ N/A	\$ N/A	\$ N/A	\$ N/A
73.16%	83.39%	N/A	N/A	N/A	N/A

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's percentage of the net pension liability (asset)	<u>0.73815%</u>	<u>0.76207%</u>	<u>0.76253%</u>	<u>0.75814%</u>
County's proportion of the net pension liability (asset)	<u>\$ 26,377,244</u>	<u>\$ 20,811,537</u>	<u>\$ 18,089,819</u>	<u>\$ 11,582,279</u>
County's covered payroll	<u>\$ 47,383,875</u>	<u>\$ 46,005,737</u>	<u>\$ 47,246,720</u>	<u>\$ 44,203,050</u>
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>55.67%</u>	<u>45.24%</u>	<u>38.29%</u>	<u>26.20%</u>
Plan fiduciary net position as a percentage of the total pension liability (1)	<u>88.61%</u>	<u>91.30%</u>	<u>94.18%</u>	<u>91.47%</u>

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 68 does not exist. This schedule is building to be a ten year schedule as information becomes available.

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

(1) - This information was obtained from the State of North Carolina's Annual Comprehensive Financial Report.

Schedule A-6

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>0.78464%</u>	<u>0.70825%</u>	<u>0.69420%</u>	<u>0.66320%</u>	<u>N/A</u>	<u>N/A</u>
<u>\$ 16,652,689</u>	<u>\$ 3,178,584</u>	<u>\$ (4,094,256)</u>	<u>\$ (7,994,107)</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 45,272,812</u>	<u>\$ 43,233,224</u>	<u>\$ 41,507,819</u>	<u>\$ 39,732,374</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>36.78%</u>	<u>7.35%</u>	<u>(9.86%)</u>	<u>(20.12%)</u>	<u>N/A</u>	<u>N/A</u>
<u>98.09%</u>	<u>99.07%</u>	<u>102.64%</u>	<u>94.35%</u>	<u>N/A</u>	<u>N/A</u>

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY'S CONTRIBUTIONS LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 5,549,552	\$ 4,264,529	\$ 3,588,591	\$ 3,841,938
Contributions in relation to the contractually required contribution	<u>5,549,552</u>	<u>4,264,529</u>	<u>3,588,591</u>	<u>3,841,938</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 47,890,328</u>	<u>\$ 47,383,875</u>	<u>\$ 46,005,737</u>	<u>\$ 47,246,720</u>
Contributions as a percentage of covered payroll	<u>11.59%</u>	<u>9.00%</u>	<u>7.80%</u>	<u>8.13%</u>

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 68 does not exist. This schedule is building to be a ten year schedule as information becomes available.

Schedule A-7

2017	2016	2015	2014	2013	2012
\$ 3,525,190	\$ 3,104,810	\$ 3,041,550	\$ 2,924,842	\$ N/A	\$ N/A
3,525,190	3,104,810	3,041,550	2,924,842	N/A	N/A
\$ -	\$ -	\$ -	\$ -	\$ N/A	\$ N/A
\$ 44,203,050	\$ 45,272,812	\$ 43,233,224	\$ 41,507,819	\$ N/A	\$ N/A
7.97%	6.86%	7.04%	7.05%	N/A	N/A

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF NET PENSION ASSET REGISTER OF DEEDS SUPPLEMENTAL PENSION FUND LAST TEN FISCAL YEARS

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's percentage of the net pension asset	<u>1.08257%</u>	<u>1.01215%</u>	<u>1.12710%</u>	<u>1.12581%</u>
County's proportion of the net pension asset	<u>\$ (248,103)</u>	<u>\$ (199,819)</u>	<u>\$ (186,682)</u>	<u>\$ (192,165)</u>
County's covered payroll	<u>\$ 95,450</u>	<u>\$ 83,580</u>	<u>\$ 82,394</u>	<u>\$ 83,374</u>
County's proportionate share of the net pension asset as a percentage of its covered payroll	<u>-259.93%</u>	<u>-239.08%</u>	<u>-226.57%</u>	<u>-230.49%</u>
Plan fiduciary net position as a percentage of the total pension asset (1)	<u>153.31%</u>	<u>153.77%</u>	<u>160.17%</u>	<u>197.29%</u>

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 68 does not exist. This schedule is building to be a ten year schedule as information becomes available.

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

(1) - This information was obtained from the State of North Carolina's Annual Comprehensive Financial Report.

Schedule A-8

2017	2016	2015	2014	2013	2012
1.15307%	1.09301%	1.05600%	1.11000%	N/A	N/A
\$ (215,578)	\$ (253,294)	\$ (239,437)	\$ (236,989)	\$ N/A	\$ N/A
\$ 78,416	\$ 76,112	\$ 74,594	\$ 72,016	\$ N/A	\$ N/A
-274.92%	-332.79%	-320.99%	-329.08%	N/A	N/A
193.88%	190.50%	188.75%	189.65%	N/A	N/A

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY'S CONTRIBUTIONS REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Contractually required contribution	\$ 9,819	\$ 8,528	\$ 6,519	\$ 6,229
Contributions in relation to the contractually required contribution	9,819	8,528	6,519	6,229
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 96,573	\$ 95,450	\$ 83,580	\$ 82,394
Contributions as a percentage of covered payroll	10.17%	8.93%	7.80%	7.56%

Notes to the Schedule:

N/A - Information prior to the implementation of GASB Statement No. 68 does not exist. This schedule is building to be a ten year schedule as information becomes available.

Schedule A-9

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 6,103	\$ 4,573	\$ 8,746	\$ 8,625	\$ N/A	\$ N/A
6,103	4,573	8,746	8,625	N/A	N/A
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>\$ 83,374</u>	<u>\$ 78,416</u>	<u>\$ 76,112</u>	<u>\$ 70,464</u>	<u>\$ N/A</u>	<u>\$ N/A</u>
<u>7.32%</u>	<u>5.83%</u>	<u>11.49%</u>	<u>12.24%</u>	<u>N/A</u>	<u>N/A</u>

SUPPLEMENTARY INFORMATION

This section of the County's annual comprehensive financial report presents required combining fund statements for governmental and fiduciary funds. This section also presents budget and actual comparisons to demonstrate legal budgetary compliance with all funds required to adopt and maintain annual or multiyear budget ordinances.

Major Funds ("B" Schedules)

This section presents budget and actual comparison schedules for all major funds other than the General Fund and major special revenue funds with annually adopted budget ordinances (COVID-19 Relief Fund).

Nonmajor Governmental Funds ("C" Schedules)

This section presents required combining financial statements for nonmajor governmental funds and budget and actual comparison for all nonmajor governmental funds with activity in the current year. NCGS 159 requires local governments to adopt either annual operating budgets or project ordinances for all funds with limited exceptions for internal service funds and fiduciary funds.

Nonmajor Proprietary Funds ("D" Schedules)

This section presents budget and actual comparison schedules for all nonmajor proprietary funds.

Fiduciary Funds ("E" Schedules)

This section presents combining financial statements for all custodial funds. None of the custodial funds are required to adopt a budget in accordance with NCGS 159.

Additional Financial Information ("F" Schedules)

This section presents schedules for the County's ad valorem or property taxes which is the County's largest source of revenue. NCGS 105 authorizes the County to assess property taxes but, it also limits collection enforcement to 10 years.

ORANGE COUNTY, NORTH CAROLINA

COUNTY CAPITAL IMPROVEMENTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
REVENUES					
Payment in lieu of taxes	\$ 295,000	\$ -	\$ -	\$ -	\$ (295,000)
Sales taxes	600	-	109,874	109,874	109,274
Unrestricted intergovernmental	762,505	-	-	-	(762,505)
Restricted intergovernmental:					
Federal	19,104,820	12,077,527	(108,845)	11,968,682	(7,136,138)
State	13,110,291	6,354,489	548,563	6,903,052	(6,207,239)
Other	907,897	-	15,000	15,000	(892,897)
Investment earnings	2,253,475	4,704,330	12,405	4,716,735	2,463,260
Miscellaneous	3,124,856	4,347,615	197,206	4,544,821	1,419,965
Total revenues	<u>39,559,444</u>	<u>27,483,961</u>	<u>774,203</u>	<u>28,258,164</u>	<u>(11,301,280)</u>
EXPENDITURES					
Current:					
General government	2,543,864	-	-	-	2,543,864
Capital outlay	252,261,559	179,235,358	29,706,989	208,942,347	43,319,212
Debt service:					
Interest and other charges	928,087	3,235,759	1,196,706	4,432,465	(3,504,378)
Total expenditures	<u>255,733,510</u>	<u>182,471,117</u>	<u>30,903,695</u>	<u>213,374,812</u>	<u>42,358,698</u>
Revenues under expenditures	<u>(216,174,066)</u>	<u>(154,987,156)</u>	<u>(30,129,492)</u>	<u>(185,116,648)</u>	<u>31,057,418</u>
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	36,103,579	190,337,496	-	190,337,496	154,233,917
Premiums on bonds	2,000,000	27,326,933	3,472,402	30,799,335	28,799,335
Other long-term debt issued	179,376,324	106,065,800	14,855,458	120,921,258	(58,455,066)
Capital lease issued	-	2,540,999	-	2,540,999	2,540,999
Payment to escrow agent	(21,500,000)	(144,673,482)	(7,136,379)	(151,809,861)	(130,309,861)
Transfers from other funds	19,916,361	25,300,107	938,657	26,238,764	6,322,403
Transfers to other funds	(1,069,135)	(6,704,862)	(107,680)	(6,812,542)	(5,743,407)
Appropriated fund balance	1,346,937	-	-	-	(1,346,937)
Other financing sources (uses), net	<u>216,174,066</u>	<u>200,192,991</u>	<u>12,022,458</u>	<u>212,215,449</u>	<u>(3,958,617)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 45,205,835</u>	<u>(18,107,034)</u>	<u>\$ 27,098,801</u>	<u>\$ 27,098,801</u>
FUND BALANCE					
Beginning balance			<u>45,205,835</u>		
Ending balance			<u>\$ 27,098,801</u>		

ORANGE COUNTY, NORTH CAROLINA

SCHOOL CAPITAL IMPROVEMENTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
REVENUES					
Sales taxes	\$ 75,000	\$ 493,539	\$ -	\$ 493,539	\$ 418,539
Unrestricted intergovernmental	105,000	-	581,128	581,128	476,128
Restricted intergovernmental:					
Lottery proceeds	2,892,139	2,959,057	-	2,959,057	66,918
Investment earnings	60,000	3,396,800	8,527	3,405,327	3,345,327
Miscellaneous	495,634	33,759	-	33,759	(461,875)
Total revenues	<u>3,627,773</u>	<u>6,883,155</u>	<u>589,655</u>	<u>7,472,810</u>	<u>3,845,037</u>
EXPENDITURES					
Current:					
Education:					
Orange County Schools	64,899,901	39,866,399	4,916,772	44,783,171	20,116,730
Chapel Hill-Carrboro City Schools	190,854,494	145,161,436	27,068,676	172,230,112	18,624,382
Other	16,339,300	43,215	3,000,000	3,043,215	13,296,085
Total expenditures	<u>272,093,695</u>	<u>185,071,050</u>	<u>34,985,448</u>	<u>220,056,498</u>	<u>52,037,197</u>
Revenues under expenditures	<u>(268,465,922)</u>	<u>(178,187,895)</u>	<u>(34,395,793)</u>	<u>(212,583,688)</u>	<u>55,882,234</u>
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	139,081,874	125,530,873	-	125,530,873	(13,551,001)
Premiums on bonds	5,531,923	4,985,988	-	4,985,988	(545,935)
Other long-term debt issued	72,455,954	55,334,698	7,256,041	62,590,739	(9,865,215)
Transfers from other funds	55,348,426	42,483,472	4,402,354	46,885,826	(8,462,600)
Transfers to other funds	(4,000,000)	(6,822,685)	(4,000,000)	(10,822,685)	(6,822,685)
Appropriated fund balance	47,745	-	-	-	(47,745)
Other financing sources (uses), net	<u>268,465,922</u>	<u>221,512,346</u>	<u>7,658,395</u>	<u>229,170,741</u>	<u>(39,295,181)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 43,324,451</u>	<u>(26,737,398)</u>	<u>\$ 16,587,053</u>	<u>\$ 16,587,053</u>
FUND BALANCE					
Beginning balance			<u>43,324,451</u>		
Ending balance			<u>\$ 16,587,053</u>		

ORANGE COUNTY, NORTH CAROLINA

SOLID WASTE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 10,069,176	\$ 10,541,673	\$ 472,497
Other operating revenue	250,000	473,266	223,266
Disposal taxes and reimbursements	305,464	342,141	36,677
Intergovernmental	-	6,319	6,319
Investment earnings	140,000	2,555	(137,445)
Total revenues	<u>10,764,640</u>	<u>11,365,954</u>	<u>601,314</u>
EXPENDITURES			
Operations	8,026,221	6,352,033	1,674,188
General and administrative	2,834,698	2,495,434	339,264
Total expenditures	<u>10,860,919</u>	<u>8,847,467</u>	<u>2,013,452</u>
Revenues over (under) expenditures	(96,279)	2,518,487	2,614,766
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	52,000	-	(52,000)
Transfers from other funds	57,642	57,642	-
Transfers to other funds	(475,000)	(475,000)	-
Transfers to Solid Waste Capital Projects Fund	(1,991,062)	(1,991,062)	-
Appropriated fund balance	2,452,699	-	(2,452,699)
Other financing sources (uses), net	<u>96,279</u>	<u>(2,408,420)</u>	<u>(2,504,699)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>110,067</u>	<u>\$ 110,067</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Solid Waste Fund reconciling items:			
Decrease in deferred outflows - pensions		(85,995)	
Increase in estimated postclosure costs		(1,249,997)	
Decrease in compensated absences		23,981	
Decrease in net pension liability		7,600	
Increase in deferred inflows - pensions		(6,545)	
Depreciation expense		(747,376)	
Solid Waste Capital Projects Fund reconciling items:			
Investment earnings		36	
Gain on sale of capital assets		68,487	
Transfer from Solid Waste Fund		1,991,062	
Noncapitalized expenditures		(184,944)	
Interest and other charges		(199,923)	
Change in net position - GAAP Basis		<u>\$ (273,547)</u>	

ORANGE COUNTY, NORTH CAROLINA

SOLID WASTE CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Investment earnings	\$ -	\$ -	\$ 36	\$ 36	\$ 36
Total revenues	-	-	36	36	36
EXPENDITURES					
Capital expenditures	9,210,514	1,976,336	1,150,077	3,126,413	6,084,101
Other	-	(2,363,016)	181,841	(2,181,175)	2,181,175
Debt service:					
Principal retirements	2,353,605	1,252,703	925,246	2,177,949	175,656
Interest and other charges	690,769	235,525	199,923	435,448	255,321
Total expenditures	12,254,888	1,101,548	2,457,087	3,558,635	8,696,253
Revenues under expenditures	(12,254,888)	(1,101,548)	(2,457,051)	(3,558,599)	8,696,289
OTHER FINANCING SOURCES					
Long-term debt issued	6,861,885	2,373,552	464,445	2,837,997	(4,023,888)
Proceeds from sale of assets	240,000	-	68,487	68,487	(171,513)
Transfer from Solid Waste Fund	5,153,003	1,694,850	1,991,062	3,685,912	(1,467,091)
Total other financing sources	12,254,888	4,068,402	2,523,994	6,592,396	(5,662,492)
Revenues and other financing sources over expenditures	\$ -	\$ 2,966,854	\$ 66,943	\$ 3,033,797	\$ 3,033,797

ORANGE COUNTY, NORTH CAROLINA

SPORTSPLEX FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 3,796,991	\$ 2,727,377	\$ (1,069,614)
Total revenues	<u>3,796,991</u>	<u>2,727,377</u>	<u>(1,069,614)</u>
EXPENDITURES			
Operations	3,130,278	1,350,560	1,779,718
General and administrative	<u>1,286,687</u>	<u>928,238</u>	<u>358,449</u>
Total expenditures	<u>4,416,965</u>	<u>2,278,798</u>	<u>2,138,167</u>
Revenues over (under) expenditures	<u>(619,974)</u>	<u>448,579</u>	<u>1,068,553</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	790,000	-	(790,000)
Transfer to SportsPlex Capital Projects Fund	(723,852)	(723,852)	-
Appropriated fund balance	<u>553,826</u>	<u>-</u>	<u>(553,826)</u>
Other financing sources (uses), net	<u>619,974</u>	<u>(723,852)</u>	<u>(1,343,826)</u>
Revenues and other financing sources (uses) over expenditures	<u>\$ -</u>	<u>(275,273)</u>	<u>\$ (275,273)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
SportsPlex Fund reconciling items:			
Depreciation expense		(498,357)	
SportsPlex Capital Projects Fund reconciling items:			
Transfer from SportsPlex Operating Fund		723,852	
Noncapitalized expenditures		(191,325)	
Interest and other charges		<u>(235,770)</u>	
Change in net position - GAAP Basis		<u>\$ (476,873)</u>	

ORANGE COUNTY, NORTH CAROLINA

SPORTSPLEX CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING
SOURCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
EXPENDITURES					
Community services	-	1,890,000	121,187	2,011,187	(2,011,187)
Capital expenditures	2,243,710	614,573	959,245	1,573,818	669,892
Debt service:					
Principal retirements	1,519,821	323,711	509,372	833,083	686,738
Interest and other charges	602,466	228,649	235,770	464,419	138,047
Total expenditures	4,365,997	3,056,933	1,825,574	4,882,507	(516,510)
OTHER FINANCING SOURCES					
Long-term debt issued	1,688,648	241,182	595,000	836,182	(852,466)
Transfers from SportsPlex Fund	2,170,349	37,710	723,852	761,562	(1,408,787)
Appropriated fund balance	507,000	-	-	-	(507,000)
Total other financing sources	4,365,997	278,892	1,318,852	1,597,744	(2,768,253)
Other financing sources under expenditures	\$ -	\$ (2,778,041)	\$ (506,722)	\$ (3,284,763)	\$ (3,284,763)

ORANGE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds			
	Local Fire Districts	Grant Supported	Grant Projects	Sheriff Forfeitures
ASSETS				
Unrestricted cash and investments	\$ 1,381,887	\$ 84,764	\$ 911,018	\$ 1,006,143
Receivables:				
Taxes receivable, net	263,058	-	-	-
Due from other governments	-	-	31,564	-
Other receivables	-	-	39,784	-
Notes receivable	-	-	-	-
Total assets	\$ 1,644,945	\$ 84,764	\$ 982,366	\$ 1,006,143
LIABILITIES				
Accounts payable	\$ -	\$ 2,501	\$ 41,833	\$ -
Due to other funds	-	-	-	-
Accrued payroll and other liabilities	-	1,197	18,854	-
Unearned revenue	-	-	-	-
Total liabilities	-	3,698	60,687	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - ad valorem	211,459	-	-	-
Total deferred inflows of resources	211,459	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted:				
Stabilization by State Statute	-	-	-	-
Public safety	1,433,486	-	-	1,006,143
Human services	-	81,066	921,679	-
Community services	-	-	-	-
Capital projects	-	-	-	-
Committed:				
Human services	-	-	-	-
Education	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Human services	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	1,433,486	81,066	921,679	1,006,143
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,644,945	\$ 84,764	\$ 982,366	\$ 1,006,143

Special Revenue Funds

Community Development	Section 8 Housing	Article 46 Sales Tax	Emergency Telephone System	Visitors Bureau	Spay/Neuter
\$ 476,185	\$ 262,699	\$ 3,065,048	\$ 27,614	\$ 107,731	\$ 20,933
-	-	-	-	-	-
95,488	-	985,812	62,956	-	-
556,828	-	-	-	113,110	-
1,000,000	-	-	-	-	-
<u>\$ 2,128,501</u>	<u>\$ 262,699</u>	<u>\$ 4,050,860</u>	<u>\$ 90,570</u>	<u>\$ 220,841</u>	<u>\$ 20,933</u>
\$ 411,625	\$ 168	\$ 134,117	\$ 19,421	\$ 26,263	\$ 2,520
-	-	-	19,950	-	-
82,905	-	(2,943)	2,999	23,707	-
-	74,207	-	-	13,119	-
<u>494,530</u>	<u>74,375</u>	<u>131,174</u>	<u>42,370</u>	<u>63,089</u>	<u>2,520</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,000,000	-	-	-	-	-
-	-	985,812	-	-	-
-	-	-	48,200	-	-
633,971	93,244	-	-	-	-
-	-	-	-	157,752	18,413
-	-	-	-	-	-
-	-	2,933,874	-	-	-
-	-	-	-	-	-
-	95,080	-	-	-	-
-	-	-	-	-	-
<u>1,633,971</u>	<u>188,324</u>	<u>3,919,686</u>	<u>48,200</u>	<u>157,752</u>	<u>18,413</u>
<u>\$ 2,128,501</u>	<u>\$ 262,699</u>	<u>\$ 4,050,860</u>	<u>\$ 90,570</u>	<u>\$ 220,841</u>	<u>\$ 20,933</u>

ORANGE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS JUNE 30, 2021

	Special Revenue Funds			
	DSS Client Services	Impact Fees	Recreation Subdivision	Heusner
ASSETS				
Unrestricted cash and investments	\$ 760,010	\$ 515	\$ 575,523	\$ 9,539
Receivables:				
Taxes receivable, net	-	-	-	-
Due from other governments	37,139	-	-	-
Other receivables	-	-	-	-
Notes receivable	-	-	-	-
Total assets	\$ 797,149	\$ 515	\$ 575,523	\$ 9,539
LIABILITIES				
Accounts payable	\$ 3,578	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Accrued payroll and other liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	3,578	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - ad valorem	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted:				
Stabilization by State Statute	37,139	-	-	-
Public safety	-	-	-	-
Human services	-	-	-	-
Community services	-	-	575,523	9,539
Capital projects	-	515	-	-
Committed:				
Human services	756,432	-	-	-
Education	-	-	-	-
Assigned:				
Capital projects	-	-	-	-
Human services	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	793,571	515	575,523	9,539
Total liabilities, deferred inflows of resources, and fund balances	\$ 797,149	\$ 515	\$ 575,523	\$ 9,539

Special Revenue Funds					
Small Business Loans	Library Development	Mental Health Insurance	Representative Payee	Communication Tower Trust	School District
\$ 70,832	\$ 91,320	\$ 415,996	\$ 86,222	\$ 15,223	\$ 141,563
-	-	-	-	-	488,288
-	-	-	-	-	-
-	-	-	-	-	-
332,130	-	-	-	-	-
<u>\$ 402,962</u>	<u>\$ 91,320</u>	<u>\$ 415,996</u>	<u>\$ 86,222</u>	<u>\$ 15,223</u>	<u>\$ 629,851</u>
\$ 62	\$ -	\$ -	\$ 2,793	\$ -	\$ 271,180
-	-	-	-	-	-
-	-	-	4,424	-	-
-	-	-	-	-	-
<u>62</u>	<u>-</u>	<u>-</u>	<u>7,217</u>	<u>-</u>	<u>271,180</u>
-	-	-	-	-	358,671
-	-	-	-	-	358,671
332,130	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	15,223	-
-	-	415,996	79,005	-	-
70,770	91,320	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>402,900</u>	<u>91,320</u>	<u>415,996</u>	<u>79,005</u>	<u>15,223</u>	<u>-</u>
<u>\$ 402,962</u>	<u>\$ 91,320</u>	<u>\$ 415,996</u>	<u>\$ 86,222</u>	<u>\$ 15,223</u>	<u>\$ 629,851</u>

ORANGE COUNTY, NORTH CAROLINA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue	Capital Project Funds		Total
	Orange County Giving	School Capital Reserve	County Capital Reserve	Nonmajor Governmental Funds
ASSETS				
Unrestricted cash and investments	\$ 245,462	\$ 118,160	\$ 15,863	\$ 9,890,250
Receivables:				
Taxes receivable, net	-	-	-	751,346
Due from other governments	-	-	-	1,212,959
Other receivables	-	-	-	709,722
Notes receivable	-	-	-	1,332,130
Total assets	<u>\$ 245,462</u>	<u>\$ 118,160</u>	<u>\$ 15,863</u>	<u>\$ 13,896,407</u>
LIABILITIES				
Accounts payable	\$ 1,699	\$ -	\$ -	\$ 917,760
Due to other funds	-	-	-	19,950
Accrued payroll and other liabilities	-	-	-	131,143
Unearned revenue	211,379	-	-	298,705
Total liabilities	<u>213,078</u>	<u>-</u>	<u>-</u>	<u>1,367,558</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - ad valorem	-	-	-	570,130
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>570,130</u>
FUND BALANCES				
Nonspendable	-	-	-	1,332,130
Restricted:				
Stabilization by State Statute	-	-	-	1,022,951
Public safety	-	-	-	2,503,052
Human services	-	-	-	2,224,961
Community services	32,384	-	-	955,701
Capital projects	-	-	-	515
Committed:				
Human services	-	-	-	756,432
Education	-	-	-	2,933,874
Assigned:				
Capital projects	-	118,160	15,863	134,023
Human services	-	-	-	95,080
Unassigned	-	-	-	-
Total fund balances	<u>32,384</u>	<u>118,160</u>	<u>15,863</u>	<u>11,958,719</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 245,462</u>	<u>\$ 118,160</u>	<u>\$ 15,863</u>	<u>\$ 13,896,407</u>

ORANGE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Local Fire Districts	Grant Supported	Grant Projects	Sheriff Forfeitures
REVENUES				
Property taxes	\$ 6,722,426	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Unrestricted intergovernmental	-	-	58,658	-
Restricted intergovernmental	-	-	374,932	25,280
Charges for services	-	3,553	-	-
Investment earnings	181	-	-	182
License and permits	-	-	-	-
Miscellaneous	-	10,000	456,571	-
Total revenues	6,722,607	13,553	890,161	25,462
EXPENDITURES				
Current:				
Community services	-	-	64,258	-
General government	-	-	78,536	-
Public safety	6,876,480	-	325,450	261,355
Human services	-	62,330	291,328	-
Education	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	6,876,480	62,330	759,572	261,355
Revenues over (under) expenditures	(153,873)	(48,777)	130,589	(235,893)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	49,701	71,517	-
Transfers to other funds	-	-	-	(25,000)
Other financing sources (uses), net	-	49,701	71,517	(25,000)
Net change in fund balances	(153,873)	924	202,106	(260,893)
FUND BALANCES				
Beginning balances, as previously reported	1,587,359	80,142	719,573	1,267,036
Prior period adjustment - change in accounting principle	-	-	-	-
Beginning balances, as restated	1,587,359	80,142	719,573	1,267,036
Ending balances	\$ 1,433,486	\$ 81,066	\$ 921,679	\$ 1,006,143

Special Revenue Funds

Community Development	Section 8 Housing	Article 46 Sales Tax	Emergency Telephone System	Visitors Bureau	Spay/Neuter
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	3,905,505	-	-	-
274,001	-	-	-	200,000	23,080
3,772,412	4,265,026	-	-	237,668	25,464
-	-	-	755,471	46,639	-
81	81	641	-	50	8
-	-	-	-	-	-
13,306	-	-	-	864,779	11,638
<u>4,059,800</u>	<u>4,265,107</u>	<u>3,906,146</u>	<u>755,471</u>	<u>1,349,136</u>	<u>60,190</u>
-	-	1,076,526	-	1,273,800	73,901
-	-	-	-	511,559	-
-	-	-	730,568	-	-
8,144,644	4,673,957	-	-	-	-
-	-	2,979,524	-	-	-
-	-	510,215	-	-	-
-	-	398,053	-	-	-
<u>8,144,644</u>	<u>4,673,957</u>	<u>4,964,318</u>	<u>730,568</u>	<u>1,785,359</u>	<u>73,901</u>
<u>(4,084,844)</u>	<u>(408,850)</u>	<u>(1,058,172)</u>	<u>24,903</u>	<u>(436,223)</u>	<u>(13,711)</u>
3,452,569	100,841	-	5,708	72,420	-
-	-	(452,829)	-	-	(12,600)
<u>3,452,569</u>	<u>100,841</u>	<u>(452,829)</u>	<u>5,708</u>	<u>72,420</u>	<u>(12,600)</u>
<u>(632,275)</u>	<u>(308,009)</u>	<u>(1,511,001)</u>	<u>30,611</u>	<u>(363,803)</u>	<u>(26,311)</u>
2,266,246	496,333	5,430,687	17,589	521,555	44,724
-	-	-	-	-	-
<u>2,266,246</u>	<u>496,333</u>	<u>5,430,687</u>	<u>17,589</u>	<u>521,555</u>	<u>44,724</u>
<u>\$ 1,633,971</u>	<u>\$ 188,324</u>	<u>\$ 3,919,686</u>	<u>\$ 48,200</u>	<u>\$ 157,752</u>	<u>\$ 18,413</u>

ORANGE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	DSS Client Services	Impact Fees	Recreation Subdivision	Heusner
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Unrestricted intergovernmental	-	-	-	-
Restricted intergovernmental	690,539	-	-	-
Charges for services	-	-	-	-
Investment earnings	45	-	87	-
License and permits	-	-	-	-
Miscellaneous	34,649	-	5,361	-
Total revenues	725,233	-	5,448	-
EXPENDITURES				
Current:				
Community services	-	-	-	-
General government	-	-	-	-
Public safety	-	-	-	-
Human services	101,439	-	-	-
Education	-	-	-	-
Debt service:				
Principal retirements	-	-	-	-
Interest and other charges	-	-	-	-
Total expenditures	101,439	-	-	-
Revenues over (under) expenditures	623,794	-	5,448	-
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Other financing sources (uses), net	-	-	-	-
Net change in fund balances	623,794	-	5,448	-
FUND BALANCES				
Beginning balances, as previously reported	169,777	515	570,075	9,539
Prior period adjustment - change in accounting principle	-	-	-	-
Beginning balances, as restated	169,777	515	570,075	9,539
Ending balances	\$ 793,571	\$ 515	\$ 575,523	\$ 9,539

Special Revenue Funds					
Small Business Loans	Library Development	Mental Health Insurance	Representative Payee	Communication Tower Trust	School District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,828,513
413,393	-	-	-	-	-
-	-	-	-	-	-
48,309	-	-	-	-	-
-	-	-	-	-	-
3	2	65	-	-	-
-	-	-	-	11,000	-
22,748	-	-	83,429	-	-
<u>484,453</u>	<u>2</u>	<u>65</u>	<u>83,429</u>	<u>11,000</u>	<u>24,828,513</u>
81,553	8,034	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,345	75,750	-	-
-	-	-	-	-	24,828,513
-	-	-	-	-	-
-	-	-	-	-	-
<u>81,553</u>	<u>8,034</u>	<u>5,345</u>	<u>75,750</u>	<u>-</u>	<u>24,828,513</u>
402,900	(8,032)	(5,280)	7,679	11,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>402,900</u>	<u>(8,032)</u>	<u>(5,280)</u>	<u>7,679</u>	<u>11,000</u>	<u>-</u>
-	99,352	-	-	-	-
-	-	421,276	71,326	4,223	-
-	99,352	421,276	71,326	4,223	-
<u>\$ 402,900</u>	<u>\$ 91,320</u>	<u>\$ 415,996</u>	<u>\$ 79,005</u>	<u>\$ 15,223</u>	<u>\$ -</u>

ORANGE COUNTY, NORTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue	Capital Project Funds		Total
	Orange County Giving	School Capital Reserve	County Capital Reserve	Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 31,550,939
Sales taxes	-	-	-	4,318,898
Unrestricted intergovernmental	-	-	-	555,739
Restricted intergovernmental	-	-	-	9,439,630
Charges for services	-	-	-	805,663
Investment earnings	-	18	1	1,445
License and permits	-	-	-	11,000
Miscellaneous	13,321	-	-	1,515,802
Total revenues	13,321	18	1	48,199,116
EXPENDITURES				
Current:				
Community services	13,321	-	-	2,591,393
General government	577	-	-	590,672
Public safety	-	-	-	8,193,853
Human services	-	-	-	13,354,793
Education	-	-	-	27,808,037
Debt service:				
Principal retirements	-	-	-	510,215
Interest and other charges	-	-	-	398,053
Total expenditures	13,898	-	-	53,447,016
Revenues over (under) expenditures	(577)	18	1	(5,247,900)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	-	-	3,752,756
Transfers to other funds	-	-	-	(490,429)
Other financing sources (uses), net	-	-	-	3,262,327
Net change in fund balances	(577)	18	1	(1,985,573)
FUND BALANCES				
Beginning balances, as previously reported	-	118,142	15,862	13,414,506
Prior period adjustment - change in accounting principle	32,961	-	-	529,786
Beginning balances, as restated	32,961	118,142	15,862	13,944,292
Ending balances	\$ 32,384	\$ 118,160	\$ 15,863	\$ 11,958,719

ORANGE COUNTY, NORTH CAROLINA

LOCAL FIRE DISTRICTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 6,497,630	\$ 6,722,426	\$ 224,796
Investment earnings	9,850	181	(9,669)
	<u>6,507,480</u>	<u>6,722,607</u>	<u>215,127</u>
EXPENDITURES			
Current:			
Public safety	6,876,480	6,876,480	-
Revenues under expenditures	(369,000)	(153,873)	215,127
OTHER FINANCING SOURCES			
Appropriated fund balance	369,000	-	(369,000)
Net change in fund balance	<u>\$ -</u>	<u>(153,873)</u>	<u>\$ (153,873)</u>
FUND BALANCE			
Beginning balance		<u>1,587,359</u>	
Ending balance		<u>\$ 1,433,486</u>	

ORANGE COUNTY, NORTH CAROLINA

GRANT SUPPORTED FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 75,000	\$ 3,553	\$ (71,447)
Miscellaneous	25,000	10,000	(15,000)
Total revenues	<u>100,000</u>	<u>13,553</u>	<u>(86,447)</u>
EXPENDITURES			
Current:			
Human services	<u>149,701</u>	<u>62,330</u>	<u>87,371</u>
Revenues under expenditures	(49,701)	(48,777)	924
OTHER FINANCING SOURCES			
Transfers from other funds	<u>49,701</u>	<u>49,701</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>924</u>	<u>\$ 924</u>
FUND BALANCE			
Beginning balance		<u>80,142</u>	
Ending balance		<u>\$ 81,066</u>	

ORANGE COUNTY, NORTH CAROLINA

GRANT PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total	
REVENUES					
Unrestricted intergovernmental	\$ 105,434	\$ 81,471	\$ 58,658	\$ 140,129	\$ 34,695
Restricted intergovernmental	10,964,635	12,152,360	374,932	12,527,292	1,562,657
Charges for services	98,215	-	-	-	(98,215)
Miscellaneous	5,139,447	18,719	456,571	475,290	(4,664,157)
Total revenues	16,307,731	12,252,550	890,161	13,142,711	(3,165,020)
EXPENDITURES					
Current:					
Community services	1,722,485	1,175,744	64,258	1,240,002	482,483
General government	164,420	21,928	78,536	100,464	63,956
Public safety	6,391,182	5,433,769	325,450	5,759,219	631,963
Human services	8,598,748	6,075,520	291,328	6,366,848	2,231,900
Support services	243,247	231,967	-	231,967	11,280
Total expenditures	17,120,082	12,938,928	759,572	13,698,500	3,421,582
Revenues over (under) expenditures	(812,351)	(686,378)	130,589	(555,789)	256,562
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	888,648	1,257,741	71,517	1,329,258	440,610
Transfers to other funds	(76,297)	(24,917)	-	(24,917)	51,380
Closed out project revenue	-	173,127	-	173,127	173,127
Other financing sources (uses), net	812,351	1,405,951	71,517	1,477,468	665,117
Net change in fund balance	\$ -	\$ 719,573	202,106	\$ 921,679	\$ 921,679
FUND BALANCE					
Beginning balance			719,573		
Ending balance			\$ 921,679		

ORANGE COUNTY, NORTH CAROLINA

SHERIFF FORFEITURES FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 1,575,423	\$ 25,280	\$ (1,550,143)
Investment earnings	33,824	182	(33,642)
Total revenues	<u>1,609,247</u>	<u>25,462</u>	<u>(1,583,785)</u>
EXPENDITURES			
Current:			
Public safety	1,597,296	261,355	1,335,941
Total expenditures	<u>1,597,296</u>	<u>261,355</u>	<u>1,335,941</u>
Revenues over (under) expenditures	<u>11,951</u>	<u>(235,893)</u>	<u>(247,844)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	13,049	-	(13,049)
Transfers to other funds	(25,000)	(25,000)	-
other financing sources (uses), net	<u>(11,951)</u>	<u>(25,000)</u>	<u>(13,049)</u>
Net change in fund balance	<u>\$ -</u>	<u>(260,893)</u>	<u>\$ (260,893)</u>
FUND BALANCE			
Beginning balance		<u>1,267,036</u>	
Ending balance		<u>\$ 1,006,143</u>	

ORANGE COUNTY, NORTH CAROLINA

COMMUNITY DEVELOPMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total	
REVENUES					
Unrestricted intergovernmental:					
Town of Chapel Hill	\$ 1,998,536	\$ 1,614,435	\$ 227,414	\$ 1,841,849	\$ (156,687)
Town of Carrboro	720,399	560,265	9,276	569,541	(150,858)
Town of Hillsborough	251,951	198,904	37,311	236,215	(15,736)
Restricted intergovernmental:					
HOME	14,422,269	12,514,146	161,250	12,675,396	(1,746,873)
CDBG	3,955,860	1,494,528	810,507	2,305,035	(1,650,825)
HOPE	2,794,285	-	2,058,703	2,058,703	(735,582)
Other	3,110,621	1,392,814	741,952	2,134,766	(975,855)
Charges for services	766,009	1,134,723	-	1,134,723	368,714
Investment earnings	1,000	20,696	81	20,777	19,777
Miscellaneous	24,779	123,765	13,306	137,071	112,292
Total revenues	<u>28,045,709</u>	<u>19,054,276</u>	<u>4,059,800</u>	<u>23,114,076</u>	<u>(4,931,633)</u>
EXPENDITURES					
Current:					
Human services:					
HOME	18,799,886	16,636,540	376,248	17,012,788	1,787,098
Homelessness Partnership	3,526,873	1,482,566	1,072,586	2,555,152	971,721
Housing Rehab	3,776,094	3,282,298	387,809	3,670,107	105,987
Mitigation/Housing Displacement	9,049,928	1,118,745	6,194,737	7,313,482	1,736,446
Affordable Housing	1,030,653	937,212	-	937,212	93,441
Other programs	3,248,937	2,344,947	113,264	2,458,211	790,726
Total expenditures	<u>39,432,371</u>	<u>25,802,308</u>	<u>8,144,644</u>	<u>33,946,952</u>	<u>5,485,419</u>
Revenues under expenditures	<u>(11,386,662)</u>	<u>(6,748,032)</u>	<u>(4,084,844)</u>	<u>(10,832,876)</u>	<u>553,786</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	14,855	14,080	-	14,080	(775)
Transfers from other funds	13,292,263	8,908,976	3,452,569	12,361,545	(930,718)
Transfers to other funds	(2,032,116)	(1,391,242)	-	(1,391,242)	640,874
Appropriated fund balance	111,660	-	-	-	(111,660)
Closed out project revenue	-	1,482,464	-	1,482,464	1,482,464
Other financing sources (uses), net	<u>11,386,662</u>	<u>9,014,278</u>	<u>3,452,569</u>	<u>12,466,847</u>	<u>1,080,185</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,266,246</u>	<u>(632,275)</u>	<u>\$ 1,633,971</u>	<u>\$ 1,633,971</u>
FUND BALANCE					
Beginning balance			<u>2,266,246</u>		
Ending balance			<u>\$ 1,633,971</u>		

ORANGE COUNTY, NORTH CAROLINA

SECTION 8 HOUSING FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Restricted intergovernmental	\$ 4,295,019	\$ 4,265,026	\$ (29,993)
Investment earnings	500	81	(419)
Total revenues	<u>4,295,519</u>	<u>4,265,107</u>	<u>(30,412)</u>
EXPENDITURES			
Current:			
Human services	<u>4,638,393</u>	<u>4,673,957</u>	<u>(35,564)</u>
Total expenditures	<u>4,638,393</u>	<u>4,673,957</u>	<u>(35,564)</u>
Revenues under expenditures	<u>(342,874)</u>	<u>(408,850)</u>	<u>(65,976)</u>
OTHER FINANCING SOURCES			
Transfers from other funds	251,852	100,841	(151,011)
Appropriated fund balance	<u>91,022</u>	<u>-</u>	<u>(91,022)</u>
Total other financing sources	<u>342,874</u>	<u>100,841</u>	<u>(242,033)</u>
Net change in fund balance	<u>\$ -</u>	<u>(308,009)</u>	<u>\$ (308,009)</u>
FUND BALANCE			
Beginning balance		<u>496,333</u>	
Ending balance		<u>\$ 188,324</u>	

ORANGE COUNTY, NORTH CAROLINA

ARTICLE 46 SALES TAX FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Sales tax	\$ 35,198,838	\$ 28,053,923	\$ 3,905,505	\$ 31,959,428	\$ (3,239,410)
Investment earnings	-	141,122	641	141,763	141,763
Miscellaneous	190,204	1,122,911	-	1,122,911	932,707
Total revenues	<u>35,389,042</u>	<u>29,317,956</u>	<u>3,906,146</u>	<u>33,224,102</u>	<u>(2,164,940)</u>
EXPENDITURES					
Current:					
Community services	10,328,345	6,666,949	1,076,526	7,743,475	2,584,870
Education	17,486,437	12,223,885	2,979,524	15,203,409	2,283,028
Debt service:					
Principal	7,181,211	4,109,327	510,215	4,619,542	2,561,669
Interest	318,545	1,222,091	398,053	1,620,144	(1,301,599)
Total expenditures	<u>35,314,538</u>	<u>24,222,252</u>	<u>4,964,318</u>	<u>29,186,570</u>	<u>6,127,968</u>
Revenues over (under) expenditures	<u>74,504</u>	<u>5,095,704</u>	<u>(1,058,172)</u>	<u>4,037,532</u>	<u>3,963,028</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(74,504)	-	(452,829)	(452,829)	(378,325)
Closed out project revenue	-	334,983	-	334,983	334,983
Other financing sources (uses), net	<u>(74,504)</u>	<u>334,983</u>	<u>(452,829)</u>	<u>(117,846)</u>	<u>(43,342)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 5,430,687</u>	<u>(1,511,001)</u>	<u>\$ 3,919,686</u>	<u>\$ 3,919,686</u>
FUND BALANCE					
Beginning balance			<u>5,430,687</u>		
Ending balance			<u>\$ 3,919,686</u>		

ORANGE COUNTY, NORTH CAROLINA

EMERGENCY TELEPHONE SYSTEM FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 755,471	\$ 755,471	\$ -
Total revenues	<u>755,471</u>	<u>755,471</u>	<u>-</u>
EXPENDITURES			
Current:			
Public safety:			
Telephone	434,000	413,817	20,183
Hardware maintenance	301,206	300,953	253
Training	18,000	15,100	2,900
Supplies	7,973	698	7,275
Total expenditures	<u>761,179</u>	<u>730,568</u>	<u>30,611</u>
Revenues over (under) expenditures	(5,708)	24,903	30,611
OTHER FINANCING SOURCES			
Transfers from other funds	5,708	5,708	-
Net change in fund balance	<u>\$ -</u>	<u>30,611</u>	<u>\$ 30,611</u>
FUND BALANCE			
Beginning balance		<u>17,589</u>	
Ending balance		<u>\$ 48,200</u>	

ORANGE COUNTY, NORTH CAROLINA

VISITORS BUREAU FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Unrestricted intergovernmental	\$ 330,000	\$ 200,000	\$ (130,000)
Restricted intergovernmental	292,724	237,668	(55,056)
Charges for services	59,806	46,639	(13,167)
Investment earnings	4,000	50	(3,950)
Miscellaneous	1,285,798	864,779	(421,019)
Total revenues	<u>1,972,328</u>	<u>1,349,136</u>	<u>(623,192)</u>
EXPENDITURES			
Current:			
Community services	2,129,114	1,273,800	855,314
General government	522,876	511,559	11,317
Total expenditures	<u>2,651,990</u>	<u>1,785,359</u>	<u>866,631</u>
Revenues under expenditures	<u>(679,662)</u>	<u>(436,223)</u>	<u>243,439</u>
OTHER FINANCING SOURCES			
Transfers from other funds	632,420	72,420	(560,000)
Appropriated fund balance	47,242	-	(47,242)
Total other financing sources	<u>679,662</u>	<u>72,420</u>	<u>(607,242)</u>
Net change in fund balance	<u>\$ -</u>	<u>(363,803)</u>	<u>\$ (363,803)</u>
FUND BALANCE			
Beginning balance		<u>521,555</u>	
Ending balance		<u>\$ 157,752</u>	

ORANGE COUNTY, NORTH CAROLINA

SPAY/NEUTER FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Unrestricted intergovernmental	\$ 27,000	\$ 23,080	\$ (3,920)
Restricted intergovernmental	30,000	25,464	(4,536)
Investment earnings	350	8	(342)
Miscellaneous	12,000	11,638	(362)
Total revenues	<u>69,350</u>	<u>60,190</u>	<u>(9,160)</u>
EXPENDITURES			
Current:			
Community services:			
Animal shelter	92,179	73,901	18,278
Total expenditures	<u>92,179</u>	<u>73,901</u>	<u>18,278</u>
Revenues under expenditures	<u>(22,829)</u>	<u>(13,711)</u>	<u>9,118</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(12,600)	(12,600)	-
Appropriated fund balance	35,429	-	(35,429)
Other financing sources (uses), net	<u>22,829</u>	<u>(12,600)</u>	<u>(35,429)</u>
Net change in fund balance	<u>\$ -</u>	<u>(26,311)</u>	<u>\$ (26,311)</u>
FUND BALANCE			
Beginning balance		<u>44,724</u>	
Ending balance		<u>\$ 18,413</u>	

ORANGE COUNTY, NORTH CAROLINA

DSS CLIENT SERVICES

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Charges for services	\$ -	\$ 23,346	\$ -	\$ 23,346	\$ 23,346
Restricted intergovernmental	993,106	472,407	690,539	1,162,946	169,840
Investment earnings	-	22,207	45	22,252	22,252
Miscellaneous	504,559	385,845	34,649	420,494	(84,065)
Total revenues	<u>1,497,665</u>	<u>903,805</u>	<u>725,233</u>	<u>1,629,038</u>	<u>131,373</u>
EXPENDITURES					
Current:					
Human services:					
Adoption enhancement	1,657,796	810,973	101,439	912,412	745,384
Revenues over (under) expenditures	(160,131)	92,832	623,794	716,626	876,757
OTHER FINANCING SOURCES					
Transfers from other funds	160,131	76,945	-	76,945	(83,186)
Net change in fund balance	<u>\$ -</u>	<u>\$ 169,777</u>	623,794	<u>\$ 793,571</u>	<u>\$ 793,571</u>
FUND BALANCE					
Beginning balance			<u>169,777</u>		
Ending balance			<u>\$ 793,571</u>		

ORANGE COUNTY, NORTH CAROLINA

RECREATION SUBDIVISION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Investment earnings	\$ 72	\$ 87	\$ 15
Miscellaneous	5,361	5,361	-
Total revenues	<u>5,433</u>	<u>5,448</u>	<u>15</u>
EXPENDITURES			
Current:			
Community services	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	5,433	5,448	15
OTHER FINANCING USES			
Transfers to other funds	<u>(5,433)</u>	<u>-</u>	<u>5,433</u>
Net change in fund balance	<u>\$ -</u>	<u>5,448</u>	<u>\$ 5,448</u>
FUND BALANCE			
Beginning balance		<u>570,075</u>	
Ending balance		<u>\$ 575,523</u>	

ORANGE COUNTY, NORTH CAROLINA

SMALL BUSINESS LOANS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Sales tax	\$ -	\$ 413,393	\$ 413,393
Restricted intergovernmental	279,583	48,309	(231,274)
Investment earnings	-	3	3
Miscellaneous	-	22,748	22,748
Total revenues	279,583	484,453	204,870
EXPENDITURES			
Current:			
Community services	279,583	81,553	198,030
Net change in fund balance	\$ -	402,900	\$ 402,900
FUND BALANCE			
Beginning balance		-	
Ending balance		\$ 402,900	

ORANGE COUNTY, NORTH CAROLINA

LIBRARY DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ -	\$ 2	\$ 2
EXPENDITURES			
Current:			
Community services	-	8,034	(8,034)
Net change in fund balance	<u>\$ -</u>	<u>(8,032)</u>	<u>\$ (8,032)</u>
FUND BALANCE			
Beginning balance		<u>99,352</u>	
Ending balance		<u>\$ 91,320</u>	

ORANGE COUNTY, NORTH CAROLINA

MENTAL HEALTH INSURANCE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ 4,454	\$ 65	\$ (4,389)
EXPENDITURES			
Current:			
Human services	4,454	5,345	(891)
Net change in fund balance	<u>\$ -</u>	<u>(5,280)</u>	<u>\$ (5,280)</u>
FUND BALANCE			
Beginning balance, as previously reported		-	
Prior period adjustment - change in accounting principle		<u>421,276</u>	
Beginning balance, as restated		<u>421,276</u>	
Ending balance		<u>\$ 415,996</u>	

ORANGE COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Miscellaneous	\$ 232,401	\$ 83,429	\$ (148,972)
EXPENDITURES			
Current:			
Human services	<u>232,401</u>	<u>75,750</u>	<u>156,651</u>
Net change in fund balance	<u>\$ -</u>	<u>7,679</u>	<u>\$ 7,679</u>
FUND BALANCE			
Beginning balance, as previously reported		-	
Prior period adjustment - change in accounting principle		<u>71,326</u>	
Beginning balance, as restated		<u>71,326</u>	
Ending balance		<u>\$ 79,005</u>	

ORANGE COUNTY, NORTH CAROLINA

COMMUNICATION TOWER TRUST FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
License and permits	\$ 5,000	\$ 11,000	\$ 6,000
EXPENDITURES			
Current:			
Community services	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balance	<u>\$ -</u>	<u>11,000</u>	<u>\$ 11,000</u>
FUND BALANCE			
Beginning balance, as previously reported		-	
Prior period adjustment - change in accounting principle		<u>4,223</u>	
Beginning balance, as restated		<u>4,223</u>	
Ending balance		<u>\$ 15,223</u>	

ORANGE COUNTY, NORTH CAROLINA

SCHOOL DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes	\$ 24,800,000	\$ 24,828,513	\$ 28,513
EXPENDITURES			
Current:			
Education	<u>24,800,000</u>	<u>24,828,513</u>	<u>(28,513)</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE			
Beginning balance		<u>-</u>	
Ending balance		<u>\$ -</u>	

ORANGE COUNTY, NORTH CAROLINA

ORANGE COUNTY GIVING FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Miscellaneous	\$ 323,470	\$ 13,321	\$ (310,149)
EXPENDITURES			
Current:			
Community services	16,470	13,321	3,149
General government	307,000	577	306,423
Total expenditures	323,470	13,898	309,572
Net change in fund balance	\$ -	(577)	\$ (577)
FUND BALANCE			
Beginning balance, as previously reported		-	
Prior period adjustment - change in accounting principle		32,961	
Beginning balance, as restated		32,961	
Ending balance		\$ 32,384	

ORANGE COUNTY, NORTH CAROLINA

EFLAND SEWER OPERATING FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 21,280	\$ 21,734	\$ 454
Investment earnings	-	16	16
Total revenues	<u>21,280</u>	<u>21,750</u>	<u>470</u>
EXPENDITURES			
General and administrative	<u>480</u>	<u>470</u>	<u>10</u>
Revenues over expenditures	<u>20,800</u>	<u>21,280</u>	<u>480</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(27,996)	(27,996)	-
Appropriated fund balance	<u>7,196</u>	<u>-</u>	<u>(7,196)</u>
Other financing sources (uses), net	<u>(20,800)</u>	<u>(27,996)</u>	<u>(7,196)</u>
Revenues and other financing sources (uses) under expenditures	<u>\$ -</u>	<u>(6,716)</u>	<u>\$ (6,716)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Special item - Efland sewer conveyance *		<u>(1,697,694)</u>	
Change in net position - GAAP Basis		<u>\$ (1,704,410)</u>	

* - See Note 9 for additional information including the board authorization for this transaction.

ORANGE COUNTY, NORTH CAROLINA

DENTAL AND HEALTH INSURANCE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING
SOURCES (USES) - BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 13,610,214	\$ 11,977,121	\$ (1,633,093)
Other operating revenue	-	1,990,000	1,990,000
Investment earnings	-	170	170
Total revenues	<u>13,610,214</u>	<u>13,967,291</u>	<u>357,077</u>
EXPENDITURES			
Operations	13,345,011	11,997,730	1,347,281
General and administrative	272,709	108,312	164,397
Total expenditures	<u>13,617,720</u>	<u>12,106,042</u>	<u>1,511,678</u>
Revenues over (under) expenditures	(7,506)	1,861,249	1,868,755
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(2,465,000)	(2,465,000)	-
Appropriated fund balance	2,472,506	-	(2,472,506)
Other financing sources (uses), net	<u>7,506</u>	<u>(2,465,000)</u>	<u>(2,472,506)</u>
Revenues and other financing sources (uses) under expenditures	<u>\$ -</u>	<u>(603,751)</u>	<u>\$ (603,751)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Increase in claims payable		<u>(152,915)</u>	
Change in net position - GAAP Basis		<u>\$ (756,666)</u>	

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021**

	Cooperative Extension 4-H Fund	American Stone No Fault Well Repair Fund	Jail Inmate Pay Fund	Crop Loan Fund	Total Custodial Funds
ASSETS					
Cash and investments	\$ 67,173	\$ 147,196	\$ 20,398	\$ 35,926	\$ 270,693
Total assets	<u>67,173</u>	<u>147,196</u>	<u>20,398</u>	<u>35,926</u>	<u>270,693</u>
LIABILITIES					
Accounts payable	1,126	127	-	-	1,253
Accrued liabilities	<u>52,610</u>	<u>-</u>	<u>12,571</u>	<u>-</u>	<u>65,181</u>
Total liabilities	<u>53,736</u>	<u>127</u>	<u>12,571</u>	<u>-</u>	<u>66,434</u>
NET POSITION					
Restricted for:					
Individuals, organizations and other governments	<u>13,437</u>	<u>147,069</u>	<u>7,827</u>	<u>35,926</u>	<u>204,259</u>
Total net position	<u>\$ 13,437</u>	<u>\$ 147,069</u>	<u>\$ 7,827</u>	<u>\$ 35,926</u>	<u>\$ 204,259</u>

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Cooperative Extension 4-H Fund	American Stone No Fault Well Repair Fund	Jail Inmate Pay Fund	Crop Loan Fund	Total Custodial Funds
ADDITIONS					
Charges for services	\$ 985	\$ 15,000	\$ -	\$ -	\$ 15,985
Collections on behalf of inmates	-	-	307,902	-	307,902
Donations	7,494	-	-	-	7,494
Investment earnings	12	21	-	-	33
Crop loan repayments	-	-	-	22,659	22,659
Total additions	<u>8,491</u>	<u>15,021</u>	<u>307,902</u>	<u>22,659</u>	<u>354,073</u>
DEDUCTIONS					
Water improvements	-	127	-	-	127
Payments on behalf of inmates	-	-	279,486	-	279,486
Payments to Orange County	-	-	25,000	-	25,000
Crop loans disbursed	-	-	-	14,168	14,168
Culture and recreation	7,502	-	-	-	7,502
Total deductions	<u>7,502</u>	<u>127</u>	<u>304,486</u>	<u>14,168</u>	<u>326,283</u>
Net change in fiduciary net position	<u>989</u>	<u>14,894</u>	<u>3,416</u>	<u>8,491</u>	<u>27,790</u>
NET POSITION					
Beginning balances, as previously reported	-	-	-	-	-
Prior period adjustment-change in accounting principle	<u>12,448</u>	<u>132,175</u>	<u>4,411</u>	<u>27,435</u>	<u>176,469</u>
Beginning balances, as restated	<u>12,448</u>	<u>132,175</u>	<u>4,411</u>	<u>27,435</u>	<u>176,469</u>
Ending balances	<u><u>\$ 13,437</u></u>	<u><u>\$ 147,069</u></u>	<u><u>\$ 7,827</u></u>	<u><u>\$ 35,926</u></u>	<u><u>\$ 204,259</u></u>

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2021

Fiscal Year	Uncollected Balance July 1, 2020	Additions	Collections and Credits	Uncollected Balance June 30, 2021
2020-2021	\$ -	\$ 168,893,588	\$ 167,481,534	\$ 1,412,054
2019-2020	1,575,435	-	900,333	675,102
2018-2019	630,663	-	240,579	390,084
2017-2018	368,007	-	124,320	243,687
2016-2017	266,374	-	102,710	163,664
2015-2016	163,411	-	56,590	106,821
2014-2015	123,275	-	41,427	81,848
All-prior	1,426,131	-	103,130	1,323,001
	<u>\$ 4,553,296</u>	<u>\$ 168,893,588</u>	<u>\$ 169,050,623</u>	<u>4,396,261</u>
				Less: allowance for uncollectible accounts - General Fund (1,966,537)
				Ad valorem taxes receivable - net \$ 2,429,724
				Reconciliation to revenues:
				Ad valorem taxes - General Fund \$ 168,852,895
				Reconciling items:
				Interest and penalties 682,718
				Miscellaneous adjustments (484,990)
				Total collections and credits \$ 169,050,623

ORANGE COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2021**

	County-wide		Total Levy		
	Property Valuation	Rate	Total Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 19,449,954,413	0.8679	\$ 168,806,154	\$ 157,173,873	\$ 11,632,281
Late listing penalties	-		77,596	77,596	-
Lien advertisement	-		9,838	9,838	-
Total	19,449,954,413		168,893,588	157,261,307	11,632,281
Releases	-	0.8679	-	-	-
Total property valuation	\$ 19,449,954,413				
Net levy			168,893,588	157,261,307	11,632,281
Uncollected taxes at June 30, 2021			(1,412,054)	(1,412,054)	-
Current year's taxes collected			\$ 167,481,534	\$ 155,849,253	\$ 11,632,281
Current levy collection percentage			99.16%	99.10%	100.00%

STATISTICAL SECTION

This section of the County's annual comprehensive 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.

Financial Trends

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

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

Debt Capacity

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

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

These schedules contain service and infrastructure data to help the reader understand how the information in the County's annual comprehensive 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 County's annual comprehensive financial reports for the relevant year.

ORANGE COUNTY, NORTH CAROLINA

Net Position By Component Last Ten Fiscal Years

	2021	(1) (Restated) 2020	2019	2018
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 36,420,704	\$ 32,355,004	\$ 29,752,938	\$ 30,229,146
Restricted for:				
Stabilization by State statute	15,881,733	17,838,399	16,392,707	14,222,179
Various other programs	5,931,817	47,732,061	67,909,157	37,517,431
Unrestricted	(240,453,014)	(249,861,109)	(212,549,798)	(155,693,774)
Total governmental activities net position	<u>\$ (182,218,760)</u>	<u>\$ (151,935,645)</u>	<u>\$ (98,494,996)</u>	<u>\$ (73,725,018)</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 7,740,664	\$ 7,331,915	\$ 9,391,992	\$ 10,361,313
Unrestricted	6,994,389	9,857,968	7,007,056	6,165,732
Total business-type activities net position	<u>\$ 14,735,053</u>	<u>\$ 17,189,883</u>	<u>\$ 16,399,048</u>	<u>\$ 16,527,045</u>
TOTAL - PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 44,161,368	\$ 39,686,919	\$ 39,144,930	\$ 40,590,459
Restricted for:				
Stabilization by State statute	15,881,733	17,838,399	16,392,707	14,222,179
Various other programs	5,931,817	47,732,061	67,909,157	37,517,431
Unrestricted	(233,458,625)	(240,003,141)	(205,542,742)	(149,528,042)
Total primary government net position	<u>\$ (167,483,707)</u>	<u>\$ (134,745,762)</u>	<u>\$ (82,095,948)</u>	<u>\$ (57,197,973)</u>

Notes to the Schedule:

In accordance with North Carolina law, total liabilities of the County include approximately \$99 million in long-term debt associated with assets belonging to the Orange County Board of Education and the Chapel Hill-Carrboro Board of Education. These assets are not reflected in the County's financial statements thereby creating the deficit balance in total net position.

(1) - Governmental activities were restated for the implementation of GASB Statement No. 84 and business-type activities were restated for the correction of an error.

Table 1

2017	2016	2015	2014	2013	2012
\$ 29,924,257	\$ 23,190,053	\$ 42,946,587	\$ 21,308,363	\$ 19,154,413	\$ 35,398,235
12,264,244	13,693,038	12,845,946	15,617,944	14,036,419	11,153,113
17,264,973	23,225,509	4,493,650	4,287,300	12,551,518	27,503,219
<u>(133,115,016)</u>	<u>(79,859,843)</u>	<u>(94,888,828)</u>	<u>(91,105,688)</u>	<u>(101,233,902)</u>	<u>(131,483,110)</u>
<u>\$ (73,661,542)</u>	<u>\$ (19,751,243)</u>	<u>\$ (34,602,645)</u>	<u>\$ (49,892,081)</u>	<u>\$ (55,491,552)</u>	<u>\$ (57,428,543)</u>
\$ 6,883,243	\$ 7,462,618	\$ 7,327,120	\$ 8,478,262	\$ 7,038,493	\$ 4,404,980
5,058,871	3,322,472	2,539,292	2,563,784	3,862,994	2,753,605
<u>\$ 11,942,114</u>	<u>\$ 10,785,090</u>	<u>\$ 9,866,412</u>	<u>\$ 11,042,046</u>	<u>\$ 10,901,487</u>	<u>\$ 7,158,585</u>
\$ 36,807,500	\$ 30,652,671	\$ 50,273,707	\$ 29,786,625	\$ 26,192,906	\$ 39,803,215
12,264,244	13,693,038	12,845,946	15,617,944	14,036,419	11,153,113
17,264,973	23,225,509	4,493,650	4,287,300	12,551,518	27,503,219
<u>(128,056,145)</u>	<u>(76,537,371)</u>	<u>(92,349,536)</u>	<u>(88,541,904)</u>	<u>(97,370,908)</u>	<u>(128,729,505)</u>
<u>\$ (61,719,428)</u>	<u>\$ (8,966,153)</u>	<u>\$ (24,736,233)</u>	<u>\$ (38,850,035)</u>	<u>\$ (44,590,065)</u>	<u>\$ (50,269,958)</u>

ORANGE COUNTY, NORTH CAROLINA

Changes in Net Position Last Ten Fiscal Years

	(2)			
	2021	2020	2019	2018
EXPENSES				
<i>Governmental activities:</i>				
Governing and management	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A
Community and environment	N/A	N/A	N/A	N/A
Cultural and recreational	N/A	N/A	N/A	N/A
Community services	\$ 14,484,271	\$ 16,617,090	\$ 15,902,720	\$ 15,223,280
General Government	22,774,275	20,030,815	15,382,288	16,685,804
Public safety	41,376,196	36,883,247	33,718,408	32,247,386
Human services	56,271,330	48,406,126	44,580,536	43,371,252
Education	155,464,500	156,765,760	132,364,089	106,689,649
Support services	16,301,136	19,391,577	19,455,503	12,733,446
Interest on long-term debt	14,275,755	7,641,254	6,954,179	5,707,204
Total expenses - governmental activities	<u>320,947,463</u>	<u>305,735,869</u>	<u>268,357,723</u>	<u>232,658,021</u>
<i>Business-Type activities:</i>				
Landfill	11,222,179	10,820,274	10,783,737	9,566,421
SportsPlex	3,204,250	3,105,279	3,739,404	3,608,084
Efland Sewer (1)	470	87,564	327,665	443,049
Total expenses - business-type activities	<u>14,426,899</u>	<u>14,013,117</u>	<u>14,850,806</u>	<u>13,617,554</u>
Total expenses - primary government	<u>335,374,362</u>	<u>319,748,986</u>	<u>283,208,529</u>	<u>246,275,575</u>
REVENUES				
<i>Governmental activities:</i>				
Program revenues:				
Charges for services	12,647,084	15,099,534	15,827,035	15,719,203
Operating grants and contributions	31,345,445	28,714,814	24,223,044	24,212,789
Capital grants and contributions	454,718	1,256,036	1,157,514	1,620,344
General revenues:				
Property taxes	201,379,367	171,493,308	165,411,715	160,185,898
Other taxes	37,498,124	33,073,561	33,541,804	32,377,997
Other revenues	6,894,256	2,130,474	3,553,143	218,178
Total revenues - governmental activities	<u>290,218,994</u>	<u>251,767,727</u>	<u>243,714,255</u>	<u>234,334,409</u>
<i>Business-type activities:</i>				
Program revenues:				
Charges for services	13,764,050	14,077,939	14,259,849	13,482,011
Operating grants and contributions	6,319	3,681	30,570	200,448
Capital grants and contributions	-	164,560	305,882	138,915
General revenues:				
Other revenues	344,748	-	-	-
Special item (1)	(1,697,694)	-	-	-
Total revenues - business-type activities	<u>12,417,423</u>	<u>14,246,180</u>	<u>14,596,301</u>	<u>13,821,374</u>
Total revenues - primary government	<u>302,636,417</u>	<u>266,013,907</u>	<u>258,310,556</u>	<u>248,155,783</u>

Table 2
Page 1 of 2

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
N/A	N/A	\$ 19,289,101	\$ 26,361,842	\$ 22,025,337	\$ 23,497,848
N/A	N/A	9,178,467	7,867,632	6,980,383	7,222,770
N/A	N/A	13,773,024	11,552,941	9,821,519	9,786,774
N/A	N/A	2,486,556	2,354,533	2,162,503	2,168,615
\$ 14,528,306	\$ 11,798,260	N/A	N/A	N/A	N/A
17,268,682	22,439,461	N/A	N/A	N/A	N/A
29,634,987	28,476,942	27,613,011	25,479,585	24,569,638	23,717,846
45,058,561	45,512,630	38,142,905	36,755,137	35,126,478	33,431,309
97,196,824	86,255,010	84,862,221	81,732,135	91,151,052	76,639,902
14,579,007	11,344,246	N/A	N/A	N/A	N/A
3,311,756	3,933,332	4,782,894	5,567,955	7,685,735	14,479,651
<u>221,578,123</u>	<u>209,759,881</u>	<u>200,128,179</u>	<u>197,671,760</u>	<u>199,522,645</u>	<u>190,944,715</u>
10,197,990	9,812,564	11,037,061	11,463,642	6,892,530	10,552,420
3,354,734	3,420,624	3,215,365	3,135,791	3,020,626	2,909,120
399,818	430,846	243,993	284,773	333,568	316,684
<u>13,952,542</u>	<u>13,664,034</u>	<u>14,496,419</u>	<u>14,884,206</u>	<u>10,246,724</u>	<u>13,778,224</u>
<u>235,530,665</u>	<u>223,423,915</u>	<u>214,624,598</u>	<u>212,555,966</u>	<u>209,769,369</u>	<u>204,722,939</u>
16,424,044	15,778,566	15,698,925	14,100,487	13,235,408	12,766,266
26,044,125	26,418,629	26,224,918	26,259,362	24,611,570	23,403,397
1,000,233	1,059,278	1,112,971	1,656,217	2,489,408	6,075,501
155,565,259	153,059,233	149,605,562	148,940,579	142,951,109	141,596,821
29,522,796	27,712,231	26,378,822	22,924,419	21,248,342	18,271,966
618,793	267,113	25,268	29,414	107,517	756,382
<u>229,175,250</u>	<u>224,295,050</u>	<u>219,046,466</u>	<u>213,910,478</u>	<u>204,643,354</u>	<u>202,870,333</u>
11,861,307	11,719,530	8,496,708	8,708,132	11,201,138	11,278,046
-	-	1,192,897	274,429	466,966	419,354
261,713	162,555	2,328	2,969	9,624	10,067
-	-	-	-	-	-
-	-	-	-	-	-
<u>12,123,020</u>	<u>11,882,085</u>	<u>9,691,933</u>	<u>8,985,530</u>	<u>11,677,728</u>	<u>11,707,467</u>
<u>241,298,270</u>	<u>236,177,135</u>	<u>228,738,399</u>	<u>222,896,008</u>	<u>216,321,082</u>	<u>214,577,800</u>

ORANGE COUNTY, NORTH CAROLINA

Changes in Net Position Last Ten Fiscal Years

	(2)			
	2021	2020	2019	2018
TRANSFERS				
Governmental activities	\$ 445,354	\$ (2,293)	\$ (126,510)	\$ (1,739,866)
Business-type activities	(445,354)	2,293	126,510	1,739,866
NET CHANGE IN NET POSITION				
Governmental activities	(30,283,115)	(53,970,435)	(24,769,978)	(63,478)
Business-type activities	(2,454,830)	235,356	(127,995)	1,943,686
NET POSITION				
Beginning balances, as previously reported	(135,831,027)	(82,095,948)	(57,197,975)	(4,372,786)
Prior period adjustments	1,085,265	-	-	(54,705,397)
Beginning balances, as restated	(134,745,762)	(82,095,948)	(57,197,975)	(59,078,183)
Ending balances	<u>\$ (167,483,707)</u>	<u>\$ (135,831,027)</u>	<u>\$ (82,095,948)</u>	<u>\$ (57,197,975)</u>

Notes to the Schedule:

N/A - Orange County changed to Functional Leadership Teams in FY 2015-16.

(1) - Special item includes the conveyance of the Efland Sewer system to the City of Mebane, North Carolina.

(2) - See note (1) on Table 1.

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ (1,568,349)	\$ (1,834,548)	\$ (2,376,743)	\$ (2,730,996)	\$ (2,311,895)	\$ (2,073,130)
<u>1,568,349</u>	<u>1,834,548</u>	<u>2,376,743</u>	<u>2,730,996</u>	<u>2,311,895</u>	<u>2,073,130</u>
6,028,778	12,700,621	16,541,544	13,507,722	2,808,814	9,569,987
<u>(261,173)</u>	<u>(415,014)</u>	<u>(2,427,743)</u>	<u>(3,167,680)</u>	<u>3,742,899</u>	<u>284,874</u>
(8,966,153)	(24,736,234)	(34,249,723)	(44,589,765)	(50,269,955)	(60,124,816)
<u>(1,174,238)</u>	<u>3,484,474</u>	<u>(4,600,312)</u>	<u>-</u>	<u>(871,523)</u>	<u>-</u>
<u>(10,140,391)</u>	<u>(21,251,760)</u>	<u>(38,850,035)</u>	<u>(44,589,765)</u>	<u>(51,141,478)</u>	<u>(60,124,816)</u>
<u>\$ (4,372,786)</u>	<u>\$ (8,966,153)</u>	<u>\$ (24,736,234)</u>	<u>\$ (34,249,723)</u>	<u>\$ (44,589,765)</u>	<u>\$ (50,269,955)</u>

ORANGE COUNTY, NORTH CAROLINA

Fund Balances - Governmental Funds Last Ten Fiscal Years

	2021	2020	2019	2018
GENERAL FUND				
Non-spendable:				
Prepaid items	\$ 579,291	\$ 300,192	\$ 3,001	\$ 3,001
Inventories	9,645	9,645	12,428	16,973
Other	10,818	136,000	136,000	136,000
Restricted for:				
Stabilization for State statute	14,858,782	16,205,850	15,007,391	12,576,115
Committed:				
Health Benefits	7,543,841	7,543,841	7,543,841	7,543,841
General services	-	-	-	-
Assigned:				
Subsequent year expenditures	14,757,382	8,268,603	7,808,006	8,820,099
Unassigned	38,357,267	35,479,220	35,697,519	34,439,230
Total General Fund	76,117,026	67,943,351	66,208,186	63,535,259
ALL OTHER GOVERNMENTAL FUNDS (1)				
Non-spendable:				
Notes receivable	1,332,130	-	-	-
Restricted for:				
Stabilization for State Statute	1,022,951	1,632,549	1,385,316	1,646,064
Education	16,587,053	43,324,451	63,291,434	26,763,497
Human services	2,224,961	165,940	252,328	2,668,966
Governing and management	N/A	N/A	N/A	N/A
Public safety	2,503,052	2,871,984	2,774,848	2,755,925
Community services	955,701	1,148,324	1,279,385	3,716,198
Community and environment				
Capital projects	27,099,316	45,206,350	19,695,260	25,144,847
Committed				
Human services	756,432	169,777	143,902	125,878
Education	2,933,874	1,140,095	1,140,095	-
Community services	-	2,710,240	1,928,742	-
Governing and management	N/A	N/A	N/A	N/A
Assigned:				
Human services	95,080	3,396,354	2,724,748	166,439
Community services		44,724	50,448	64,006
Community and environment	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A
Education	-	-	-	-
Capital projects	134,023	134,004	4,569,498	148,396
Unassigned	(3,367,130)	(722,240)	-	-
Total All Other Government Funds	52,277,443	101,222,552	99,236,004	63,200,216
Total Government Funds	\$ 128,394,469	\$ 169,165,903	\$ 165,444,190	\$ 126,735,475

Notes to the Schedule:

N/A - Orange County changed to Functional Leadership Teams in FY 2015-16.

(1) - The implementation of GASB Statement No. 84 created five new special revenue funds.

Table 3

2017	2016	2015	2014	2013	2012
\$ 3,001	\$ 3,001	\$ -	\$ -	\$ 16,946	\$ 16,946
7,329	13,668	20,306	29,242	23,008	17,788
136,000	-	-	-	-	-
10,739,850	12,151,274	11,255,821	12,102,492	9,736,214	8,399,062
7,543,841	7,543,841				
-	-	7,543,841	6,001,641	3,105,267	145,919
9,769,060	13,880,592	10,650,770	10,068,343	5,190,118	4,134,397
34,527,855	30,873,811	35,548,843	33,913,229	36,608,054	35,145,394
62,726,936	64,466,187	65,019,581	62,114,947	54,679,607	47,859,506
-	-	-	-	-	-
1,524,394	1,541,764	1,590,125	3,515,452	4,467,734	2,754,051
4,330,808	10,266,810	6,444,383	8,454,406	10,249,519	25,359,245
2,748,663	2,533,694	N/A	N/A	N/A	N/A
N/A	N/A	21,408,280	12,284,550	5,282,833	7,572,592
2,017,706	1,590,761	2,402,687	1,539,413	1,081,573	979,080
3,419,193	3,160,345	N/A	N/A	N/A	N/A
-	-	2,297,379	2,747,887	1,052,897	1,164,894
28,485,737	23,780,620	N/A	N/A	N/A	N/A
81,079	35,122	788,612	659,102	741,703	723,920
-	-	113,388	113,371	113,352	583,490
-	-	N/A	N/A	N/A	N/A
N/A	N/A	32,494	32,488	32,483	32,466
141,597	228,063	N/A	N/A	N/A	N/A
62,771	67,294	N/A	N/A	N/A	N/A
N/A	N/A	1,363,560	1,075,872	2,709,603	709,421
N/A	N/A	72,133	9,154	9,154	9,150
-	-	4,341,861	2,701,717	2,039,169	2,185,090
146,913	146,144	-	-	-	-
-	-	(276,297)	(2,695,073)	(3,667,415)	-
42,958,861	43,350,617	40,578,605	30,438,339	24,112,605	42,073,399
\$ 105,685,797	\$ 107,816,804	\$ 105,598,186	\$ 92,553,286	\$ 78,792,212	\$ 89,932,905

ORANGE COUNTY, NORTH CAROLINA

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	(1) 2021	2020	2019	2018
REVENUES				
Property taxes	\$ 201,160,334	\$ 171,125,831	\$ 165,291,673	\$ 160,164,100
Other taxes	36,530,714	33,073,561	33,541,804	31,012,534
Intergovernmental revenues	37,665,928	28,132,049	25,116,465	25,618,064
Charges for services	12,355,060	12,335,681	12,946,473	12,974,619
Investment earnings	292,024	2,103,470	3,553,143	1,392,733
Other revenues	2,685,552	3,596,504	3,144,655	2,974,653
Total revenues	<u>290,689,612</u>	<u>250,367,096</u>	<u>243,594,213</u>	<u>234,136,703</u>
EXPENDITURES				
Current:				
Governing and management	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A
Community and environment	N/A	N/A	N/A	N/A
Cultural and recreational	N/A	N/A	N/A	N/A
Community services	14,049,012	15,585,690	15,298,049	14,659,707
General government	15,426,594	10,170,359	9,898,414	9,692,463
Public safety	39,118,307	34,041,147	31,710,007	30,746,216
Human services	55,152,414	45,950,432	43,665,611	43,022,683
Education	155,464,500	151,003,467	127,320,635	98,899,949
Support services	12,535,964	15,178,951	12,626,572	12,974,342
Capital outlay	26,148,205	24,745,320	14,141,956	12,375,007
Debt Service:				
Principal	23,777,135	22,239,544	21,929,818	21,164,194
Interest and other charges	12,092,055	10,024,425	9,300,600	7,373,100
Total expenditures	<u>353,764,186</u>	<u>328,939,335</u>	<u>285,891,662</u>	<u>250,907,661</u>
Revenues over (under) expenditures	<u>(63,074,574)</u>	<u>(78,572,239)</u>	<u>(42,297,449)</u>	<u>(16,770,958)</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	22,525,555	88,616,970	77,160,000	62,125,757
Premiums on long-term debt issued	3,472,402	7,291,635	6,586,231	7,865,143
Payments to escrow agent - refunding	(7,136,379)	(14,549,364)	-	(30,091,068)
Proceeds from sale of capital assets	1,422	27,004	12,963	190,910
Transfers from other funds	16,659,872	17,613,046	5,964,008	8,228,700
Transfers to other funds	(13,749,518)	(16,705,339)	(8,717,038)	(10,498,836)
Other financing sources (uses), net	<u>21,773,354</u>	<u>82,293,952</u>	<u>81,006,164</u>	<u>37,820,606</u>
Net change in fund balances	<u>\$ (41,301,220)</u>	<u>\$ 3,721,713</u>	<u>\$ 38,708,715</u>	<u>\$ 21,049,648</u>
Debt service as a percentage of non-capital expenditures	<u>10.95%</u>	<u>10.41%</u>	<u>11.28%</u>	<u>11.52%</u>

Notes to the Schedule:

N/A - Orange County changed to Functional Leadership Teams in FY 2015-16.

(1) - The implementation of GASB Statement No. 84 created five new special revenue funds.

Table 4

2017	2016	2015	2014	2013	2012
\$ 155,630,633	\$ 153,539,268	\$ 150,938,119	\$ 149,384,079	\$ 142,589,686	\$ 141,141,578
29,522,796	27,712,231	26,378,822	22,924,419	21,248,342	18,271,966
26,454,930	27,002,678	27,337,889	27,212,924	26,395,066	28,588,962
12,015,197	10,787,145	12,620,908	10,998,366	10,317,422	10,094,081
618,793	267,113	25,155	29,301	107,430	756,242
5,013,275	5,412,883	4,653,526	3,106,135	3,586,283	3,436,174
<u>229,255,624</u>	<u>224,721,318</u>	<u>221,954,419</u>	<u>213,655,224</u>	<u>204,244,229</u>	<u>202,289,003</u>
N/A	N/A	13,050,437	13,027,305	12,280,547	11,946,149
N/A	N/A	8,823,950	7,793,954	7,041,005	6,556,064
N/A	N/A	13,612,192	12,915,703	11,815,147	12,308,296
N/A	N/A	2,647,079	2,395,681	2,167,876	2,078,964
14,186,060	11,980,673	N/A	N/A	N/A	N/A
8,209,934	9,369,732	N/A	N/A	N/A	N/A
29,093,813	28,396,838	26,634,573	25,678,516	23,304,121	23,063,645
44,427,224	46,194,177	37,584,165	36,235,780	34,689,069	32,661,585
97,196,824	86,255,010	78,548,393	71,212,992	67,488,591	63,939,903
13,929,639	11,661,104	N/A	N/A	N/A	N/A
5,538,992	7,580,903	13,030,640	20,928,560	31,105,574	19,779,947
19,830,716	20,049,781	19,344,248	18,803,953	16,267,209	18,718,055
6,854,627	6,867,259	8,369,842	6,680,919	8,759,668	15,280,193
<u>239,267,829</u>	<u>228,355,477</u>	<u>221,645,519</u>	<u>215,673,363</u>	<u>214,918,807</u>	<u>206,332,801</u>
<u>(10,012,205)</u>	<u>(3,634,159)</u>	<u>308,900</u>	<u>(2,018,139)</u>	<u>(10,674,578)</u>	<u>(4,043,798)</u>
9,354,561	6,655,158	33,084,778	18,549,081	17,079,305	132,920,360
-	-	-	-	-	-
-	-	(17,972,035)	-	(13,685,000)	(104,030,089)
95,016	32,167	-	-	-	-
9,706,368	8,280,750	6,756,556	8,036,336	11,265,642	7,663,511
<u>(11,274,717)</u>	<u>(10,115,298)</u>	<u>(9,133,299)</u>	<u>(10,806,204)</u>	<u>(13,685,581)</u>	<u>(10,029,142)</u>
<u>7,881,228</u>	<u>4,852,777</u>	<u>12,736,000</u>	<u>15,779,213</u>	<u>974,366</u>	<u>26,524,640</u>
<u>\$ (2,130,977)</u>	<u>\$ 1,218,618</u>	<u>\$ 13,044,900</u>	<u>\$ 13,761,074</u>	<u>\$ (9,700,212)</u>	<u>\$ 22,480,842</u>
<u>11.33%</u>	<u>11.79%</u>	<u>12.70%</u>	<u>12.05%</u>	<u>11.87%</u>	<u>18.22%</u>

ORANGE COUNTY, NORTH CAROLINA

Assessed Values and Actual Values of Taxable Property Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Public-Service Companies	Less: Tax-Exempt Property
2012	\$ 14,509,087,828	\$ 1,217,661,746	\$ 234,219,001	\$ 61,832,450
2013	14,630,730,056	1,274,117,983	235,565,073	64,439,641
2014 (1)	14,734,501,833	1,724,462,428	239,923,242	66,527,135
2015	14,863,350,430	1,461,891,252	244,191,811	67,500,359
2016	15,020,157,254	1,442,897,338	382,744,805	67,617,005
2017	15,168,750,327	1,620,578,558	306,434,830	71,244,631
2018	16,385,248,774	1,711,150,366	315,583,138	81,081,408
2019	16,603,198,106	1,821,061,820	337,735,426	80,381,765
2020	16,974,899,491	1,726,673,593	337,564,917	82,646,419
2021	17,333,962,055	1,769,659,485	346,332,873	77,934,293

Notes to the Schedule:

Source: Annual County Report of Valuation and Property Tax Levies

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.

(1) - Assessed value of personal property includes an additional three months valuation

Table 5

Net Assessed Value	Total Direct Tax Rate	Estimated Actual Market Value	Assessed Value as a Percent of Actual Value
\$ 15,899,136,125	0.8580	\$ 18,726,408,865	84.90%
16,075,973,471	0.8580	18,896,681,052	85.07%
16,632,360,368	0.8580	19,398,362,762	85.57%
16,501,943,134	0.8780	19,323,118,424	85.40%
16,778,182,392	0.8780	19,676,536,170	85.27%
17,024,519,084	0.8780	19,932,700,016	85.41%
18,330,900,870	0.8377	19,247,060,972	95.24%
18,681,613,587	0.8504	20,299,482,328	92.03%
18,956,491,582	0.8679	21,116,733,410	89.77%
19,449,954,413	0.8679	21,885,849,476	88.87%

ORANGE COUNTY, NORTH CAROLINA

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

	2021	2020	2019	2018
County Direct Rates				
Orange County (1)	\$ 0.086790	\$ 0.086790	\$ 0.085040	\$ 0.083770
Total general direct rate	0.086790	0.086790	0.085040	0.083770
Fire Districts (2)	0.090101	0.090828	0.087540	0.071220
Total direct rate	\$ 0.176891	\$ 0.177618	\$ 0.172580	\$ 0.154990
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	0.0202	0.0202	0.0202	0.0218
Municipality rates:				
Chapel Hill	0.0544	0.0544	0.5280	0.5080
Carrboro	0.5944	0.5944	0.5944	0.5894
Hillsborough	0.6200	0.6200	0.6200	0.6200
Mebane	0.4700	0.4700	0.4700	0.4700

Notes to the Schedule:

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

2017	2016	2015	2014	2013	2012
\$ 0.087800	\$ 0.087800	\$ 0.087800	\$ 0.085800	\$ 0.085800	\$ 0.085800
0.087800	0.087800	0.087800	0.085800	0.085800	
0.060300	0.062300	0.059900	0.066300	0.059300	
<u>\$ 0.148100</u>	<u>\$ 0.150100</u>	<u>\$ 0.147700</u>	<u>\$ 0.152100</u>	<u>\$ 0.145100</u>	
					0.0736
					0.0750
					0.0500
					0.0466
					0.0599
					0.0406
					0.0895
					0.0408
					0.0561
					0.0785
					0.0500
					0.0700
0.2084	0.2084	0.2084	0.2084	0.1884	0.1884
0.5240	0.5240	0.5240	0.5140	0.4940	0.4940
0.5894	0.5894	0.5894	0.5894	0.5894	0.5894
0.6800	0.6800	0.6800	0.6800	0.6800	0.6200
0.4900	0.4900	0.4900	0.4700	0.4700	0.4700

ORANGE COUNTY, NORTH CAROLINA

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	Type of Business	2021		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Carolina LLC	Public utility	\$ 155,464,218	1	0.82%
Chapel Hill Foundation Real Estate Holdings Inc	Apartments/Retail	102,105,000	2	0.54%
BIR Chapel Hill LLC	Apartments/Retail	69,227,900	3	0.37%
Piedmont Electric Membership	Public utility	67,102,368	4	0.35%
State Employees' Credit Union	Bank	57,724,308	5	0.30%
Northwestern Mutual Life Insurance Company	Apartments rental	57,446,500	6	0.30%
Public service Co of NC Inc.	Utilities	56,589,364	7	
NR Edge Apartments Property Owner LLC	Apartments/Retail	53,213,048	8	0.28%
Health System Properties LLC	Medical	41,297,156	9	0.22%
East 54 Office Retail LLC	Office/Retail	40,135,701	10	0.21%
Blue Cross and Blue Shield of N.C.	Health Insurance			
VAC Limited Partnership	Apartment rental			
Corium LLC	Insurance provider			
ACC GF III Chapel Ridge/Chapel View LLC	Apartment rental			
Madison University Mall Properties	Retail			
Europa Center LLC	Hotel			
Total		\$ 700,305,563		3.39%

Notes to the Schedule:

Source: Orange County Tax Assessor.

Table 7

2012		
Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$ 94,322,711	1	0.59%
47,460,632	4	0.30%
	3	0.00%
52,865,394	2	0.33%
48,493,428	3	0.31%
39,711,864	5	0.25%
36,293,156	6	0.23%
35,399,117	7	0.22%
34,973,544	8	0.22%
34,260,850	9	0.22%
27,779,617	10	0.17%
\$ 451,560,313		2.84%

ORANGE COUNTY, NORTH CAROLINA

Property Tax Levies and Collections Last Ten Fiscal Years

Tax Year	Year Ended June 30	(1) Current Adjusted Tax Levy	Collected within the Fiscal Year of the Levy	
			Amount	% Collected
2011 (4)	2012 (4)	\$ 136,779,611	\$ 134,715,752	98.49%
2012 (4)	2013 (4)	137,962,627	135,750,916	98.40%
2013 (4)	2014 (4)	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%
2020	2021	168,893,588	167,481,534	99.16%

Notes to the Schedule:

(1) - Tax levy includes special districts

(2) - NCGS 105 limits collection enforcement to ten years.

(3) - 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.

(4) - Collection and receivable balances for the tax years 2011 through 2013 are aggregated for reporting purposes.

Table 8

Collections in Subsequent Years	Total Collections to Date		(2) Delinquent Taxes Receivable	(3) % of Receivable to Adjusted Tax Levy
	Amount	% Collected		
(4)	(4)	(4)	N/A	(4)
(4)	(4)	(4)	N/A	(4)
\$ 4,698,109	\$ 416,197,844	99.68%	\$ 1,323,001	(4) 0.32%
1,253,097	145,156,584	99.94%	81,848	0.06%
1,112,989	146,860,656	99.93%	106,821	0.07%
1,044,531	149,402,546	99.89%	163,664	0.11%
1,115,172	153,540,035	99.84%	243,687	0.16%
967,983	158,711,493	99.75%	390,084	0.25%
805,605	164,209,598	99.59%	675,102	0.41%
-	167,481,534	99.16%	1,412,054	0.84%

ORANGE COUNTY, NORTH CAROLINA

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	General	Installment	Capital	State	Premiums
	Obligation			Revolving	
	Bonds	Loans	Leases	Loans	
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
2021	124,000,000	160,303,818	-	-	24,937,792

Notes to the Schedule:

(1 All outstanding debt is backed by the full faith, credit and taxing power of the County.

(2 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			(1)	(2)	Percentage of	
Installment Loans	Capital Leases	Premiums	Total Outstanding Debt	Debt Per Capita	Estimated Actual Market Values	(2) Personal Income
\$ 10,175,318	\$ 606,855	\$ -	\$ 238,867,730	\$ 1,724	1.28%	3.61%
9,429,225	325,128	-	222,085,624	1,605	1.18%	3.11%
8,724,908	-	-	223,047,016	1,597	1.15%	3.04%
9,980,805	-	-	217,765,216	1,538	1.13%	2.88%
9,799,916	-	-	200,605,333	1,416	1.02%	2.56%
12,185,551	-	-	190,342,488	1,329	0.95%	2.14%
11,164,960	-	328,071	209,538,631	1,456	1.09%	2.36%
11,501,093	-	496,643	268,657,659	1,861	1.32%	2.76%
12,053,942	-	554,553	325,590,213	2,222	1.54%	3.31%
11,095,711	-	1,002,968	321,340,289	2,161	1.47%	3.22%

ORANGE COUNTY, NORTH CAROLINA

Ratios of Net General Debt Outstanding Last Ten Fiscal Years

General Debt Outstanding						
Fiscal Year	General Obligation Bonds	Installment Loans	State Revolving loan	Premiums	Total	
2012	\$ 95,520,000	\$ 114,393,535	\$ -	\$ 15,685,846	\$ 225,599,381	
2013	86,205,000	105,697,170	2,099,099	16,583,769	210,585,038	
2014	77,150,000	120,189,844	1,663,703	15,318,561	214,322,108	
2015	68,355,000	122,631,057	2,679,597	14,118,757	207,784,411	
2016	59,280,000	118,995,610	2,533,957	9,995,850	190,805,417	
2017	50,430,000	117,955,775	2,388,317	7,382,845	178,156,937	
2018	71,185,000	111,568,633	2,242,677	13,049,290	198,045,600	
2019	125,740,000	112,389,455	2,097,037	16,433,431	256,659,923	
2020	131,000,000	160,217,516	831,074	20,933,128	312,981,718	
2021	124,000,000	160,303,818	-	25,940,760	310,244,578	

Notes to the Schedule:

(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.

Table 10

Percentage of		
<u>(1)</u>	<u>(2)</u>	<u>(1)</u>
<u>Personal</u>	<u>Net Assessed</u>	<u>Debt</u>
<u>Income</u>	<u>Property Value</u>	<u>Per Capita</u>
3.41%	1.42%	\$ 1,628
2.95%	1.31%	1,522
2.92%	1.29%	1,534
2.75%	1.26%	1,467
2.44%	1.14%	1,347
2.01%	1.05%	1,244
2.23%	1.08%	1,377
2.64%	1.37%	1,778
3.18%	1.65%	2,136
3.11%	1.60%	2,086

ORANGE COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

	2021	2020	2019	2018
Assessed value of property	\$ 19,449,954,413	\$ 18,956,491,582	\$ 18,681,613,587	\$ 18,330,900,870
Debt limit (1)	\$ 1,555,996,353	\$ 1,516,519,327	\$ 1,494,529,087	\$ 1,466,472,070
Amount of debt applicable to limit:				
Gross debt	295,399,529	292,048,590	240,226,492	184,996,310
Legal debt margin	\$ 1,260,596,824	\$ 1,224,470,737	\$ 1,254,302,595	\$ 1,281,475,760
Total net debt applicable to limit as a percentage of debt limit	18.98%	19.26%	16.07%	12.62%

Notes to the Schedule:

(1) 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 debt 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 represents the County's legal borrowing authority.

Table 11

2017	2016	2015	2014	2013	2012
<u>\$ 17,024,519,084</u>	<u>\$ 16,778,182,392</u>	<u>\$ 16,501,943,134</u>	<u>\$ 16,632,360,368</u>	<u>\$ 16,075,973,471</u>	<u>\$ 15,899,136,125</u>
\$ 1,361,961,527	\$ 1,342,254,591	\$ 1,320,155,451	\$ 1,330,588,829	\$ 1,286,077,878	\$ 1,271,930,890
<u>170,774,092</u>	<u>180,809,567</u>	<u>193,665,654</u>	<u>199,003,547</u>	<u>194,001,269</u>	<u>209,913,535</u>
<u>\$ 1,191,187,435</u>	<u>\$ 1,161,445,024</u>	<u>\$ 1,126,489,797</u>	<u>\$ 1,131,585,282</u>	<u>\$ 1,092,076,609</u>	<u>\$ 1,062,017,355</u>
<u>12.54%</u>	<u>13.47%</u>	<u>14.67%</u>	<u>14.96%</u>	<u>15.08%</u>	<u>16.50%</u>

ORANGE COUNTY, NORTH CAROLINA

Direct and Overlapping Debt - Governmental Activities June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>(1) Percentage Municipality in County</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipalities:			
Town of Carrboro	\$ 5,330,682	100%	\$ 5,330,682
Town of Chapel Hill	38,559,000	100%	38,559,000
Town of Hillsborough	31,140,224	100%	31,140,224
City of Durham	606,241,525	3%	18,187,246
Town of Mebane	10,749,614	30%	3,224,884
Overlapping debt	692,021,045		96,442,036
Direct debt	295,399,529		295,399,529
Total direct and overlapping debt	<u>\$ 987,420,574</u>		<u>\$ 391,841,565</u>

Notes to the Schedule:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident--and therefore responsible for repaying the debt of each overlapping government.

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

The percentage of overlapping is computed by dividing the population of the County's residents residing in the municipality by the municipality's total population.

ORANGE COUNTY, NORTH CAROLINA

Demographic and Economic Statistics Last Ten Fiscal Years

<u>Year</u>	<u>(1) Population</u>	<u>(2) Personal Income (Thousands)</u>	<u>(2) Per Capita Income</u>	<u>Median Age</u>
2012	138,550	\$ 6,608,945	\$ 46,713	33.00
2013	138,330	7,131,776	48,683	33.49
2014	139,694	7,345,876	51,702	33.49
2015	141,596	7,557,466	52,339	34.57
2016	141,704	7,822,229	55,201	35.05
2017	143,264	8,884,312	62,014	35.05
2018	143,873	8,884,312	61,751	33.60
2019	144,372	9,728,507	67,385	33.60
2020	146,521	9,840,004	67,158	34.70
2021	148,696	9,975,866	67,089	34.90

Notes to the Schedule:

- (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 the Town of Hillsborough.

Table 13

(3) Public Schools Enrollment	(4) Unemployment Rate	(5) Building Permits Issued
19,462	6.5%	1,640
19,553	6.2%	1,769
20,051	5.7%	1,791
20,202	4.8%	1,852
20,040	4.4%	3,026
19,959	4.6%	1,793
20,232	3.5%	2,937
20,398	4.0%	2,087
20,408	5.4%	4,853
19,491	5.5%	4,085

Table 14

ORANGE COUNTY, NORTH CAROLINA

Principal Employers Current Year and Nine Years Ago

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC Chapel Hill	13,029	1	16.56%	15,785	1	23.70%
UNC-Health Care	12,078	2	15.35%	8,675	2	13.02%
Chapel Hill-Carrboro City Schools	2,000	3	2.54%	2,209	3	3.31%
Orange County Schools	1,272	4	1.62%	1,019	4	1.53%
Orange County Government	1,220	5	1.55%	858	6	1.28%
Town of Chapel Hill	857	6	1.09%	880	5	1.32%
Industrial Connections & Solutions ABB (formerly G.E.)	685	7	0.87%	N/A	N/A	N/A
AKG of America	389	8	0.49%	N/A	N/A	N/A
Wegmans	386	9	0.49%	N/A	N/A	N/A
Armacell	384	10	0.49%	N/A	N/A	N/A
Blue Cross Blue shield	N/A	N/A	N/A	768	7	1.18%
Harris Teeter, Inc	N/A	N/A	N/A	493	8	0.74%
Aramack Services	N/A	N/A	N/A	444	9	0.66%
A Southern Season	N/A	N/A	N/A	441	10	0.66%

Notes to the Schedule:

Source: Orange County Economic Development Commission, Employment Security Commission

N/A - Employer is not in the top ten for the specific time period.

ORANGE COUNTY, NORTH CAROLINA

Full-Time Equivalent County Government Employees by Function Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018
Government and management	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A
Community and environment	N/A	N/A	N/A	N/A
Human services	N/A	N/A	N/A	N/A
Public safety	N/A	N/A	N/A	N/A
Cultural and recreational	N/A	N/A	N/A	N/A
Solid Waste Enterprise	N/A	N/A	N/A	N/A
Community Services	141.00	161.40	161.40	153.20
General Government	76.63	104.43	104.43	93.23
Human Services	380.11	358.01	358.01	364.60
Support Services	74.70	73.90	73.90	75.90
Public Safety	303.50	288.60	288.60	236.10
Solid Waste	62.43	65.48	65.48	64.75
Total Full-Time Equivalents	1,038.36	1,051.82	1,051.82	987.78

Notes to the Schedule:

Source: County Finance and Administrative Services Department

N/A - Orange County changed to Functional Leadership Teams in fiscal year 2015-16.

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

2017	2016	2015	2014	2013	2012
N/A	N/A	101.75	96.15	91.95	94.40
N/A	N/A	86.03	78.50	61.10	62.90
N/A	N/A	95.20	89.40	92.50	84.70
N/A	N/A	297.86	312.48	293.43	308.10
N/A	N/A	265.28	262.90	263.68	246.80
N/A	N/A	29.53	33.00	35.15	28.43
N/A	N/A	62.28	60.25	58.20	57.25
145.00	132.80	N/A	N/A	N/A	N/A
98.83	100.43	N/A	N/A	N/A	N/A
356.23	341.76	N/A	N/A	N/A	N/A
77.10	74.30	N/A	N/A	N/A	N/A
285.98	269.58	N/A	N/A	N/A	N/A
65.85	62.65	N/A	N/A	N/A	N/A
1,028.99	981.52	937.93	932.68	896.01	882.58

ORANGE COUNTY, NORTH CAROLINA

Operating Indicators by Function Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018
Governing and Management:				
Number of animals sheltered	2113	2,051	3,058	2,966
Number of rabies investigations	77	90	112	121
Employment applications received	4234	5,310	6,793	6,453
General Services:				
Incoming Calls to Technology Help Desk	10,159	9,901	10,351	10,842
Real Estate documents processed	27,110	20,138	16,357	18,740
Vital records recorded and issued	21,502	22,255	2,339	20,945
Community and Environment:				
Building permits issued	1,055	937	1,045	986
Building, plumbing, mechanical, and electrical inspections completed	13,807	16,149	17,443	18,477
Human Services:				
Households receiving food stamps	6140	N/A	N/A	N/A
Individuals receiving food stamps		14,459	14,478	9,880
Number of Medicaid cases		13,597	12,033	13,066
Number of families receiving daycare subsidies	715	667	792	721
Total number of dental patient visits	4445	6,927	7,215	6,840
Family planning clients served	792	646	772	829
Public Safety:				
Requests for EMS service	21348	19,144	18,306	17,227
Number of fire inspections	1181	1,147	511	350
Average number of non-federal inmates per month	37	57	75	75
Culture and Recreation:				
Library materials circulated at the Orange County Library	195771	353,766	434,993	463,348
Number of reference volumes at the Orange County Library	2102	2,131	2,725	2,813
Education:				
Average daily membership (NCDPI planning numbers)	19491	20,409	20,398	20,232
County current expense appropriation per pupil (\$)	\$ 4,365	\$ 4,352	\$ 4,165	\$ 3,991

Notes to the Schedule:

Source: Orange County Finance and Administrative Services Department

Table 16

2017	2016	2015	2014	2013	2012
2,934	3,162	3,246	3,258	3,495	3,419
72	86	232	186	101	108
7,519	8,891	6,703	7,980	9,256	3,347
10,696	12,416	11,825	11,020	9,086	7,879
20,558	19,969	19,214	19,672	25,904	22,901
22,164	20,297	18,909	17,988	18,308	18,188
891	890	815	666	635	661
16,616	17,000	14,900	10,688	10,648	13,092
N/A	N/A	N/A	6,634	6,504	6,234
11,492	10,640	11,793	N/A	N/A	N/A
12,867	12,496	12,960	13,575	10,028	9,532
750	710	685	700	741	715
6,924	6,949	6,131	5,279	4,747	3,605
1,026	1,032	1,812	1,317	1,104	1,004
16,908	16,607	13,810	12,554	13,132	13,287
366	308	400	379	272	279
76	76	173	170	180	180
427,632	450,372	442,367	422,265	444,261	405,282
2,672	2,897	2,240	2,697	3,161	2,600
19,959	20,040	20,202	20,051	19,757	19,549
\$ 3,868	\$ 3,698	\$ 3,571	\$ 3,269	\$ 3,167	\$ 3,102

ORANGE COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	2021	2020	2019	2018
Human Services:				
Public health occupied square footage	31,433	31,433	31,433	31,433
Social services occupied square footage	55,437	55,437	55,437	55,437
Cooperative extension occupied square footage	5,198	5,198	5,198	5,198
Number of centers	15	15	15	15
Public Safety:				
Number of law enforcement vehicles	143	143	143	152
Number of emergency services vehicles	39	39	39	39
Number of animal control vehicles	7	7	7	6
Detention capacity	129	129	129	129
Cultural and Recreational:				
Libraries - branches	3	3	3	3
Volume of library books	112,054	112,054	112,054	111,682
Education:				
Number of schools	30	30	30	30

Notes to the Schedule:

Source: Orange County Finance and Administrative Services Department.

Table 17

2017	2016	2015	2014	2013	2012
31,433	31,433	31,433	30,027	33,638	33,638
55,437	55,437	55,437	55,430	59,825	59,825
5,198	5,198	5,198	4,968	4,986	4,986
15	15	14	13	13	13
143	143	146	153	141	137
34	34	34	32	31	28
6	6	6	6	6	6
129	129	129	129	129	129
3	3	3	3	3	3
114,580	114,580	111,421	103,259	100,843	113,978
30	30	30	30	29	29