

2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2024



Blackwood Farm Park, Autumn 2023

ORANGE COUNTY, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2024



Prepared by:
Department of Finance

Submitted by:
Gary Donaldson, MBA, MPA, CTP

ORANGE COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	i
GFOA Certificate of Achievement	vi
Board of County Commissioners	vii
Organizational Chart	ix
FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of the Total Governmental Fund Balances to the Statement of Net Position of Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	24
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - American Rescue Plan Act (ARPA) Fund	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Statement of Fiduciary Net Position	30
Statement of Changes in Fiduciary Net Position	31
Notes to Financial Statements	32
Required Supplementary Information	
Pension and OPEB schedules:	
Schedule of Changes in the County's Net OPEB Liability and Related Ratios - OPEB Retirement Plan	88
Schedule of County Contributions - OPEB Retirement Plan	90
Schedule of OPEB Investment Returns - OPEB Retirement Plan	92
Schedule of Changes in Total Pension Liability - LEOSSA	94
Schedule of Total Pension Liability as a Percentage of Covered Payroll - LEOSSA	96
Schedule of County's Proportionate Share of Net Pension Liability (Asset) - LGERS	98
Schedule of County's Contributions - LGERS	100
Schedule of County's Proportionate Share of Net Pension Asset - RODSPF	102
Schedule of County's Contributions - RODSPF	104
Supplementary Information	
Major Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Debt Service Fund	106
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - County Capital Improvements Fund	107
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - School Capital Improvements Fund	108
Schedule of Revenues, Expenditures and Other Financing Sources (Uses) - Budget and Actual (NON-GAAP) - Solid Waste Fund	109
Schedule of Revenues, Expenditures and Other Financing Sources - Budget and Actual - Solid Waste Capital Projects Fund	110
Schedule of Revenues, Expenditures and Other Financing Sources (Uses) - Budget and Actual (NON-GAAP) - SportsPlex Fund	111
Schedule of Revenues, Expenditures and Other Financing Sources - Budget and Actual - SportsPlex Capital Projects Fund	112

ORANGE COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

	Page
FINANCIAL SECTION (CONTINUED)	
<i>Supplementary Information (Continued)</i>	
Non-Major Governmental Funds:	
Combining Balance Sheet	113
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	117
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	121
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Local Fire Districts Fund	124
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - FEMA Recovery Fund	125
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Grant Supported Fund	126
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Grant Projects Fund	127
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Sheriff Forfeitures Fund	128
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Community Development Fund	129
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Section 8 Housing Fund	130
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Article 46 Sales Tax Fund	131
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Emergency Telephone System Fund	132
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Visitors Bureau Fund	133
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Spay/Neuter Fund	134
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - DSS Client Services Fund	135
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Recreation Subdivision Fund	136
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Inspections Fund	137
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Small Business Loans Fund	138
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Library Development Fund	139
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Mental Health Insurance Fund	140
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Representative Payee Fund	141
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Communication Tower Trust Fund	142
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - School District Fund	143
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Orange County Giving Fund	144
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Opioid Settlement Fund	145
Internal Service Funds:	
Schedule of Revenues, Expenditures and Other Financing Sources (Uses) - Budget and Actual (NON-GAAP) - Dental and Health Insurance Fund	146
Fiduciary Funds:	
Combining Statement of Fiduciary Net Position - Custodial Funds	147
Combining Statement of Changes in Fiduciary Net Position - Custodial Funds	148
Additional Financial Data:	
Schedule of Ad Valorem Taxes Receivable	149
Analysis of Current Tax Levy	150

ORANGE COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2024

TABLE OF CONTENTS

STATISTICAL SECTION	Page
<u>Table</u>	
Financial Trends:	
1 Net Position by Component	151
2 Changes in Net Position	153
3 Fund Balances - Governmental Funds	157
4 Changes in Fund Balances - Governmental Funds	159
Revenue Capacity:	
5 Assessed Values and Actual Values of Taxable Property	161
6 Direct and Overlapping Property Tax Rates	163
7 Principal Property Tax Payers	165
8 Property Tax Levies and Collections	167
Debt Capacity:	
9 Ratios of Outstanding Debt by Type	169
10 Ratios of Net General Debt Outstanding	171
11 Legal Debt Margin Information	173
12 Direct and Overlapping Debt - Governmental Activities	175
Demographic and Economic Information:	
13 Demographic and Economic Statistics	176
14 Principal Employers	177
15 Full-time Equivalent County Government Employees by Function/Program	178
Operating Information:	
16 Operating Indicators by Function	180
17 Capital Asset Statistics by Function	182
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	184
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act	186
Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act	189
Schedule of Expenditures of Federal and State Awards	191
Notes to Schedule of Expenditures of Federal and State Awards	194
Schedule of Findings and Questioned Costs	195
Summary Schedule of Prior Audit Findings	202
Corrective Action Plan	203

INTRODUCTORY SECTION



ORANGE COUNTY

Department of Finance and Administrative Services

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

February 5, 2025

The Board of County Commissioners, Travis Myren, 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, 2024.

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

The County's financial statements have been audited by Mauldin and Jenkins, LLC, 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, 2024, 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 requires 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 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 300 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, Cisco, 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 Department, 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 Department, are professional, education and health care occupations (50%), service occupations (18%) and manufacturing, construction, transportation and warehousing (13%). The County's workforce is highly educated as indicated by 62.7% of County residents holding a bachelor's degree or higher compared with 35.1% for the nation. The median household income is \$86,381 and the median house value is \$339,900.

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 opened a medical campus in the town of Hillsborough in 2015 and expanded that campus by 107,000 square feet in 2021. The 163 bed, 365,000 square foot campus now serves over 25,000 patients a year and employs approximately 500 individuals. 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 approximately 2,200 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 and more, are available.

The County spurs economic development by providing funds through Article 46 Sales Tax to finance the development of utility extensions for commercial entities in its Economic Development Districts. The County uses 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 Triangle 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 3.5% as of June 30, 2024.

Fiscal Outlook

The adopted General Fund Budget for FY 2024-25 totals \$294.2 million which represents \$14.9 million or a 5% increase over the FY 2023-24 adopted budget. The County Budget factors in a 2.81 cent increase from 83.58 cents to 86.34 cents per \$100 of assessed value to fund the school continuation budgets. The County is on a four-year revaluation cycle. The next revaluation will be effective January 1, 2025, for FY 2025-26. The FY 2024-25 budget assumed a 2.3% increase in assessed value for real and personal property and 4.7% for motor vehicles with the tax base increasing from \$22.9 billion to \$23.3 billion or over the prior year. The real and personal collection rate is budgeted to remain the same at 99.2%. The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget increases per pupil expenditure by \$320 to \$5,666 which has consistently been among the highest per pupil appropriations in the State. The FY 2024-25 appropriations represents 46.7% of total General Fund revenues with the lower target attributed to lower School debt service requirements. The budget appropriates \$4 million to fund school health and safety contractual services which represents a 3% increase. The fiscal year 2024-25 budget fully funds all positions of the County and includes a 4% wage increase effective July 1, 2024, at a cost of \$3.2 million. Property tax revenues comprise \$201 million or 68% of General Fund revenues. Sales tax revenues comprises \$44.1 million or 15% of the budget and has been budgeted to increase 4% over the FY 2023-24 projections. The remaining 17% of General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Miscellaneous revenues.

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 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. In FY 2024-25 Article 46 Sales Tax increased by 4.2% to \$6.3 million from \$6.1 million the prior fiscal year.

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. On November 5, 2024, 67% of registered voters approved of a \$300 million General Obligation Bond referendum to support the County's two school districts.

Fiscal Policy. The County continues to demonstrate strong financial management because 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 established a Debt Service Fund for tax-backed debt obligations and seeded this new fund with \$6 million for Debt Service reserves. The County adheres to a 15% Debt Policy as measured by debt service as a percentage of revenues 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 16.2% of General Fund and Debt Service expenditures as of June 30, 2024, attributed to better than anticipated sales tax performance. As a measure of the General Fund's liquidity, it is important to include Debt Service Fund expenditures in the unassigned fund balance measurement because General fund property tax revenues are transferred to the Debt Service Fund to meet annual debt service requirements. The County's available fund balance includes reserve by state statute amounts which represents an additional 9.1% of General Fund expenditure as of June 30, 2024.

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, 2023. This marks the twenty-fourth consecutive year that Orange County has received this prestigious award. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR), 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.

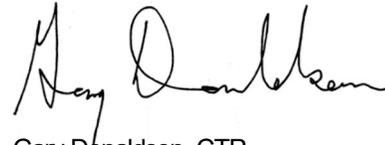
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's award for Distinguished Budget Presentation for its 2024 annual budget document. This is the 32nd year that the award has been presented to the County. 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 2024 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. Thanks is extended as well to our independent auditors Mauldin and Jenkins LLC.

A special thanks is extended to the Board of County Commissioners and 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 style with a large, prominent "G" and "D".

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, 2023

Christopher P. Morill

Executive Director/CEO

Orange County, North Carolina

BOARD OF COUNTY COMMISSIONERS

Jamezetta Bedford, Chair
Jean Hamilton, Vice Chair
Marilyn Carter
Amy Fowler
Sally Greene
Earl McKee
Phyllis Portie-Ascott

COUNTY MANAGER

Travis Myren

Caitlin Fenhagen
Interim Deputy Manager

Gary Donaldson
Chief Financial Officer

Kirk Vaughn
Budget Director

Brenda Bartholomew
Human Resources Director

Board of County Commissioners



Jamezetta Bedford, Chair



Jean Hamilton, Vice-Chair



Marilyn Carter



Amy Fowler



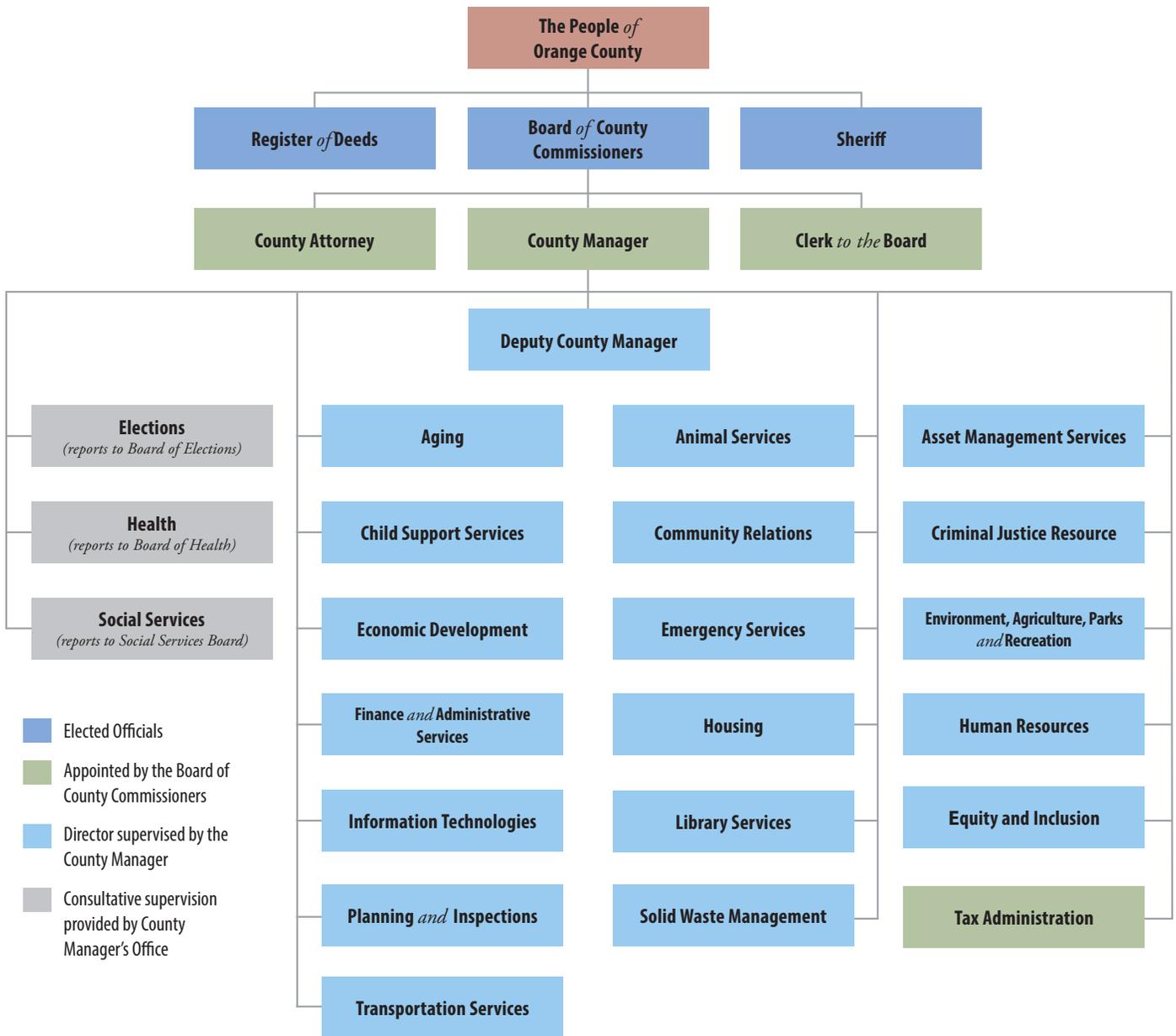
Sally Greene



Earl McKee



Phyllis Portie-Ascott



FINANCIAL SECTION



Independent Auditor's Report

**To the Members of the Board of Commissioners
Orange County, North Carolina**

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the 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 the County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison statement for the General Fund, and the American Rescue Plan Act special revenue fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Orange County ABC Board (the "ABC Board"), which represents 100% of the assets, net position, and revenues, respectively of the discretely presented component unit as of June 30, 2024. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board, is based solely on the report of the other auditor.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules related to the County's pensions and other post-employment benefits, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 combining and individual fund statements and schedules, the "Additional Financial Data" as listed in the table of contents, and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of North Carolina Single Audit Implementation Act (collectively, "the supplementary information") are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

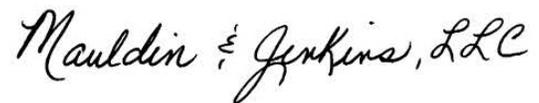
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the title pages, introductory section, and statistical section, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2025, 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 County's internal control over financial reporting and compliance.



Raleigh, North Carolina
February 5, 2025

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 of the financial activities of the County for the fiscal year ended June 30, 2024. 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

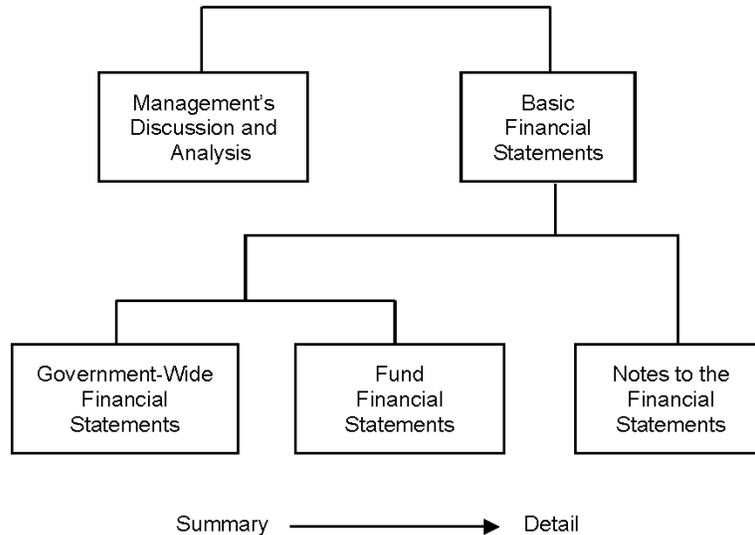
- The liabilities and deferred inflows of resources of the County exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$141.1 million (deficit net position). In accordance with North Carolina law, liabilities of the County include approximately \$154.9 million in 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 \$16 million. This decrease is attributed primarily to a decrease in the cash outlays for school and county capital requirements.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$141.3 million, a decrease of \$40.2 million in comparison with the prior year. This decrease is attributed to County and School Capital outlay for existing capital projects.
- The County established a separate Debt Service Fund for the accounting of tax-backed principal and interest payments on General Obligation and Limited Obligation Bonds of the County.
- The General Fund total ending fund balance increased from \$80.4 million to \$82.3 million and the unassigned General Fund ending fund balance is \$39.8 million or 16.2% 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.

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.

Management's Discussion and Analysis

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 ABC Board by appointing its members and because the ABC Board is required to distribute its profits to the County.

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.

Management's Discussion and Analysis

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 33-91 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required Supplementary Information can be found beginning on page 92.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 170,478	\$ 216,423	\$ 20,158	\$ 20,054	\$ 190,636	\$ 236,477
Capital assets, net	177,810	160,674	18,615	19,608	196,425	180,282
Total assets	348,288	377,097	38,773	39,662	387,061	416,759
DEFERRED OUTFLOWS OF RESOURCES	47,133	53,084	1,297	1,447	48,430	54,531
LIABILITIES						
Long-term liabilities	488,600	495,480	19,171	19,669	507,771	515,149
Other liabilities	26,061	34,247	1,147	1,029	27,208	35,276
Total liabilities	514,661	529,727	20,318	20,698	534,979	550,425
DEFERRED INFLOWS OF RESOURCES	40,760	45,930	29	50	40,789	45,980
NET POSITION						
Net investment in capital assets	72,992	68,828	10,546	10,017	83,538	78,845
Restricted	42,434	33,166	-	-	42,434	33,166
Unrestricted (deficit)	(275,426)	(247,470)	9,177	10,344	(266,249)	(237,126)
Total net position	\$ (160,000)	\$ (145,476)	\$ 19,723	\$ 20,361	\$ (140,277)	\$ (125,115)

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 \$141.1 million as of June 30, 2024. Net position is reported in three categories: Net investment in capital assets of \$86.7 million, restricted net position of \$41.5 million, and unrestricted net position of (\$269.4) million.

Management's Discussion and Analysis

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, 2024, the net investment in capital assets increased by \$7.8 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, 2024, the total net deficit reported of (\$141.1) million is attributable to the unrestricted net deficit balance of (\$269.4) million, which results primarily from the debt financing related to school system assets.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program revenues:						
Charges for services	\$ 14,629	\$ 15,220	\$ 16,592	\$ 15,771	\$ 31,221	\$ 30,991
Operating grants and contributions	36,570	34,103	-	-	36,570	34,103
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	231,086	221,143	-	-	231,086	221,143
Other taxes	48,774	49,307	-	-	48,774	49,307
Other revenues	24,925	17,096	1,044	784	25,969	17,880
Total revenues	355,984	336,869	17,636	16,555	373,620	353,424
EXPENSES						
Community services	20,948	20,733	-	-	20,948	20,733
General government	23,296	25,398	-	-	23,296	25,398
Public safety	52,709	45,887	-	-	52,709	45,887
Human services	61,980	58,985	-	-	61,980	58,985
Education	176,497	144,538	-	-	176,497	144,538
Support services	26,562	17,146	-	-	26,562	17,146
Interest expense	8,674	8,728	-	-	8,674	8,728
Solid Waste landfill	-	-	12,100	9,651	12,100	9,651
SportsPlex	-	-	6,016	4,261	6,016	4,261
Total expenses	370,666	321,415	18,116	13,912	388,782	335,327
Transfers	158	-	(158)	-	-	-
Change in net position	(14,524)	15,454	(638)	2,643	(15,162)	18,097
NET POSITION						
Beginning balances, restated	(145,476)	(160,930)	20,361	17,718	(125,115)	(143,212)
Ending balances	\$ (160,000)	\$ (145,476)	\$ 19,723	\$ 20,361	\$ (140,277)	\$ (125,115)

Management's Discussion and Analysis

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 obligation 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 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 \$166 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 \$16 million. This decrease is attributed primarily to a decrease in the cash balance to fund school and capital requirements. Also, the following positive operational initiatives and results are noted:

- The County's continued efficiency of property taxes resulted in a real and personal collection percentage of 99.4%, higher than the State-wide average of 97%.
- Sales tax revenue, which is the second largest revenue source, decreased by \$753,055 to \$42.6 million. This decrease is attributed to the Medicaid Hold Harmless sales tax, as increased State Medicaid expenses eroded the County revenue share. Articles 39 and 42, which are point of sales, showed slower tax growth at 3.7% compared to 15% the prior year. Article 40 which is allocated on a State-wide per capita basis grew by 1.4% compared to 6.9% the prior fiscal year.
- The County continued to lead the State in per pupil funding for education at \$5,666.
- Fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year as operating expenses were 97% of budget.
- 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 \$39.8 million or 16.2% 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 increased the County's net position by \$15 million. Key elements of this change are as follows:

- Decrease in Total Liabilities.
- Increase in Net Capital Investments.

Business-type Activities

Business-type activities increased the County's net position by \$638,779. The increase was primarily related to an increase in total assets.

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.

Management’s Discussion and Analysis

Governmental Funds

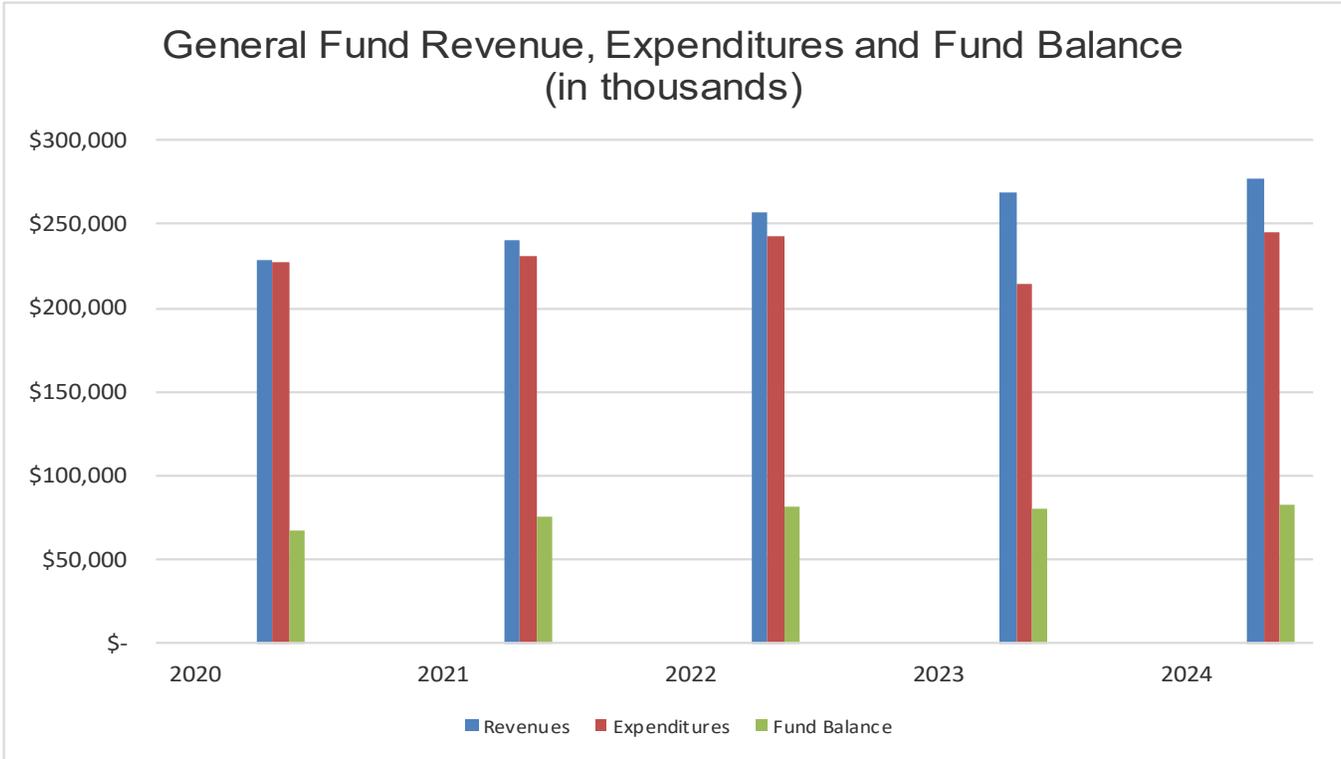
The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the County's financing requirements. Specifically, available fund balance can be a useful measure of a government's net resources 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, the unassigned fund balance of the General Fund was \$39.8 million or 16.2% of General Fund expenditures, while total fund balance increased to \$82.3 million or 33.6% of General Fund expenditures.

General Fund revenues were \$276.5 million or 6.4% higher than the budget. General Fund revenues increased by \$7.3 million from the prior fiscal year primarily due to property tax revenues. Property tax revenue comprises 70.3% of General Fund revenues. Sales tax revenue, the second largest revenue at 15.2% of General Fund revenues, decreased by \$753,055 due to a decline in the Hold Harmless sales tax. Investment earnings were above budget by 21.1%.

General Fund expenditures were \$245.3 million or 2.4% lower than the budget. General Fund expenditures performance is attributed to salary attrition savings, management’s commitment to ensure expenditures are within the budget authorizations through regular finance pre-auditing of cost centers. General Fund expenditures and other financing uses total \$278 million which includes transfers out of \$39.3 million to Debt Service, County and School Capital, Community Development and Health/Dental Funds as described in Note 7.

The County Capital Improvement Fund reflects a \$5 million decrease in fund balance due to the spending down of bond proceeds primarily attributed to completing the new Drakeford Library Complex.



The American Rescue Plan Fund was established by the County in 2021 to account for the County's \$23 million allocation of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). During the current fiscal year, the County expended approximately \$8 million of its CSLFRF allotment leaving approximately \$6.1 million in unearned revenue as of June 30, 2024. The County will expend the remaining \$6.1 million by the December 30, 2026, deadline. The remaining expenditure will fund rural broadband infrastructure accounting for \$6 million and the amount for fire district radios.

Management's Discussion and Analysis

General Fund Budgetary Highlights for the Fiscal Year Ending June 30, 2024

The original budget was \$279.5 million, and the final amended budget was \$283 million. The County Budget included a .46 cent property tax increase which budgeted \$3.8 million in additional tax revenues to support the continuation budget of the County and Schools. The County tax rate increased from 83.12 cents to 83.58 cents per \$100 of assessed value. The real and personal collection rate remained at 99.2% for real and personal property and 99.6% for motor vehicles. The County is on a four-year revaluation cycle. The next revaluation will be effective January 1, 2025, for FY 2025-26. The FY 2023-24 budget assumed a 1.5% increase in assessed value with the tax base increasing from \$22.2 billion to \$22.7 billion over the prior year. The County budget maintained a goal of allocating 48.1% of General Fund revenues to education spending. The budget increased per pupil expenditure by \$538.46 to \$5,346, which was the highest per pupil increase in recent history. The County has consistently been among the highest per pupil appropriations in the State. The FY 2023-24 appropriations represents 48.07% of total General Fund revenues compared to the funding target of 48.1%.

The budget appropriated \$7 million in fund balance which historically is never drawn down at the close of the fiscal year due to the County's historically favorable budget versus actual performance. The FY 2023-24 budget included no reductions in force. Property tax revenues comprised \$190.7 million or 68.2% of General Fund revenues. The FY 2023-24 Sales tax revenue was budgeted to increase 4% over the FY 2023-24. Additional General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Investment Earnings.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 20,516	\$ 20,516	\$ 1,619	\$ 1,619	\$ 22,135	\$ 22,135
Intangible rights	1,424	1,424	-	-	1,424	1,424
Land improvements	-	-	3,543	3,677	3,543	3,677
Buildings and improvements	99,519	101,772	10,299	10,046	109,818	111,818
Other improvements	939	1,109	-	-	939	1,109
Automotive equipment	4,153	2,769	-	-	4,153	2,769
Other equipment	4,325	4,537	2,623	2,838	6,948	7,375
Right-to-use assets	11,594	7,646	-	-	11,594	7,646
Construction in progress	35,340	20,901	531	1,428	35,871	22,329
	\$ 177,810	\$ 160,674	\$ 18,615	\$ 19,608	\$ 196,425	\$ 180,282

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 Board of County Commissioners approved a ten-year commitment to allocate the proceeds as follows:

- 50% of the funding will be allocated in an equitable manner between the County's two school systems, based on the Average Daily Membership (ADM) of each school system, for the dedicated purpose of funding capital projects, including but not limited to, facility improvements at older schools and the procurement of technology.
- 50% of the funding will be allocated to Economic Development initiatives. The FY 2023-24 budget approved uses of the anticipated proceeds of \$5,494,058 by the two school districts for Technology acquisitions and the Economic Development Department.

Management's Discussion and Analysis

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 a net position decrease of \$670,389 to \$4.7 million of which \$4.4 million is net investment in capital assets.

The Solid Waste Fund reported a net position decrease of \$31,610 to \$14.9 million of which \$6.1 million is net investment in capital assets.

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

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds - direct placement	\$ 107,345	\$ 116,815	\$ -	\$ -	\$ 107,345	\$ 116,815
Bond premiums	8,404	9,168	-	-	8,404	9,168
Installment notes - direct borrowing and direct placement	173,976	181,052	9,021	9,738	182,997	190,790
Note premiums	12,831	13,137	798	822	13,629	13,959
Net OPEB liability	118,860	120,541	-	-	118,860	120,541
Pension liabilities	50,467	42,949	2,166	2,280	52,633	45,229
Other	16,717	11,818	7,186	6,829	23,903	18,647
	\$ 488,600	\$ 495,480	\$ 19,171	\$ 19,669	\$ 507,771	\$ 515,149

Capital Assets and Debt Administration

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024 totals \$196.4 million (net of accumulated depreciation) an increase of 8.9% primarily attributed to Construction in Progress for the Drakeford Library Complex Facility and other Building Improvements. The other asset components include land, buildings, automotive equipment, office and other equipment, and sewer lines as well as the County's right-to-use assets related to both leases (GASB Statement No. 87) and subscriptions (GASB Statement No. 96).

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 5 of the Basic Financial Statements.

Long-term Debt and Obligations

As of June 30, 2024, the County had total bonded debt outstanding of \$107.3 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 \$173.9 million. A summary of total long-term debt and other long-term liabilities is shown in Note 6.

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 \$1.5 billion. The County has \$290.3 million in net debt applicable to the limit. The County has issued all its authorized general obligation bonds as of June 20, 2024, for Orange County Schools and Chapel Hill-Carrboro City Schools from the 2016 Bond Referendum. Additional information regarding the County's long-term debt can be found in Note 6 on pages 48-54 of this report.

Budget Highlights for the Fiscal Year Ending June 30, 2025

The adopted General Fund Budget for FY 2024-25 totals \$294.2 million which represents \$14.9 million or a 5% increase over the FY 2023-24 adopted budget. The County budget factors in a 2.81 cent increase from 83.58 cents to 86.34 cents per \$100 of assessed value to fund the school continuation budgets. The County is on a four-year revaluation cycle. The next revaluation will be effective January 1, 2025, for FY 2025-26. The FY 2024-25 budget assumed a 2.3% increase in assessed value for real and personal property and 4.7% for motor vehicles with the tax base increasing from \$22.9 billion to \$23.3 billion or over the prior year. The real and personal collection rate is budgeted to remain the same at 99.2%. The County budget maintains a goal of allocating 48.1% of General Fund revenues to Education spending. The budget increases per pupil expenditure by \$320 to \$5,666 which has consistently been among the highest per pupil appropriations in the State. The FY 2024-25 appropriations represents 46.7% of total General Fund revenues with the lower target attributed to lower School debt service requirements. The budget appropriates \$4 million to fund school health and safety contractual services which represents a 3% increase. The fiscal year 2024-25 budget fully funds all positions of the County and includes a 4% wage increase effective July 1, 2024, at a cost of \$3.2 million. Property tax revenues comprise \$201million or 68% of General Fund revenues. Sales tax revenues comprises \$44.1 million or 15% of the budget and has been budgeted to increase 4% over the FY 2023-24 projections. The remaining 17% of General Fund revenues are comprised of Intergovernmental revenues, Charges for Services, Licenses and Permits, and Miscellaneous revenues.

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 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. In FY 2024-25 Article 46 Sales Tax increased by 4.2% to \$6.3 million from \$6.1 million the prior fiscal year.

Management's Discussion and Analysis

American Rescue Plan Act (ARPA)

The Federal American Rescue Plan Act (ARPA) provides direct allocations to local governments. Orange County was designated and received \$28.8 million in ARPA funds. The ARPA funds are accounted for in the County's Coronavirus State and Local Fiscal Recovery Funds (CSLRF) special revenue fund.

The Board of Commissioners has approved the allocation of all ARPA funds. ARPA funds must be obligated by December 31, 2024, and fully spent by December 31, 2026

ARPA funds are intended to broadly address the negative impacts of the COVID-19 pandemic on individuals. This Treasury 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 storm water infrastructure, and to expand access to broadband internet.

Broadband Infrastructure, Housing and Human Services has been the County's primary ARPA expenditure. The County has obligated \$10 million each for Broadband and Housing initiatives. The County has timely submitted its quarterly expenditure report to the U.S. Treasury Department. The County will expend the remaining \$6.1 million by December 30, 2026. The remaining expenditure will fund rural Broadband infrastructure and Fire District radio upgrades.

As of this ACFR issuance there are no remaining CSLFRF funds to be obligated in view of the December 30, 2024, and December 30, 2026, obligation and spending deadlines.

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, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Orange County ABC Board
ASSETS				
Cash and investments - unrestricted	\$ 92,954,440	\$ 18,049,741	\$ 111,004,181	\$ 4,079,651
Cash and investments - restricted	40,798,941	1,750,167	42,549,108	-
Receivables:				
Taxes receivable, net	4,397,867	-	4,397,867	-
Due from other governments	27,343,373	104,499	27,447,872	-
Leases receivable	2,314,076	-	2,314,076	-
Other receivables, net	1,411,382	253,679	1,665,061	2,733
Inventories and prepaid items	11,804	-	11,804	4,257,428
Net pension asset	142,010	-	142,010	-
Capital assets:				
Non-depreciable assets	57,279,324	2,149,703	59,429,027	1,951,041
Depreciable assets, net	108,935,328	16,464,902	125,400,230	9,143,274
Right-to-use assets, net	11,595,001	-	11,595,001	1,426,497
Notes receivable	1,104,693	-	1,104,693	15,476
Total assets	<u>348,288,239</u>	<u>38,772,691</u>	<u>387,060,930</u>	<u>20,876,100</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>47,133,313</u>	<u>1,297,357</u>	<u>48,430,670</u>	<u>1,025,864</u>
LIABILITIES				
Accounts payable	9,962,900	346,757	10,309,657	888,527
Accrued payroll and other liabilities	5,834,265	405,050	6,239,315	867,237
Accrued interest payable	3,221,459	-	3,221,459	-
Unearned revenue	7,042,397	395,892	7,438,289	-
Long-term liabilities:				
Due within one year	32,330,256	1,837,228	34,167,484	388,588
Due in more than one year	456,270,200	17,333,402	473,603,602	5,705,019
Total liabilities	<u>514,661,477</u>	<u>20,318,329</u>	<u>534,979,806</u>	<u>7,849,371</u>
DEFERRED INFLOWS OF RESOURCES	<u>40,760,474</u>	<u>29,304</u>	<u>40,789,778</u>	<u>147,406</u>
NET POSITION				
Net investment in capital assets	72,992,094	10,545,893	83,537,987	8,592,251
Restricted for:				
Stabilization by State Statute	28,683,743	-	28,683,743	-
Register of Deeds' pension plan	142,010	-	142,010	-
Public safety	2,985,566	-	2,985,566	-
Human services	7,372,202	-	7,372,202	-
Community services	3,250,148	-	3,250,148	-
Working capital	-	-	-	923,156
Unrestricted (deficit)	(275,426,162)	9,176,522	(266,249,640)	4,389,780
Total net position	<u>\$ (160,000,399)</u>	<u>\$ 19,722,415</u>	<u>\$ (140,277,984)</u>	<u>\$ 13,905,187</u>

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
Community services	\$ 20,948,090	\$ 2,499,071	\$ 211,737	\$ -
General government	23,295,527	3,711,844	9,168,264	-
Public safety	52,709,153	6,383,165	5,186,929	-
Human services	61,979,579	2,034,640	22,003,532	-
Education	176,496,597	-	-	-
Support services	26,562,067	-	-	-
Interest on long-term debt	8,673,654	-	-	-
Total governmental activities	<u>370,664,667</u>	<u>14,628,720</u>	<u>36,570,462</u>	<u>-</u>
BUSINESS-TYPE ACTIVITIES				
Solid waste landfill	12,100,727	11,093,956	-	-
SportsPlex	6,016,031	5,497,730	-	-
Total business-type activities	<u>18,116,758</u>	<u>16,591,686</u>	<u>-</u>	<u>-</u>
Total primary government	<u>388,781,425</u>	<u>31,220,406</u>	<u>36,570,462</u>	<u>-</u>
COMPONENT UNIT				
Orange County ABC Board	<u>\$ 30,874,108</u>	<u>\$ 31,311,344</u>	<u>\$ -</u>	<u>\$ -</u>

GENERAL REVENUES

Ad valorem taxes
 Sales and use taxes
 Other taxes
 Grants and contributions not restricted to specific programs
 Investment earnings
 Gain on sale of capital assets
 Miscellaneous

TRANSFERS

Total general revenues
 Change in net position

NET POSITION

Beginning balances
 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
\$ (18,237,282)	\$ -	\$ (18,237,282)	\$ -
(10,415,419)	-	(10,415,419)	-
(41,139,059)	-	(41,139,059)	-
(37,941,407)	-	(37,941,407)	-
(176,496,597)	-	(176,496,597)	-
(26,562,067)	-	(26,562,067)	-
(8,673,654)	-	(8,673,654)	-
<u>(319,465,485)</u>	<u>-</u>	<u>(319,465,485)</u>	<u>-</u>
-	(1,006,771)	(1,006,771)	-
-	(518,301)	(518,301)	-
-	(1,525,072)	(1,525,072)	-
<u>(319,465,485)</u>	<u>(1,525,072)</u>	<u>(320,990,557)</u>	<u>-</u>
-	-	-	437,236
231,086,320	-	231,086,320	-
48,774,296	-	48,774,296	-
2,223,599	429,353	2,652,952	-
10,334,021	-	10,334,021	-
6,447,836	435,334	6,883,170	-
55,720	179,606	235,326	-
5,863,415	-	5,863,415	5,643
158,000	(158,000)	-	-
<u>304,943,207</u>	<u>886,293</u>	<u>305,829,500</u>	<u>5,643</u>
<u>(14,522,278)</u>	<u>(638,779)</u>	<u>(15,161,057)</u>	<u>442,879</u>
(145,478,121)	20,361,194	(125,116,927)	13,462,308
<u>\$ (160,000,399)</u>	<u>\$ 19,722,415</u>	<u>\$ (140,277,984)</u>	<u>\$ 13,905,187</u>

ORANGE COUNTY, NORTH CAROLINA

BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2024

	General Fund	Debt Service Fund	American Rescue Plan Act Fund
ASSETS			
Cash and investments - unrestricted	\$ 67,665,578	\$ 3,558,998	\$ 6,586,028
Cash and investments - restricted	509,691	-	-
Receivables:			
Property taxes receivable, net	2,037,500	-	-
Due from other governments	21,193,805	-	-
Leases receivable	2,314,076	-	-
Other receivables, net	1,140,654	-	-
Due from other funds	2,249,502	-	-
Inventories and prepaid items	11,804	-	-
Notes receivable	5,545	-	-
Total assets	97,128,155	3,558,998	6,586,028
LIABILITIES			
Accounts payable	4,200,451	289,672	35,129
Due to other funds	-	-	-
Accrued payroll and other liabilities	5,565,600	5,891	553
Unearned revenue	321,350	-	6,506,652
Total liabilities	10,087,401	295,563	6,542,334
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - intergovernmental	-	-	-
Unavailable revenue - property taxes receivable	1,770,401	-	-
Prepaid property taxes	664,938	-	-
Deferred lease revenues	2,277,335	-	-
Total deferred inflows of resources	4,712,674	-	-
FUND BALANCES			
Nonspendable	54,090	-	-
Restricted:			
Stabilization by State Statute	27,100,798	-	-
Public safety	-	-	-
Human services	-	-	43,694
Community services	-	-	-
Capital projects	-	-	-
Committed:			
Health benefits	8,293,841	-	-
Education	-	-	-
Debt service	-	3,263,435	-
Human services	-	-	-
Assigned:			
To be used in the subsequent fiscal year	7,100,000	-	-
Capital projects	-	-	-
Unassigned	39,779,351	-	-
Total fund balances	82,328,080	3,263,435	43,694
Total liabilities, deferred inflows of resources, and fund balances	\$ 97,128,155	\$ 3,558,998	\$ 6,586,028

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

County Capital Improvements Fund	School Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,354,992	\$ 92,165,596
40,289,250	-	-	40,798,941
-	-	2,360,367	4,397,867
4,263,960	-	1,885,608	27,343,373
-	-	-	2,314,076
-	-	270,728	1,411,382
-	-	-	2,249,502
-	-	-	11,804
-	-	1,099,148	1,104,693
<u>44,553,210</u>	<u>-</u>	<u>19,970,843</u>	<u>171,797,234</u>
1,589,535	2,128,020	843,164	9,085,971
-	1,278,417	971,085	2,249,502
-	-	262,221	5,834,265
-	-	214,395	7,042,397
<u>1,589,535</u>	<u>3,406,437</u>	<u>2,290,865</u>	<u>24,212,135</u>
-	-	64,919	64,919
-	-	559,759	2,330,160
-	-	-	664,938
-	-	-	2,277,335
<u>-</u>	<u>-</u>	<u>624,678</u>	<u>5,337,352</u>
-	-	99,148	153,238
-	-	1,582,945	28,683,743
-	-	2,985,566	2,985,566
-	-	7,328,508	7,372,202
-	-	3,250,148	3,250,148
42,963,675	-	-	42,963,675
-	-	-	8,293,841
-	-	870,316	870,316
-	-	-	3,263,435
-	-	716,119	716,119
-	-	-	7,100,000
-	-	878,362	878,362
-	(3,406,437)	(655,812)	35,717,102
<u>42,963,675</u>	<u>(3,406,437)</u>	<u>17,055,300</u>	<u>142,247,747</u>
<u>\$ 44,553,210</u>	<u>\$ -</u>	<u>\$ 19,970,843</u>	<u>\$ 171,797,234</u>

ORANGE COUNTY, NORTH CAROLINA

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2024

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

Ending fund balances - total governmental funds	\$	142,247,747
Capital assets and right-to-use assets used in governmental activities are not financial resources, therefore, the assets are not reported in the governmental funds:		
Assets not subject to depreciation	\$	57,279,324
Assets subject to depreciation		201,149,312
Right-to-use lease assets		17,650,768
Right-to-use subscription assets		4,385,639
Less: accumulated depreciation and amortization		<u>(102,655,390)</u>
		177,809,653
Revenues in the statement of activities that do not provide current financial resources are reported as unavailable revenues in the governmental funds.		
Unavailable revenue - property taxes	\$	2,330,160
Unavailable revenue - intergovernmental		<u>64,919</u>
		2,395,079
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable, net of unamortized premiums	\$	(115,748,531)
Installment notes payable, net of unamortized premiums		(186,806,956)
Leases payable		(10,093,530)
Subscriptions payable		(926,271)
Accrued interest payable		(3,221,459)
Unamortized deferred charges from debt refundings		2,303,105
Claims payable		(267,750)
Compensated absences		<u>(5,431,042)</u>
		(320,192,434)
The net pension liability (LGERS), total pension liability (LEOSSA), and net pension asset (RODSPF), as well as the related deferred outflows and inflows of resources are not expected to be liquidated with expendable available resources and, therefore, are not reported in the governmental funds.		
Net pension liability (LGERS)	\$	(43,560,868)
Total pension liability (LEOSSA)		(6,905,582)
Net pension asset (RODSPF)		142,010
Deferred outflows of resources - pension items		29,226,271
Deferred inflows of resources - pension items		<u>(1,337,461)</u>
		(22,435,630)
The net OPEB liability and the related deferred outflows and inflows of resources are not expected to be liquidated with expendable available resources and, therefore, are not reported in the governmental funds.		
Net OPEB liability	\$	(118,859,926)
Deferred outflows of resources - OPEB items		15,603,937
Deferred inflows of resources - OPEB items		<u>(36,480,740)</u>
		(139,736,729)
The internal service fund is used by the County to charge costs to other funds. The assets and liabilities are included in the governmental activities.		
		<u>(88,085)</u>
Net position of governmental activities		<u><u>\$ (160,000,399)</u></u>

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

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Debt Service Fund	American Rescue Plan Act Fund
REVENUES			
Property taxes	\$ 194,357,055	\$ -	\$ -
Sales taxes	42,643,725	-	-
Other taxes	-	-	-
Unrestricted intergovernmental	7,071,151	1,847,675	-
Restricted intergovernmental	12,493,204	-	8,034,844
Charges for services	12,504,920	-	-
Investment earnings	2,370,147	-	44,865
License and permits	226,528	-	-
Miscellaneous	4,847,614	33,715	-
Total revenues	276,514,344	1,881,390	8,079,709
EXPENDITURES			
Current:			
Community services	14,704,939	-	-
General government	12,367,020	209,520	3,250,400
Public safety	38,083,670	-	2,408,685
Human services	46,426,806	-	2,344,476
Education	107,594,753	-	-
Support services	22,427,279	-	31,280
Capital outlay	-	-	-
Debt service:			
Principal retirements	3,650,458	27,719,073	-
Interest and other charges	128,880	10,043,977	-
Total expenditures	245,383,805	37,972,570	8,034,841
Excess (deficiency) of revenues over (under) expenditures	31,130,539	(36,091,180)	44,868
OTHER FINANCING SOURCES (USES)			
Long-term debt issued	-	360,908	-
Issuance of leases	8,454,537	-	-
Premium on long-term debt issued	-	-	-
Transfers from other funds	1,537,732	32,247,646	-
Transfers to other funds	(39,235,893)	-	-
Sale of capital assets	32,900	-	-
Other financing sources (uses), net	(29,210,724)	32,608,554	-
Net change in fund balances	1,919,815	(3,482,626)	44,868
FUND BALANCES:			
Beginning balances	80,408,265	6,746,061	(1,174)
Ending balances	\$ 82,328,080	\$ 3,263,435	\$ 43,694

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

County Capital Improvements Fund	School Capital Improvements Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 36,749,963	\$ 231,107,018
-	-	6,130,571	48,774,296
-	-	2,223,599	2,223,599
-	-	1,415,195	10,334,021
2,231,801	-	13,827,977	36,587,826
-	-	756,448	13,261,368
3,055,428	679,895	295,339	6,445,674
-	-	1,140,824	1,367,352
311,870	-	670,090	5,863,289
<u>5,599,099</u>	<u>679,895</u>	<u>63,210,006</u>	<u>355,964,443</u>
-	-	7,255,447	21,960,386
-	-	566,098	16,393,038
-	-	10,451,199	50,943,554
-	-	10,168,028	58,939,310
-	40,770,806	28,131,038	176,496,597
-	-	-	22,458,559
23,243,440	-	-	23,243,440
-	-	596,577	31,966,108
-	-	274,123	10,446,980
<u>23,243,440</u>	<u>40,770,806</u>	<u>57,442,510</u>	<u>412,847,972</u>
<u>(17,644,341)</u>	<u>(40,090,911)</u>	<u>5,767,496</u>	<u>(56,883,529)</u>
5,851,069	5,118,023	-	11,330,000
-	-	-	8,454,537
736,050	-	-	736,050
2,027,608	6,034,126	870,803	42,717,915
-	-	(6,507,427)	(45,743,320)
22,570	-	250	55,720
<u>8,637,297</u>	<u>11,152,149</u>	<u>(5,636,374)</u>	<u>17,550,902</u>
(9,007,044)	(28,938,762)	131,122	(39,332,627)
51,970,719	25,532,325	16,924,178	181,580,374
<u>\$ 42,963,675</u>	<u>\$ (3,406,437)</u>	<u>\$ 17,055,300</u>	<u>\$ 142,247,747</u>

ORANGE COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024

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

Net change in fund balances - total governmental funds \$ (39,332,627)

Governmental funds report capital outlays as expenditures; however, the cost of those assets is allocated over their estimated useful lives and reported as depreciation or amortization expense in the Statement of Activities. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period.

Capital outlay	\$ 27,048,599	
Depreciation and amortization expense	<u>(9,311,379)</u>	17,737,220

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.

Net book value of capital assets disposed	\$ <u>(601,241)</u>	(601,241)
---	---------------------	-----------

Receivables are 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 unavailable property tax revenues	\$ (20,698)	
Net change in unavailable intergovernmental revenues	<u>(17,364)</u>	(38,062)

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	\$ (19,784,537)	
Premiums on long-term debt issued	(736,050)	
Principal retirements	31,966,108	
Amortization of bond premiums	1,806,151	
Amortization of deferred charges on refunding	<u>(228,428)</u>	13,023,244

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		(584,284)
Net change in interest payable		195,603
Net change in claims payable		50,268
Pension expense - LGERS		(3,539,804)
Pension expense - LEOSSA		(433,167)
Pension expense - RODSPF		(15,667)
OPEB expense		(1,361,431)

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		<u>377,670</u>
		<u>\$ (14,522,278)</u>

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

ORANGE COUNTY, NORTH CAROLINA

GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 190,988,247	\$ 191,077,034	\$ 194,357,055	\$ 3,280,021
Sales tax	43,739,131	43,739,131	42,643,725	(1,095,406)
Unrestricted intergovernmental	5,600,467	5,782,950	7,071,151	1,288,201
Restricted intergovernmental	13,825,716	15,363,431	12,493,204	(2,870,227)
Charges for services	13,182,851	13,321,498	12,504,920	(816,578)
Investment earnings	1,600,000	2,000,000	2,370,147	370,147
License and permits	274,200	274,200	226,528	(47,672)
Miscellaneous	1,853,626	2,126,694	4,847,614	2,720,920
Total revenues	271,064,238	273,684,938	276,514,344	2,829,406
EXPENDITURES				
Current:				
Community service	15,241,917	15,093,878	14,704,939	388,939
General government	11,987,685	13,583,678	12,367,020	1,216,658
Public safety	35,882,898	40,148,697	38,083,670	2,065,027
Human services	48,541,143	48,730,701	46,426,806	2,303,895
Education	107,805,947	108,005,074	107,594,753	410,321
Support services	18,492,107	18,292,014	22,427,279	(4,135,265)
Debt service:				
Principal retirements	-	-	3,650,458	(3,650,458)
Interest and other charges	-	-	128,880	(128,880)
Total expenditures	237,951,697	243,854,042	245,383,805	(1,529,763)
Excess of revenues over expenditures	33,112,541	29,830,896	31,130,539	1,299,643
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	1,391,290	1,507,732	1,537,732	30,000
Transfers to other funds	(41,553,831)	(39,235,893)	(39,235,893)	-
Issuance of leases	-	-	8,454,537	8,454,537
Sale of capital assets	50,000	50,000	32,900	(17,100)
Appropriated fund balance	7,000,000	7,847,265	-	(7,847,265)
Other financing uses, net	(33,112,541)	(29,830,896)	(29,210,724)	620,172
Net change in fund balance	\$ -	\$ -	1,919,815	\$ 1,919,815
Fund balance, beginning of year			80,408,265	
Ending balance			\$ 82,328,080	

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

ORANGE COUNTY, NORTH CAROLINA

AMERICAN RESCUE PLAN ACT FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2024

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Restricted intergovernmental	\$ 28,839,722	\$ 28,839,722	\$ 8,034,844	\$ (20,804,878)
Investment earnings	-	-	44,865	44,865
Total revenues	<u>28,839,722</u>	<u>28,839,722</u>	<u>8,079,709</u>	<u>(20,760,013)</u>
EXPENDITURES				
Current:				
Community services	299,285	299,285	-	299,285
General government	9,626,768	9,626,768	3,250,400	6,376,368
Public safety	2,697,107	2,697,107	2,408,685	288,422
Human services	14,965,243	14,965,243	2,344,476	12,620,767
Support services	1,251,319	1,251,319	31,280	1,220,039
Total expenditures	<u>28,839,722</u>	<u>28,839,722</u>	<u>8,034,841</u>	<u>20,804,881</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>44,868</u>	<u>\$ 44,868</u>
FUND BALANCE				
Beginning balance			<u>(1,174)</u>	
Ending balance			<u>\$ 43,694</u>	

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024**

	Solid Waste Landfill	SportsPlex	Total Enterprise Funds	Internal Service Fund
ASSETS				
Current assets:				
Cash and investments - unrestricted	\$ 17,212,408	\$ 837,333	\$ 18,049,741	\$ 788,844
Cash and investments - restricted	1,269,985	480,182	1,750,167	-
Accounts receivable	230,199	23,480	253,679	-
Due from other governments	104,499	-	104,499	-
Total current assets	<u>18,817,091</u>	<u>1,340,995</u>	<u>20,158,086</u>	<u>788,844</u>
Capital assets:				
Nondepreciable assets	1,355,237	794,466	2,149,703	-
Depreciable assets, net	9,581,341	6,883,561	16,464,902	-
Capital assets, net	<u>10,936,578</u>	<u>7,678,027</u>	<u>18,614,605</u>	<u>-</u>
Total assets	<u>29,753,669</u>	<u>9,019,022</u>	<u>38,772,691</u>	<u>788,844</u>
DEFERRED OUTFLOWS OF RESOURCES				
	<u>1,297,357</u>	<u>-</u>	<u>1,297,357</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	254,567	92,190	346,757	876,929
Accrued payroll and other liabilities	351,316	53,734	405,050	-
Unearned revenue	-	395,892	395,892	-
Current portion:				
Long-term debt	784,437	346,970	1,131,407	-
Landfill postclosure	538,426	-	538,426	-
Compensated absences payable	167,395	-	167,395	-
Total current liabilities	<u>2,096,141</u>	<u>888,786</u>	<u>2,984,927</u>	<u>876,929</u>
Noncurrent liabilities:				
Long-term debt	5,307,454	3,380,018	8,687,472	-
Landfill postclosure	6,368,018	-	6,368,018	-
Compensated absences payable	111,597	-	111,597	-
Net pension liability	2,166,315	-	2,166,315	-
Total noncurrent liabilities	<u>13,953,384</u>	<u>3,380,018</u>	<u>17,333,402</u>	<u>-</u>
Total liabilities	<u>16,049,525</u>	<u>4,268,804</u>	<u>20,318,329</u>	<u>876,929</u>
DEFERRED INFLOWS OF RESOURCES				
	<u>29,304</u>	<u>-</u>	<u>29,304</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	6,114,672	4,431,221	10,545,893	-
Unrestricted	8,857,525	318,997	9,176,522	(88,085)
Total net position	<u>\$ 14,972,197</u>	<u>\$ 4,750,218</u>	<u>\$ 19,722,415</u>	<u>\$ (88,085)</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, 2024**

	Solid Waste Landfill	SportsPlex	Total Enterprise Funds	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 10,640,786	\$ 5,497,730	\$ 16,138,516	\$ -
Employer and employee contributions	-	-	-	13,799,712
Other operating revenue	453,170	-	453,170	-
Total operating revenues	<u>11,093,956</u>	<u>5,497,730</u>	<u>16,591,686</u>	<u>13,799,712</u>
OPERATING EXPENSES				
Operations	7,635,433	3,676,090	11,311,523	16,517,397
General and administrative	2,944,653	1,715,141	4,659,794	90,338
Depreciation	1,323,706	498,738	1,822,444	-
Total operating expenses	<u>11,903,792</u>	<u>5,889,969</u>	<u>17,793,761</u>	<u>16,607,735</u>
Operating loss	<u>(809,836)</u>	<u>(392,239)</u>	<u>(1,202,075)</u>	<u>(2,808,023)</u>
NON-OPERATING REVENUES (EXPENSES)				
Disposal taxes and reimbursements	429,353	-	429,353	-
Investment earnings	429,422	5,912	435,334	2,288
Gain on disposal of capital assets	179,606	-	179,606	-
Interest expense	(196,935)	(126,062)	(322,997)	-
Non-operating revenue (expenses), net	<u>841,446</u>	<u>(120,150)</u>	<u>721,296</u>	<u>2,288</u>
Income (loss) before transfers	31,610	(512,389)	(480,779)	(2,805,735)
Transfers from other funds	-	746,694	746,694	3,183,405
Transfers to other funds	-	(904,694)	(904,694)	-
Change in net position	<u>31,610</u>	<u>(670,389)</u>	<u>(638,779)</u>	<u>377,670</u>
NET POSITION				
Beginning balances	14,940,587	5,420,607	20,361,194	(465,755)
Ending balances	<u>\$ 14,972,197</u>	<u>\$ 4,750,218</u>	<u>\$ 19,722,415</u>	<u>\$ (88,085)</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, 2024**

	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 11,516,650	\$ 5,613,384	\$ 17,130,034	\$ 13,807,144
Cash paid for goods and services	(5,173,949)	(3,647,247)	(8,821,196)	(16,888,480)
Cash paid to employees	(5,078,147)	(1,708,276)	(6,786,423)	-
Net cash provided (used) by operating activities	<u>1,264,554</u>	<u>257,861</u>	<u>1,522,415</u>	<u>(3,081,336)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers to other funds	-	(904,694)	(904,694)	-
Transfers from other funds	-	746,694	746,694	3,183,405
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(158,000)</u>	<u>(158,000)</u>	<u>3,183,405</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition/construction of capital assets	(828,904)	-	(828,904)	-
Proceeds from issuance of debt	550,000	-	550,000	-
Principal payments on long-term debt	(931,736)	(336,857)	(1,268,593)	-
Proceeds from the sale of capital assets	179,606	-	179,606	-
Interest paid and fiscal fees paid	(195,485)	(150,835)	(346,320)	-
Net cash used for capital and related financing activities	<u>(1,226,519)</u>	<u>(487,692)</u>	<u>(1,714,211)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	429,422	5,912	435,334	2,288
Net cash provided by investing activities	<u>429,422</u>	<u>5,912</u>	<u>435,334</u>	<u>2,288</u>
Net increase (decrease) in cash and cash equivalents	467,457	(381,919)	85,538	104,357
CASH AND CASH EQUIVALENTS				
Beginning balances	18,014,936	1,699,434	19,714,370	684,487
Ending balances	<u>\$ 18,482,393</u>	<u>\$ 1,317,515</u>	<u>\$ 19,799,908</u>	<u>\$ 788,844</u>
CASH AND CASH EQUIVALENTS				
Cash and investments - unrestricted	\$ 17,212,408	\$ 837,333	\$ 18,049,741	\$ 788,844
Cash and investments - restricted	1,269,985	480,182	1,750,167	-
Total cash and cash equivalents	<u>\$ 18,482,393</u>	<u>\$ 1,317,515</u>	<u>\$ 19,799,908</u>	<u>\$ 788,844</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, 2024**

	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income loss	\$ (809,836)	\$ (392,239)	\$ (1,202,075)	\$ (2,808,023)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Disposal taxes and reimbursements	429,353	-	429,353	-
Depreciation	1,323,706	498,738	1,822,444	-
Landfill closure and postclosure care costs	327,334	-	327,334	-
Change in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:				
Decrease (increase) in:				
Accounts receivable	(5,530)	(11,984)	(17,514)	7,432
Due from other governments	(1,129)	-	(1,129)	-
Deferred outflows - pensions	149,477	-	149,477	-
Increase (decrease) in:				
Accounts and claims payable	(104,251)	28,843	(75,408)	(280,745)
Accrued payroll withholdings	59,897	6,865	66,762	-
Unearned revenue	-	127,638	127,638	-
Compensated absences payable	29,704	-	29,704	-
Net pension liability	(113,708)	-	(113,708)	-
Deferred inflows - pensions	(20,463)	-	(20,463)	-
Net cash provided (used) by operating activities	<u>\$ 1,264,554</u>	<u>\$ 257,861</u>	<u>\$ 1,522,415</u>	<u>\$ (3,081,336)</u>

ORANGE COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS JUNE 30, 2024

	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
ASSETS		
Cash and investments - restricted	\$ 397,710	\$ 176,904
Total assets	<u>397,710</u>	<u>176,904</u>
LIABILITIES		
Accounts payable	-	515
Accrued liabilities	-	41,828
Total liabilities	<u>-</u>	<u>42,343</u>
NET POSITION		
Restricted for:		
Other postemployment benefits	397,710	-
Individuals, organizations and other governments	-	134,561
Total net position	<u>\$ 397,710</u>	<u>\$ 134,561</u>

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

ORANGE COUNTY, NORTH CAROLINA

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	OPEB Trust Fund	Custodial Funds
ADDITIONS		
Employer contributions	\$ 4,064,731	\$ -
Charges for services	-	25,170
Collections on behalf of inmates	-	276,621
Donations	-	4,478
Investment earnings	15,975	3,864
Total additions	4,080,706	310,133
DEDUCTIONS		
Water improvements	-	30,918
Benefit payments	4,064,731	-
Payments on behalf of inmates	-	284,790
Other	-	18,849
Total deductions	4,064,731	334,557
Change in fiduciary net position	15,975	(24,424)
NET POSITION		
Beginning balances	381,735	158,985
Ending balances	\$ 397,710	\$ 134,561

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

NOTES TO THE FINANCIAL STATEMENTS

ORANGE COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

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 whom 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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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 primary government, except those required to be accounted for in another fund.

Debt Service Fund. The Debt Service Fund accounts for the accumulation of resources and payment of principal and interest on debt.

American Rescue Plan Act Fund. This is a special revenue fund. It accounts for the Coronavirus State and Local Fiscal Recovery Funds received by the County pursuant to the passage of 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 capital project 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

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 three custodial funds: The Cooperative Extension 4-H Fund, which accounts for the receipts and disbursement of funds on behalf of the 4-H program advisory board; the American Stone No Fault Well Repair Fund, which accounts for funds made available from American Stone Quarry to repair or replace residential wells that fail for any reason other than as the probable result of American Stone quarry operation; and the Jail Inmate Pay Fund, which accounts for the revenues and expenditures of activity funds belonging to inmates during the period of incarceration.

The County reports the following other funds:

Nonmajor governmental funds. The County maintains twenty-four non-major special revenue and capital projects funds.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting (Continued)

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 and leases, claims and judgements, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions, including those acquired via leasing arrangements, are reported as expenditures in governmental funds. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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 revenue funds (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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Budgetary Data (Continued)

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 are made in board-designated official depositories and are secured as required by NCGS 159-31. The County may designate, as an official depository, any bank or savings association whose principal office is located in the State. Also, the County 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 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).

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 is authorized by NCGS 159-30(c)(8) and consists of an SEC-registered fund. The fund, 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's 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, 2024, of 1.4 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 8.38 years at June 30, 2024.

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, 2024, the fair value of the funds was \$38.07 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023.

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. Leases

Lessee

The County is a lessee for multiple noncancellable leases of land, real property, equipment and vehicles. The County recognizes a lease liability and an intangible right-to-use leased asset in the government-wide financial statements. Leases are defined by the County as agreements for which the present value of payments expected to be made during the term exceed \$50,000. The County recognizes lease liabilities and leased right to use assets in accordance with its capitalization policy (Note 1-O).

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Continued)

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

In the Statement of Net Position, lease assets are reported with other capital assets and lease liabilities are reported with other long-term liabilities as amounts due within one year and amounts due in more than one year.

Lessor

The County is the lessor for certain noncancellable lease of real property and land within existing County buildings and land. The County recognizes a lease receivable and a deferred inflow of resources for deferred lease revenue in accordance with these transactions.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made at or before the lease commencement date, less certain other amounts to be paid by the County (if any). Subsequently, the deferred inflow of resources is amortized into lease revenue on a straight-line basis over the lease term.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Continued)

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments:

- The lease agreements entered into by the County as lessor do not include stated interest rates. Therefore, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease receivable are composed of fixed payments that the County will receive over the term of the lease agreement.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease.

L. Subscription-Based Information Technology Arrangements

The County has executed contracts that qualify as noncancellable subscription-based information technology arrangements (SBITAs). SBITAs are defined by the County as assets for which the present value of payments expected to be made during the term exceed \$50,000. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide and enterprise fund financial statements. At the commencement of a SBITA, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the SBITA commencement date, plus certain implementation and other costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life – which is the shorter of the SBITA term or the useful life of the underlying asset.

Key estimates and judgments related to SBITA include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments:

- The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA. SBITA payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option prices that the County is reasonably certain to exercise.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Subscription-Based Information Technology Arrangements (Continued)

The County monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term liabilities as amounts due within one year and amounts due in more than one year on the Statement of Net Position.

M. Inventories

The inventories of the County are valued at cost (first-in, first-out) which approximates market.

N. 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.

O. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and intangible assets (including right-to-use leased 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Capital Assets (Continued)

Right-to-use leased assets and subscriptions of the County are depreciated on a straight-line basis over the agreement term of the lease. 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

P. Deferred Outflows/Inflows of Resources

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

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category which occurs in the governmental activities and governmental funds. The County reports a deferred inflow of resources for the property taxes paid in advance of the period they were intended to finance. These property taxes will be recognized as revenue in the subsequent fiscal year. The County also reports a deferred inflow of resources for deferred revenues from leases which will be amortized on a straight-line basis over the life of the underlying lease. Additionally, the County reports one item which is reported as a deferred inflow of resources which arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from the accrual of ad valorem taxes and intergovernmental revenues which are earned by the County but are not considered available for the liquidation of current expenditures. Additionally, deferred inflows of resources are reported for outstanding lien receivables which are not collected within 90 days of the County's fiscal year-end.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued)

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

Q. 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.

R. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R. Long-term Obligations (Continued)

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.

S. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$1,866,587 as part of this settlement in fiscal year 2024. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended.

T. 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 on the following page.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position/Fund Balances (Continued)

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position/Fund Balances (Continued)

Restricted fund balance (Continued).

- 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.
- Restricted for capital projects - This portion of fund balance is restricted by financing source for the specific projects the debt was originally issued.

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 debt service - This portion of fund balance has been constrained by the Board to pay for debt service payments.
- 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.
- Assigned for capital projects - This portion of fund balance has been appropriated for the use of ongoing and future capital projects.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Net Position/Fund Balances (Continued)

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.

U. 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.

V. 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.

W. 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.

X. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit in fund balance. The County's School Capital Improvements Fund reports a deficit fund balance of \$3,406,437 as of June 30, 2024. The deficit represents upfront County funding for school projects that will be funded and completed with proceeds from debt issuances in future years. The proceeds from the issuance of debt will reimburse the fund for these upfront costs paid by the County.

The County's FEMA Recovery Fund reports a deficit fund balance of \$548,862 as of June 30, 2024. This deficit will be eliminated in subsequent years via the reimbursement of pandemic-related expenditures from FEMA for which the County has submitted applications and is awaiting notification of funding.

The County's Spay/Neuter Fund and the School District Fund reports a deficit fund balance of \$2,605 and \$104,345, respectively. These deficits will be alleviated via the collection of revenues or General Fund appropriation, as necessary.

Expenditures in Excess of Appropriation. For the fiscal year ended June 30, 2024, the SportsPlex Fund had total expenditures that exceeded final appropriations by \$123,527. These excess expenditures were funded by available unrestricted net position.

NOTE 3. DEPOSITS AND INVESTMENTS

All the County'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 agents in the County'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, these deposits are considered to be held by their agents in the County'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 or the escrow agent.

Because of the inability to measure the exact amounts of collateral pledged for the County 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 has 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 complies with the provisions of NCGS 159-31 when designating official depositories and verifying that deposits are properly secured.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The County's deposits, at June 30, 2024, had a carrying amount of \$49,613,747 and a bank balance of \$49,661,266. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$49,161,266 was covered by collateral held under the Pooling Method. The County's petty cash accounts, at June 30, 2024, totaled \$5,409. Total deposits as of June 30, 2024, are summarized as follows:

Cash and cash equivalents	\$	111,004,181
Restricted cash and cash equivalents		42,549,108
Statement of Fiduciary Net Position		574,614
		<u>\$ 154,127,903</u>
Cash deposited with financial institution	\$	49,613,747
Petty cash		5,409
NCCMT - Government Portfolio		104,111,037
STIF		397,710
		<u>\$ 154,127,903</u>

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, 2024, consist of the following:

Investment Type	Measurement Method	Fair Value	Less than 6 months
NCCMT- Government Portfolio	Fair Value - Level 1	\$ 104,111,037	\$ 104,111,037
STIF	Fair Value - Level 2	397,710	397,710
Total Investments		<u>\$ 104,508,747</u>	<u>\$ 104,508,747</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 AA-mf by Moody's Investor Service.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2024, was invested as follows: BlackRock's MSCI ACWI EQ Index Non-lendable Class B Fund 99.88%, and North Carolina Non-Pension Fixed Income 0.12%.

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

Credit risk. The County 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, 2024.

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's deposits are insured or collateralized at June 30, 2024, as required by NCGS.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. RECEIVABLES

The County's receivable balances at June 30, 2024, consisted of the following:

	General	County Capital Improvements	School Capital Improvements	American Rescue Plan Act
Receivables:				
Taxes	\$ 4,293,420	\$ -	\$ -	\$ -
Notes	5,545	-	-	-
Accounts	4,740,277	-	-	-
Due from other governments	21,193,805	4,263,960	-	-
Lease	2,314,076	-	-	-
Less allowance for uncollectible	(5,855,543)	-	-	-
Net Receivables	<u>\$ 26,691,580</u>	<u>\$ 4,263,960</u>	<u>\$ -</u>	<u>\$ -</u>

	Debt Service	Nonmajor Governmental	Solid Waste Landfill	SportsPlex
Receivables:				
Taxes	\$ -	\$ 2,360,367	\$ -	\$ -
Notes	-	1,099,148	-	-
Accounts	-	270,728	230,199	23,480
Due from other governments	-	1,885,608	104,499	-
Less allowance for uncollectible	-	-	-	-
Net Receivables	<u>\$ -</u>	<u>\$ 5,615,851</u>	<u>\$ 334,698</u>	<u>\$ 23,480</u>

Lease receivables

The County has entered into a 135-month lease as lessor for the use of 401 Valley Forge Road, Hillsborough, North Carolina. An initial lease receivable was recorded in the amount of \$1,750,046. In fiscal year 2024, the County exercised an extension option. As of June 30, 2024, the value of the lease receivable is \$2,314,076. The lessee is required to make monthly fixed payments of \$24,500. The lease has an interest rate of 1.1380%. The value of the deferred inflow of resources as of June 30, 2024, was \$2,277,335, and the County recognized lease revenue of \$302,168 during the fiscal year. The lessee has one extension option for 60 months remaining.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Nondepreciable capital assets:					
Land	\$ 20,516,305	\$ -	\$ -	\$ -	\$ 20,516,305
Intangible rights	1,424,098	-	-	-	1,424,098
Construction in progress	20,900,833	15,446,616	-	(1,008,528)	35,338,921
Total	42,841,236	15,446,616	-	(1,008,528)	57,279,324
Capital assets, being depreciated and amortized:					
Buildings and improvements	161,417,987	-	-	1,008,528	162,426,515
Other improvements	3,411,653	-	-	-	3,411,653
Automotive equipment	14,017,314	2,976,457	(264,388)	-	16,729,383
Other equipment	18,146,385	170,988	-	-	18,317,373
Right-to-use lease land	145,332	246,031	-	-	391,363
Right-to-use lease buildings	8,861,741	8,208,507	-	-	17,070,248
Right-to-use lease equipment	169,196	-	(169,196)	-	-
Right-to-use lease vehicles	130,148	-	(130,148)	-	-
Subscription assets	4,876,693	-	(1,143,450)	-	3,733,243
Total	211,176,449	11,601,983	(1,707,182)	1,008,528	222,079,778
Less accumulated depreciation and amortization for:					
Buildings and improvements	59,646,036	3,261,584	-	-	62,907,620
Other improvements	2,302,864	170,583	-	-	2,473,447
Automotive equipment	11,247,891	1,592,829	(264,388)	-	12,576,332
Other equipment	13,608,930	383,267	-	-	13,992,197
Right-to-use lease land	99,656	49,303	-	-	148,959
Right-to-use lease buildings	4,682,717	2,646,632	-	-	7,329,349
Right-to-use lease equipment	93,993	-	(93,993)	-	-
Right-to-use lease vehicles	95,164	-	(95,164)	-	-
Subscription assets	1,566,760	1,207,181	(652,396)	-	2,121,545
Total	93,344,011	9,311,379	(1,105,941)	-	101,549,449
Total capital assets, being depreciated and amortized, net	117,832,438	2,290,604	(601,241)	1,008,528	120,530,329
Governmental activities capital assets, net	\$ 160,673,674	\$ 17,737,220	\$ (601,241)	\$ -	\$ 177,809,653

Depreciation and amortization expense by function:

Community services	\$ 279,925
General government	2,934,034
Public safety	1,239,502
Human services	1,183,899
Support services	3,674,019
Total depreciation and amortization - governmental activities	\$ 9,311,379

NOTES TO FINANCIAL STATEMENTS

NOTE 5. CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Business-type Activities:					
<i>Solid Waste Landfill:</i>					
Nondepreciable capital assets:					
Land	\$ 824,594	\$ -	\$ -	\$ -	\$ 824,594
Construction in progress	1,428,216	1,787	-	(899,360)	530,643
Total	<u>2,252,810</u>	<u>1,787</u>	<u>-</u>	<u>(899,360)</u>	<u>1,355,237</u>
Capital assets, being depreciated:					
Land improvements	7,422,587	-	-	-	7,422,587
Buildings	5,084,038	-	-	899,360	5,983,398
Equipment	13,974,451	827,117	(452,318)	-	14,349,250
Total	<u>26,481,076</u>	<u>827,117</u>	<u>(452,318)</u>	<u>899,360</u>	<u>27,755,235</u>
Less accumulated depreciation for:					
Land improvements	3,746,454	133,548	-	-	3,880,002
Buildings	2,398,685	163,498	-	-	2,562,183
Equipment	11,157,367	1,026,660	(452,318)	-	11,731,709
Total	<u>17,302,506</u>	<u>1,323,706</u>	<u>(452,318)</u>	<u>-</u>	<u>18,173,894</u>
Total capital assets, being depreciated, net	<u>9,178,570</u>	<u>(496,589)</u>	<u>-</u>	<u>899,360</u>	<u>9,581,341</u>
Solid waste landfill fund capital assets, net	<u>\$ 11,431,380</u>	<u>\$ (494,802)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,936,578</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<i>SportsPlex:</i>					
Nondepreciable capital assets:					
Land	\$ 794,466	\$ -	\$ -	\$ -	\$ 794,466
Total	<u>794,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>794,466</u>
Capital assets, being depreciated:					
Buildings	12,743,945	-	-	-	12,743,945
Equipment	659,234	-	-	-	659,234
Total	<u>13,403,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,403,179</u>
Less accumulated depreciation for:					
Buildings	5,381,505	484,720	-	-	5,866,225
Equipment	639,375	14,018	-	-	653,393
Total	<u>6,020,880</u>	<u>498,738</u>	<u>-</u>	<u>-</u>	<u>6,519,618</u>
Total capital assets, being depreciated, net	<u>7,382,299</u>	<u>(498,738)</u>	<u>-</u>	<u>-</u>	<u>6,883,561</u>
SportsPlex fund capital assets, net	<u>\$ 8,176,765</u>	<u>\$ (498,738)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,678,027</u>

Construction commitments – The County has active construction projects in progress at June 30, 2024. The County has contractual commitments on these projects of approximately \$11.6 million.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT

The County – Long-term liability activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Repayments and Adjustments	Ending Balance	Due within One Year
Governmental activities:					
General obligation bonds - direct placement	\$ 116,815,000	\$ -	\$ (9,470,000)	\$ 107,345,000	\$ 6,910,000
Bond premiums	9,167,633	-	(764,102)	8,403,531	-
Total general obligation bonds	125,982,633	-	(10,234,102)	115,748,531	6,910,000
Installment notes - direct borrowing and direct placement	181,052,504	11,330,000	(18,406,468)	173,976,036	18,444,652
Note premiums	13,136,919	694,780	(1,000,779)	12,830,920	-
Total installment notes	194,189,423	12,024,780	(19,407,247)	186,806,956	18,444,652
Leases payable	4,398,961	8,454,538	(2,759,969)	10,093,530	2,576,515
Subscriptions payable	2,255,942	-	(1,329,671)	926,271	650,878
Net pension liability (LGRS)	36,805,483	6,755,385	-	43,560,868	-
Total pension liability (LEOSSA)	6,143,097	1,103,451	(340,966)	6,905,582	221,836
Compensated absences	4,846,758	5,040,562	(4,456,278)	5,431,042	3,258,625
Claims payable	318,018	228,811	(279,079)	267,750	267,750
Net OPEB liability	120,541,187	-	(1,681,261)	118,859,926	-
Governmental activity Long-term liabilities	\$ 495,481,502	\$ 33,607,527	\$ (40,488,573)	\$ 488,600,456	\$ 32,330,256
	Beginning Balance restated	Additions	Repayments and Adjustments	Ending Balance	Due within One Year
Business-type activities:					
<i>Solid Waste Landfill</i>					
Installment notes - direct borrowing and direct placement	\$ 5,970,279	\$ 550,000	\$ (931,736)	\$ 5,588,543	\$ 784,437
Note premiums	501,842	41,270	(39,764)	503,348	-
Total installment notes	6,472,121	591,270	(971,500)	6,091,891	784,437
Net pension liability (LGRS)	2,280,023	-	(113,708)	2,166,315	-
Post-closure care costs	6,579,110	327,334	-	6,906,444	538,426
Compensated absences	249,288	589,337	(559,633)	278,992	167,395
Total Long-term liabilities	\$ 15,580,542	\$ 1,507,941	\$ (1,644,841)	\$ 15,443,642	\$ 1,490,258
<i>SportsPlex</i>					
Installment notes - direct borrowing and direct placement	\$ 3,768,550	\$ -	\$ (336,857)	\$ 3,431,693	\$ 346,970
Note premiums	320,068	-	(24,773)	295,295	-
Total installment notes	\$ 4,088,618	\$ -	\$ (361,630)	\$ 3,726,988	\$ 346,970

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

All general obligation bonds, serviced by the County's General Fund, are collateralized by the full faith, credit, and taxing power of the County. The outstanding balances at June 30, 2024, were as follows:

	<u>Balance as of June 30, 2024</u>
Governmental Activities:	
\$5,900,000 Series 2017A school bonds, due in annual installments through February 2028 with interest ranging from 4.00 to 5.00%.	\$ 6,112,796
\$21,000,000 Series 2017B school bonds, due in annual installments through February 2028 with interest ranging from 2.15 to 5.00%.	14,467,204
\$64,400,000 Series 2018 school bonds, due in annual installments through August 2038 with interest ranging from 2.65 to 5.00%.	53,660,000
\$20,060,000 Series 2020 school bonds, due in annual installments through August 2040 with interest ranging from 2.00 to 5.00%.	17,045,000
\$2,500,000 Series 2021 school bonds, due in annual installments through August 2041 with interest ranging from 2.00 to 5.00%.	2,250,000
\$14,540,000 Series 2022 school bonds, due in annual installments through February 2043 with interest ranging from 4.00 to 5.00%.	<u>13,810,000</u>
Total outstanding general obligation bonds	<u><u>\$ 107,345,000</u></u>

Of the amount serviced by the County's General Fund shown above, \$103,345,000 is considered to be debt related to the schools.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

General Obligation Bonds (Continued)

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

Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 6,910,000	\$ 3,933,975	\$ 10,843,975
2026	6,910,000	3,588,475	10,498,475
2027	6,910,000	3,244,850	10,154,850
2028	6,910,000	2,901,225	9,811,225
2029	6,910,000	2,586,058	9,496,058
2030-2034	34,515,000	9,169,698	43,684,698
2035-2039	33,005,000	3,504,990	36,509,990
2040-2043	5,275,000	345,625	5,620,625
Total	<u>\$ 107,345,000</u>	<u>\$ 29,274,895</u>	<u>\$ 136,619,895</u>

As of June 30, 2024, the County has no 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, 2024, was \$1,551,206,059.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

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, 2024, were as follows:

	Balance as of June 30, 2024
Governmental Activities:	
Direct borrowing - \$7,252,255 Certificates of Participation due in annual installments through January 2026 with interest ranging from 4.00 to 5.00%.	\$ 1,318,592
Direct placement - \$2,757,623 of qualified school construction bonds due in annual installments through March 2025 at 1.63% interest.	275,762
Direct placement - \$12,920,000 Series 2015 NM limited obligation bonds due in annual installments through April 2030 with interest ranging from 3.25 to 5.00%.	7,555,000
Direct placement - \$24,657,570 Series 2017 limited obligation bonds due in annual installments through October 2032 with interest ranging from 4.00 to 5.00%.	17,952,084
Direct placement - \$10,110,000 Series 2017 from Sterling Bank due in annual installments through June 2037 with interest at 2.83%.	5,283,000
Direct placement - \$7,175,000 Series 2018 limited obligation bonds due in annual installments through October 2038 with interest ranging from 3.25 to 5.00%.	3,225,000
Direct placement - \$12,760,000 Series 2019A limited obligation bonds due in annual installments through October 2039 with interest ranging from 4.00 to 5.00%.	9,210,000
Direct placement - \$28,893,970 Series 2019B limited obligation bonds due in annual installments through October 2039 with interest ranging from 1.75 to 5.00%.	17,210,006
Direct placement - \$39,663,000 Series 2020 limited obligation bonds due in annual installments through October 2040 with interest at 2.70%.	32,627,000
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%.	14,920,000
Direct placement - \$4,035,555 Series 2021B taxable limited obligation refunding bonds due in annual installments through November 2041 with interest at 0.45%	1,855,592
Direct placement - \$6,885,000 Series 2022A limited obligation bonds due in annual installments through February 2031 with interest at 2.13%.	6,060,000
Direct placement - \$32,483,000 Series 2022B limited obligation bonds due in annual installments through February 2043 with interest at 2.41%.	30,856,000
Direct placement - \$5,080,000 Series 2023A limited obligation bonds due in annual installments through February 2043 with interest at 3.73%.	5,080,000

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable (Continued)

	<u>Balance as of June 30, 2024</u>
Governmental Activities (Continued):	
Direct placement - \$9,218,000 Series 2023B limited obligation bonds due in annual installments through February 2043 with interest at 3.83%.	\$ 9,218,000
Direct placement - \$9,250,000 Series 2024A limited obligation bonds due in annual installments through October 2039 with interest at 5.05%.	9,250,000
Direct placement - \$2,080,000 Series 2024B limited obligation bonds due in annual installments through October 2044 with interest at 4.63%.	<u>2,080,000</u>
Total outstanding installment notes payable	<u><u>\$ 173,976,036</u></u>

Of the amount serviced by the County's General Fund shown above, \$47,561,188 is considered to be debt related to the schools.

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

	Principal	Interest	Total
Year Ending June 30,			
2025	\$ 18,444,652	\$ 5,885,649	\$ 24,330,301
2026	17,010,081	5,325,469	22,335,550
2027	17,728,423	4,567,163	22,295,586
2028	12,969,422	3,943,133	16,912,555
2029	12,395,192	3,471,418	15,866,610
2030-2034	45,764,266	11,663,868	57,428,134
2035-2039	33,131,000	5,120,680	38,251,680
2040-2044	16,172,000	963,000	17,135,000
2045	360,000	7,200	367,200
Total	<u>\$ 173,975,036</u>	<u>\$ 40,947,580</u>	<u>\$ 214,922,616</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable (Continued)

	<u>Balance as of June 30, 2024</u>
Business-type Activities:	
<i>Solid Waste Landfill:</i>	
Direct placement - \$1,022,396 Series 2015 NM limited obligation bonds due in annual installments through April 2030 with interest ranging from 0.00 to 5.00%.	\$ 390,000
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%.	891,142
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%.	820,000
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%.	69,993
Direct placement - \$998,000 Series 2020 limited obligation bonds due in annual installments through October 2040 with interest ranging at 2.70%.	663,000
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%.	205,000
Direct placement - \$194,445 Series 2021B taxable limited obligation bonds due in annual installments through November 2041 with interest ranging from 2.00 to 5.00%.	89,408
Direct placement - \$519,000 Series 2022A limited obligation bonds due in annual installments through February 2031 with interest at 2.13%	459,000
Direct placement - \$1,543,000 Series 2022B limited obligation bonds due in annual installments through February 2043 with interest at 2.41%	1,451,000
Direct placement - \$550,000 Series 2024A limited obligation bonds due in annual installments through June 2045 with interest at 4.63%	<u>550,000</u>
Total outstanding installment notes payable	<u><u>\$ 5,588,543</u></u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Installment Notes Payable (Continued)

	<u>Balance as of June 30, 2024</u>
Business-type Activities (Continued):	
<i>SportsPlex:</i>	
Direct placement - \$2,058,567 Series 2015 NM limited obligation bonds due in annual installments through April 2030 with interest ranging from 2.00 to 5.00%.	\$ 365,000
Direct placement - \$314,067 Series 2017 limited obligation bonds due in annual installments through October 2026 with interest ranging from 4.00 to 5.00%.	212,693
Direct borrowing - \$2,793,000 Series 2017 from Sterling Bank due in annual installments through June 2037 with interest at 2.83%.	1,813,000
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%.	375,000
Direct placement - \$70,000 Series 2020 limited obligation bonds due in annual installments through October 2027 with interest ranging at 2.70%.	42,000
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%.	525,000
Direct placement - \$105,000 Series 2022B limited obligation bonds due in annual installments through February 2043 with interest at 2.41%.	<u>99,000</u>
Total outstanding installment notes payable	<u><u>\$ 3,431,693</u></u>

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

Year Ending June 30,	Business-type Activities			
	Solid Waste Landfill		SportsPlex	
	Principal	Interest	Principal	Interest
2025	\$ 784,437	\$ 186,441	\$ 346,970	\$ 115,453
2026	766,939	163,069	322,196	102,022
2027	905,049	128,403	382,527	87,839
2028	543,578	99,420	272,000	74,923
2029	431,808	81,088	260,000	65,242
2030-2034	1,401,732	210,691	1,056,000	209,344
2035-2039	569,000	64,901	677,000	57,132
2040-2044	186,000	9,537	115,000	3,730
Total	<u>\$ 5,588,543</u>	<u>\$ 943,550</u>	<u>\$ 3,431,693</u>	<u>\$ 715,685</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

Leases Payable

On July 1, 2021, the County entered into multiple land and building leases with lease terms ranging from 16 months to 105 months. The initial lease liability recorded for the land and building leases was \$9,015,502. As of June 30, 2024, after exercising several lease extension options, the value of the lease liability is \$10,093,530. The County is required to make monthly fixed payments ranging from \$2,767 to \$71,705. The leases have interest rates ranging from 0.3080% to 1.4480%. The value of the right to use assets for the land and building leases as of June 30, 2024, was \$17,461,611 with accumulated amortization of \$7,478,308.

Debt service to maturity on the County's outstanding leases is as follows:

Fiscal Year	Principal	Interest	Payments
2025	\$ 2,576,515	\$ 64,872	\$ 2,641,387
2026	2,367,665	45,323	2,412,988
2027	2,200,899	27,987	2,228,886
2028	1,909,154	14,878	1,924,032
2029	917,745	4,384	922,129
2030	121,552	735	122,287
	\$ 10,093,530	\$ 158,179	\$ 10,251,709

Subscriptions Payable

The County has multiple contracts that qualify for reporting under GASB Statement No. 96. These agreements have terms ranging from 12 months to 72 months. The initial subscription liability was recorded in the amount of \$2,747,307. As of June 30, 2024, the value of the subscription liability is \$926,271. The County is required to make annual fixed payments ranging from \$2,817 to \$182,119. The subscriptions have an interest rate ranging from 1.58% to 3.12%. The value of the right to use asset as of June 30, 2024, is \$3,733,243 with accumulated amortization of \$2,121,545.

Debt service to maturity on the County's outstanding subscriptions are as follows:

Fiscal Year	Principal	Interest	Payments
2025	\$ 650,878	\$ 17,141	\$ 668,019
2026	230,026	5,927	235,953
2027	31,062	1,030	32,092
2028	14,305	332	14,637
	\$ 926,271	\$ 24,430	\$ 950,701

NOTES TO FINANCIAL STATEMENTS

NOTE 6. LONG-TERM DEBT (CONTINUED)

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 \$6,906,444 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 and 2 of the County's construction and demolition landfill continues to accept waste while Phase 3 (lateral expansion) and Phase 4 and 5 (vertical expansion) were opened this year and included in the liability estimate.

As of June 30, 2024, the construction and demolition landfill has used approximately 48% of the permitted 789,250 cubic yards of capacity. The remaining costs, not yet accrued for the construction and demolition landfill of \$2,221,025 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 7. 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 balances of \$970,540 and \$545, at June 30, 2024, was between the General Fund and the FEMA Recovery fund and the Spay/Neuter Fund, respectively, and was eliminated at the government-wide level.

NOTES TO FINANCIAL STATEMENTS

NOTE 7. INTERFUND BALANCES AND TRANSFERS (CONTINUED)

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						Transfers to Other Funds
	General Fund	County Capital Improvements Fund	School Capital Improvements Fund	Nonmajor Governmental Funds	Debt Service Fund	Internal Service Fund	
General fund	\$ -	\$ 1,649,153	\$ 1,576,000	\$ 829,689	\$ 31,997,646	\$ 3,183,405	\$ 39,235,893
SportsPlex fund	158,000	-	-	-	-	-	158,000
Non-major governmental funds	1,379,732	378,455	4,458,126	41,114	250,000	-	6,507,427
Total transfers	<u>\$ 1,537,732</u>	<u>\$ 2,027,608</u>	<u>\$ 6,034,126</u>	<u>\$ 870,803</u>	<u>\$ 32,247,646</u>	<u>\$ 3,183,405</u>	<u>\$ 45,901,320</u>

Transfers made from the General Fund to the Community Development Fund are made to move resources to the funds accounting for project expenditures.

Transfers made from the SportsPlex Fund to the General Fund are made to move resources to account for resources moved during the year.

Transfers made from the General Fund to the County Capital Improvement Fund and the School Capital Improvement Fund are made to move resources to the funds accounting for project expenditures.

Transfers made from the General Fund to the nonmajor governmental funds are made to provide the County's local matching contributions for various grant-funded projects.

Transfers made from the General Fund to the Debt Service Fund reflect the transfer of resources to be used in retiring the County's outstanding debt obligations in accordance with the purpose of the creation of the Debt Service Fund.

Transfers made from the General Fund to the Internal Service Fund reflect the transfer of resources to be used for retirees' healthcare claims.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. NET POSITION/FUND BALANCE

Net Investment in Capital Assets

As discussed in Note 10, 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	\$ 177,809,653	\$ 18,614,605
Less:		
County related debt - bonds	(4,000,000)	-
County related debt - installment notes	(121,524,848)	(9,020,236)
Unamortized premium on County related debt	(9,275,730)	(798,643)
County related debt - leases and subscriptions	(11,019,801)	-
Capital related accounts payable	(1,589,535)	-
Add:		
Deferred loss on refunding bonds	2,303,105	-
Unexpended proceeds on County related debt	40,289,250	1,750,167
Net investment in capital assets	\$ 72,992,094	\$ 10,545,893

Encumbrances

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2024, there were \$1,928,388 in encumbrances in the General Fund.

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	\$ 82,328,080
Less:	
Nonspendable fund balance	(54,090)
Stabilization by state statute	(27,100,798)
Fund balance available for appropriation	\$ 55,173,192

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS

A. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

Contributions. Contribution provisions are established by NCGS 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for 2024 was 15.10% of compensation for law enforcement officers and 13.65% for general employees and firefighters. 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 were \$9,232,669 for the year ended June 30, 2024.

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

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

At June 30, 2024, the County reported a liability of \$45,727,183 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. The County's proportion was 0.69042%, at June 30, 2023, which was a decrease of 0.00241% from its proportion measured as of June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

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

For the year ended June 30, 2024, the County recognized pension expense of \$12,787,779. The County reported deferred outflows of resources and deferred inflows of resources related to pensions, at June 30, 2024, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,095,362	\$ 109,694
Net difference between projected and actual earnings on pension plan investments	12,238,596	-
Changes in proportion and differences between County contributions and proportionate share of contributions	402,646	513,075
Changes in plan assumptions	1,943,142	-
County contributions subsequent to the measurement date	9,232,669	-
Total	\$ 28,912,415	\$ 622,769

County contributions made subsequent to the measurement date of \$9,232,669 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, 2025. 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:	
2025	\$ 6,884,064
2026	3,381,086
2027	8,274,315
2028	517,512
Total	\$ 19,056,977

Actuarial Assumptions. The total pension liability in the December 31, 2022 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 – 8.25 percent
Investment rate of return	6.50 percent, net of pension plan investment expense including inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions (Continued). 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, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024, 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%	

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

A. Local Governmental Employees' Retirement System (Continued)

Actuarial Assumptions (Continued). The information above is based on 30-year expectations developed with the consulting actuary for the 2016 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 2.50%. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. 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 6.50 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 (5.50 percent) or one percentage point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 79,220,549	\$ 45,727,183	\$ 18,152,307

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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, 2022, the date of the most recent actuarial valuation the Separation Allowance’s membership consisted of:

Retirees receiving benefits	17
Active plan members	<u>92</u>
Total	<u><u>109</u></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, 2022 valuation. The total pension liability in the December 31, 2022 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	4.00 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 4.31% to 4.00% due to a change in the Municipal Bond Rate.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

Actuarial Assumptions (Continued). The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the LGERS for the five-year period ending December 31, 2019.

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 \$340,966 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, 2024, of \$6,905,582. The total pension liability was measured as of December 31, 2023, based on a December 31, 2022 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2023, utilizing update procedures incorporating the actuarial assumptions. The County recognized pension expense of \$832,506 for the year ended June 30, 2024. The County reported deferred outflows of resources and deferred inflows of resources related to pensions, at June 30, 2024, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in assumptions	\$ 617,109	\$ 721,217
Difference between expected and actual experience	719,998	-
County benefit payments made subsequent to the measurement date.	191,427	-
Total	\$ 1,528,534	\$ 721,217

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

B. Law Enforcement Officers Special Separation Allowance (Continued)

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

An amount of \$191,427 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, 2025. 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:		
2025	\$	338,334
2026		224,253
2027		(36,077)
2028		66,602
2029		22,778
Total	\$	615,890

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 4.00 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 (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 7,432,255	\$ 6,905,582	\$ 6,425,335

Changes in the Total Pension Liability. The changes in County’s the total pension liability for the year ended June 30, 2024, were as follows:

	Total Pension Liability
Balance at June 30, 2023	\$ 6,143,097
Service cost	190,528
Interest	257,420
Difference between expected and actual experience	510,440
Change of assumptions or other inputs	145,063
Contributions	(340,966)
Balance at June 30, 2024	\$ 6,905,582

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

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 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.

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 \$10,546 for the year ended June 30, 2024.

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

The County reported an asset of \$142,010 at June 30, 2024, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, 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, 2023, the County's proportion was 1.18174%, which was an increase of 0.110833% from its proportion measured as of June 30, 2022.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

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

The County recognized pension expense of \$26,240 for the year ended June 30, 2024. The County reported deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 6,287
Net difference between projected and actual earnings on pension plan investments	72,133	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	16,692
County contributions subsequent to measurement date	10,546	-
Total	\$ 82,679	\$ 22,979

County contributions made subsequent to the measurement date of \$10,546 are reported as deferred outflows of resources and will be recognized as an addition to the net pension asset during the year ended June 30, 2024. 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:		
2025	\$	6,836
2026		16,830
2027		20,940
2028		4,550
Total	\$	49,156

Actuarial Assumptions. The total pension liability in the December 31, 2022 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 – 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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, 2024, is 4.90%, including inflation.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 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 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. PENSION PLANS (CONTINUED)

C. Register of Deeds Supplemental Pension Fund (Continued)

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 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 (2.00 percent) or one percentage point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension asset	\$ 96,938	\$ 142,010	\$ 180,014

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. 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 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.

That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute, each month, an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Additionally, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2024, were \$1,652,661 which consisted of \$1,157,959 from the County and \$494,712 from the law enforcement officers.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. 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, 2022, the date of the latest actuarial valuation:

Active participants	878
Retirees and beneficiaries currently receiving benefits	<u>471</u>
Total	<u><u>1,349</u></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 \$4,630 per active employee for the year ended June 30, 2024. 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 by the County were \$4,064,731 for the year ended June 30, 2024.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity Index Fund	75.0%	7.00%
Fixed Income Index Fund	15.0%	2.84%
Cash	10.0%	2.32%
Total	<u>100%</u>	

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 PHCB Plan, net of investment expense, was 7.00 percent for the year ended June 30, 2024. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. County OPEB Plan (Continued)

Net OPEB Liability

The County's total OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022, 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, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	3.93%
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%, net of OPEB investment expense including price inflation
Municipal bond rate	3.93%
Healthcare cost trend rates:	
Pre-Medicare and prescription drug	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare and prescription drug	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 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, 2022 valuation.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. County OPEB Plan (Continued)

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, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Equity Index Fund	75.0%
Fixed Income Index Fund	15.0%
Cash	10.0%
Total	<u>100%</u>

Discount Rate. The discount rate used to measure the net OPEB liability was 3.93 percent. The projection of cash flows used to determine the discount rate assumed that the County would 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 2024. Therefore, the long-term expected rate of return on OPEB plan investments was applied to projected benefit payments until 2024 to determine the net OPEB liability. For projected benefit payments of current plan members after 2023, the index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 3.93 percent as determined by the Bond Buyer 20-year Bond GO Index Rate as of June 30, 2024 – was used. The discount rate of 3.93 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 3.93 percent was an increase from the discount rate of 3.65 percent utilized to determine the net OPEB liability as of the beginning of the measurement period due to an increase in the underlying municipal bond rate index utilized.

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. County OPEB Plan (Continued)

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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease (2.93%)	Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability	\$ 138,634,301	\$ 118,859,926	\$ 103,087,380

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Net OPEB liability	\$ 100,197,561	\$ 118,859,926	\$ 142,706,027

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, 2024, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at June 30, 2023	\$ 120,922,922	\$ 381,735	\$ 120,541,187
Changes for the year:			
Service cost	3,259,595	-	3,259,595
Interest	4,340,170	-	4,340,170
Differences between expected and actual experience	(116,538)	-	(116,538)
Assumption changes	(5,083,782)	-	(5,083,782)
Contributions	-	4,064,731	(4,064,731)
Net investment income	-	15,975	(15,975)
Benefit payments	(4,064,731)	(4,064,731)	-
Net changes	(1,665,286)	15,975	(1,681,261)
Balances at June 30, 2024	\$ 119,257,636	\$ 397,710	\$ 118,859,926

NOTES TO FINANCIAL STATEMENTS

NOTE 10. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

A. County OPEB Plan (Continued)

Changes in the Net OPEB Liability of the County (Continued). 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.

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

The County recognized OPEB expense of \$5,426,162 for the year ended June 30, 2024. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB, at June 30, 2024, from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,862,746	\$ 11,605,132
Change in assumptions	6,711,072	24,875,608
Differences between earnings on plan investments	30,119	-
Total	\$ 15,603,937	\$ 36,480,740

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:	
2025	\$ (2,108,249)
2026	(4,410,961)
2027	(8,237,239)
2028	(5,418,579)
2029	(701,775)
Total	\$ (20,876,803)

NOTES TO FINANCIAL STATEMENTS

NOTE 11. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The County has deferred outflows of resources and deferred inflows of resources at June 30, 2024. 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	\$ -	\$ 27,615,058
Pension - LEOSSA	-	1,528,534
Pension - RODSPF	-	82,679
OPEB	-	15,603,937
Deferred loss on refunding bonds	-	2,303,105
Total governmental activities	\$ -	\$ 47,133,313
 <i>Business-type activities:</i>		
Pension - LGERS	\$ -	\$ 1,297,357
 Deferred Inflows of Resources:		
<i>Governmental activities:</i>		
<i>Unavailable revenue:</i>		
Intergovernmental revenue	\$ 64,919	\$ -
Property taxes receivable	2,330,160	-
Prepaid property taxes	664,938	664,938
Leases	2,277,335	2,277,335
Pension - LGERS	-	593,265
Pension - LEOSSA	-	721,217
Pension - RODSPF	-	22,979
OPEB	-	36,480,740
Total governmental activities	\$ 5,337,352	\$ 40,760,474
 <i>Business-type activities:</i>		
Pension - LGERS	\$ -	\$ 29,504
Deferred loss on refunding bonds	-	(200)
Total business-type activities	\$ -	\$ 29,304

NOTES TO FINANCIAL STATEMENTS

NOTE 12. 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 purchases several lines of insurance coverage including general liability, auto, property, workers compensation, professional liability, cyber liability, and various other lines of coverage. The County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$225,878,000 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 \$1 million per occurrence, workers' compensation coverage up to the statutory limits, and health insurance for County employees. For workers' compensation there is a per occurrence retention of \$300,000. These insurance coverages are further backed by Umbrella coverage of \$4 Million occurrence limit. Cyber Liability is set at \$5 million limit. 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 \$200,000 per individual health insurance claim with an unlimited lifetime maximum.

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.

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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. RISK MANAGEMENT (CONTINUED)

The County purchases worker's compensation insurance through Traveler's Insurance for claims up to \$300,000 for each occurrence. The County has reinsurance for all individually claim occurrences in excess of the \$300,000.

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.

County 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. For the fiscal year ended June 30, 2024, the Finance Officer and Tax Collector were bonded for \$500,000 and \$250,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

In accordance with North Carolina General Statute 159-29, the County's Finance Officer should have been bonded for \$1 million based on the size of the County's annually budgeted funds and therefore, the County was not in compliance with this State law for the fiscal year under audit.

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, 2024:

	2024	2023
Dental and health insurance:		
Beginning balances:	\$ 1,157,671	\$ 453,579
Add:		
Claims incurred and changes in IBNR	16,517,400	14,356,854
Less:		
Claims paid	16,798,142	13,652,762
Ending balances	\$ 876,929	\$ 1,157,671
	2024	2023
Workers compensation:		
Beginning balances:	\$ 318,018	\$ 622,887
Add:		
Claims incurred and changes in IBNR	228,810	-
Less:		
Claims paid	279,078	304,869
Ending balances	\$ 267,750	\$ 318,018

NOTES TO FINANCIAL STATEMENTS

NOTE 13. 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.

NOTE 14. 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.

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
TOTAL OPEB LIABILITY				
Service cost	\$ 3,259,595	\$ 4,123,410	\$ 5,925,502	\$ 5,517,347
Interest on total OPEB liability	4,340,170	4,636,990	3,464,372	3,009,011
Difference between expected and actual experience	(116,538)	(16,634,969)	(709,451)	23,633,990
Changes of assumptions and other inputs	(5,083,782)	(410,845)	(34,822,029)	(5,075,957)
Benefit payments	<u>(4,064,731)</u>	<u>(3,529,472)</u>	<u>(3,000,312)</u>	<u>(2,703,205)</u>
Net change in total OPEB liability	(1,665,286)	(11,814,886)	(29,141,918)	24,381,186
Beginning balance	<u>120,922,922</u>	<u>132,737,808</u>	<u>161,879,726</u>	<u>137,498,540</u>
Ending balance (a)	<u><u>119,257,636</u></u>	<u><u>120,922,922</u></u>	<u><u>132,737,808</u></u>	<u><u>161,879,726</u></u>
PLAN FIDUCIARY NET POSITION				
Contributions - employer	4,064,731	3,529,472	3,000,312	2,703,205
Net investment income (loss)	15,975	18,702	(66,733)	121,570
Benefit payments	<u>(4,064,731)</u>	<u>(3,529,472)</u>	<u>(3,000,312)</u>	<u>(2,703,205)</u>
Net change in plan fiduciary net position	15,975	18,702	(66,733)	121,570
Beginning balance	<u>381,735</u>	<u>363,033</u>	<u>429,766</u>	<u>308,196</u>
Ending balance (b)	<u><u>397,710</u></u>	<u><u>381,735</u></u>	<u><u>363,033</u></u>	<u><u>429,766</u></u>
Net OPEB liability (a) - (b)	<u><u>\$ 118,859,926</u></u>	<u><u>\$ 120,541,187</u></u>	<u><u>\$ 132,374,775</u></u>	<u><u>\$ 161,449,960</u></u>
RELATED RATIOS				
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.3346%</u>	<u>0.3167%</u>	<u>0.2742%</u>	<u>0.2662%</u>
Covered payroll	<u>\$ 52,143,186</u>	<u>\$ 52,143,186</u>	<u>\$ 55,572,023</u>	<u>\$ 55,572,023</u>
Net OPEB liability as a percentage of covered payroll	<u>227.95%</u>	<u>231.17%</u>	<u>238.20%</u>	<u>290.52%</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.

2020	2019	2018	2017	2016	2015
\$ 3,759,792	\$ 3,546,801	\$ 3,733,643	\$ 4,183,701	N/A	N/A
3,703,143	3,694,759	3,398,954	3,039,332	N/A	N/A
(804,583)	(793,706)	574,520	-	N/A	N/A
26,272,770	6,841,423	(5,125,557)	(9,448,990)	N/A	N/A
(2,452,218)	(2,477,527)	(3,137,462)	(3,300,768)	N/A	N/A
30,478,904	10,811,750	(555,902)	(5,526,725)	N/A	N/A
107,019,636	96,207,886	96,763,788	102,290,513	N/A	N/A
137,498,540	107,019,636	96,207,886	96,763,788	N/A	N/A
2,452,218	2,477,527	3,137,462	3,550,768	N/A	N/A
7,255	17,163	23,856	9,922	N/A	N/A
(2,452,218)	(2,477,527)	(3,137,462)	(3,300,768)	N/A	N/A
7,255	17,163	23,856	259,922	N/A	N/A
300,941	283,778	259,922	-	N/A	N/A
308,196	300,941	283,778	259,922	N/A	N/A
\$137,190,344	\$ 106,718,695	\$ 95,924,108	\$ 96,503,866	N/A	N/A
0.2246%	0.2820%	0.2958%	0.2693%	N/A	N/A
\$ 47,235,903	\$ 47,235,903	\$ 45,902,461	\$ 42,769,990	N/A	N/A
290.44%	225.93%	208.97%	225.63%	N/A	N/A

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY CONTRIBUTIONS OPEB RETIREMENT PLAN LAST TEN FISCAL YEARS

	2024	2023	2022	2021
Actuarially determined contribution	\$ 7,662,119	\$ 7,662,119	\$ 7,722,844	\$ 7,895,271
Contributions in relation to the actuarially determined contribution	4,064,731	3,529,472	3,000,312	2,452,218
Contribution deficiency	\$ 3,597,388	\$ 4,132,647	\$ 4,722,532	\$ 5,443,053
Covered payroll	\$ 52,143,186	\$ 52,143,186	\$ 55,572,023	\$ 55,572,023
Contributions as a percentage of covered payroll	7.80%	6.77%	5.40%	4.41%

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 2022, decreasing to an ultimate rate of 4.50% by 2032.
Medicare and prescription drug	5.125% for 2022, decreasing to an ultimate rate of 4.50% by 2025.
Mortality	Rates based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

2020	2019	2018	2017	2016	2015
\$ 7,895,271	\$ 7,192,181	\$ 7,192,181	\$ 6,820,935	5,374,915	N/A
2,452,218	2,477,527	3,137,462	3,550,768	2,361,272	N/A
\$ 5,443,053	\$ 4,714,654	\$ 4,054,719	\$ 3,270,167	\$ 3,013,643	N/A
\$ 47,235,903	\$ 47,235,903	\$ 45,902,461	\$ 45,902,461	42,769,990	N/A
5.19%	5.25%	6.84%	7.74%	5.52%	N/A

ORANGE COUNTY, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expenses	<u>4.18%</u>	<u>5.02%</u>	<u>-16.84%</u>	<u>32.95%</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>2.41%</u>	<u>6.05%</u>	<u>0.70%</u>	<u>4.00%</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**

TOTAL PENSION LIABILITY	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 6,143,097	\$ 6,941,163	\$ 6,671,108	\$ 4,708,711
Service cost	190,528	268,960	286,606	169,991
Interest on the total pension liability	257,420	153,042	126,285	149,580
Difference between expected and actual experience	510,440	81,173	285,421	301,174
Changes of assumptions or other inputs	145,063	(1,022,641)	(172,578)	1,582,362
Benefit payments	(340,966)	(278,600)	(255,679)	(240,710)
Ending balance	<u>\$ 6,905,582</u>	<u>\$ 6,143,097</u>	<u>\$ 6,941,163</u>	<u>\$ 6,671,108</u>

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.

2020	2019	2018	2017	2016	2015
\$ 4,177,156	\$ 4,016,727	\$ 3,542,524	\$ 3,494,747	N/A	N/A
149,644	158,300	134,129	135,380	N/A	N/A
148,114	123,815	133,794	122,514	N/A	N/A
314,668	237,158	130,316	-	N/A	N/A
135,303	(161,804)	228,699	(84,160)	N/A	N/A
(216,174)	(197,040)	(152,735)	(125,957)	N/A	N/A
<u>\$ 4,708,711</u>	<u>\$ 4,177,156</u>	<u>\$ 4,016,727</u>	<u>\$ 3,542,524</u>	<u>N/A</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**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	<u>\$ 6,905,582</u>	<u>\$ 6,143,097</u>	<u>\$ 6,941,163</u>	<u>\$ 6,671,108</u>
Covered-employee payroll	<u>\$ 6,577,939</u>	<u>\$ 6,103,450</u>	<u>\$ 6,397,063</u>	<u>\$ 5,908,664</u>
Total pension liability as a percentage of covered-employee payroll	<u>104.98%</u>	<u>100.65%</u>	<u>108.51%</u>	<u>112.90%</u>

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.

2020	2019	2018	2017	2016	2015
<u>\$ 4,708,711</u>	<u>\$ 4,177,156</u>	<u>\$ 4,016,727</u>	<u>\$ 3,542,524</u>	<u>\$ 3,494,747</u>	<u>N/A</u>
<u>\$ 5,400,524</u>	<u>\$ 5,161,378</u>	<u>\$ 5,086,750</u>	<u>\$ 4,842,049</u>	<u>\$ 4,190,815</u>	<u>N/A</u>
<u>87.19%</u>	<u>80.93%</u>	<u>78.96%</u>	<u>73.16%</u>	<u>83.39%</u>	<u>N/A</u>

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's percentage of the net pension liability (asset)	<u>0.69042%</u>	<u>0.69283%</u>	<u>0.73797%</u>	<u>0.73815%</u>
County's proportion of the net pension liability (asset)	<u>\$ 45,727,183</u>	<u>\$ 39,085,506</u>	<u>\$ 11,317,478</u>	<u>\$ 26,377,244</u>
County's covered payroll	<u>\$ 54,013,647</u>	<u>\$ 48,681,486</u>	<u>\$ 47,890,328</u>	<u>\$ 47,383,875</u>
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>84.66%</u>	<u>80.29%</u>	<u>23.63%</u>	<u>55.67%</u>
Plan fiduciary net position as a percentage of the total pension liability (1)	<u>82.49%</u>	<u>84.14%</u>	<u>95.51%</u>	<u>88.61%</u>

Notes to the Schedule:

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.

2020	2019	2018	2017	2016	2015
<u>0.76207%</u>	<u>0.76253%</u>	<u>0.75814%</u>	<u>0.78464%</u>	<u>0.70825%</u>	<u>0.69420%</u>
<u>\$ 20,811,537</u>	<u>\$ 18,089,819</u>	<u>\$ 11,582,279</u>	<u>\$ 16,652,689</u>	<u>\$ 3,178,584</u>	<u>\$ (4,094,256)</u>
<u>\$ 46,005,737</u>	<u>\$ 47,246,720</u>	<u>\$ 44,203,050</u>	<u>\$ 45,272,812</u>	<u>\$ 43,233,224</u>	<u>\$ 41,507,819</u>
<u>45.24%</u>	<u>38.29%</u>	<u>26.20%</u>	<u>36.78%</u>	<u>7.35%</u>	<u>(9.86%)</u>
<u>91.30%</u>	<u>94.18%</u>	<u>91.47%</u>	<u>98.09%</u>	<u>99.07%</u>	<u>102.64%</u>

ORANGE COUNTY, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 9,232,669	\$ 7,514,762	\$ 6,286,305	\$ 5,549,552
Contributions in relation to the contractually required contribution	<u>9,232,669</u>	<u>7,514,762</u>	<u>6,286,305</u>	<u>5,549,552</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 62,643,292</u>	<u>\$ 54,013,647</u>	<u>\$ 48,681,486</u>	<u>\$ 47,890,328</u>
Contributions as a percentage of covered payroll	<u>14.74%</u>	<u>13.91%</u>	<u>12.91%</u>	<u>11.59%</u>

2020	2019	2018	2017	2016	2015
\$ 4,264,529	\$ 3,588,591	\$ 3,841,938	\$ 3,525,190	\$ 3,104,810	\$ 3,041,550
4,264,529	3,588,591	3,841,938	3,525,190	3,104,810	3,041,550
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 47,383,875</u>	<u>\$ 46,005,737</u>	<u>\$ 47,246,720</u>	<u>\$ 44,203,050</u>	<u>\$ 45,272,812</u>	<u>\$ 43,233,224</u>
<u>9.00%</u>	<u>7.80%</u>	<u>8.13%</u>	<u>7.97%</u>	<u>6.86%</u>	<u>7.04%</u>

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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's percentage of the net pension asset	<u>1.18174%</u>	<u>1.07341%</u>	<u>1.03322%</u>	<u>1.08257%</u>
County's proportion of the net pension asset	<u>\$ (142,010)</u>	<u>\$ (142,119)</u>	<u>\$ (198,513)</u>	<u>\$ (248,103)</u>
County's covered payroll	<u>\$ 98,543</u>	<u>\$ 96,573</u>	<u>\$ 95,450</u>	<u>\$ 83,580</u>
County's proportionate share of the net pension asset as a percentage of its covered payroll	<u>-144.11%</u>	<u>-147.16%</u>	<u>-207.98%</u>	<u>-296.84%</u>
Plan fiduciary net position as a percentage of the total pension asset (1)	<u>135.74%</u>	<u>139.04%</u>	<u>156.53%</u>	<u>153.31%</u>

Notes to the Schedule:

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.

2020	2019	2018	2017	2016	2015
<u>1.01215%</u>	<u>1.12710%</u>	<u>1.12581%</u>	<u>1.15307%</u>	<u>1.09301%</u>	<u>1.05600%</u>
<u>\$ (199,819)</u>	<u>\$ (186,682)</u>	<u>\$ (192,165)</u>	<u>\$ (215,578)</u>	<u>\$ (253,294)</u>	<u>\$ (239,437)</u>
<u>\$ 82,394</u>	<u>\$ 83,374</u>	<u>\$ 78,416</u>	<u>\$ 76,112</u>	<u>\$ 74,594</u>	<u>\$ 72,016</u>
<u>-242.52%</u>	<u>-223.91%</u>	<u>-245.06%</u>	<u>-283.24%</u>	<u>-339.56%</u>	<u>-332.48%</u>
<u>153.77%</u>	<u>160.17%</u>	<u>197.29%</u>	<u>193.88%</u>	<u>190.50%</u>	<u>188.75%</u>

ORANGE COUNTY, NORTH CAROLINA

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 13,799	\$ 12,274	\$ 11,237	\$ 9,819
Contributions in relation to the contractually required contribution	13,799	12,274	11,237	9,819
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 107,360</u>	<u>\$ 98,543</u>	<u>\$ 96,573</u>	<u>\$ 95,450</u>
Contributions as a percentage of covered payroll	<u>12.85%</u>	<u>12.46%</u>	<u>11.64%</u>	<u>10.29%</u>

2020	2019	2018	2017	2016	2015
\$ 8,528	\$ 6,519	\$ 6,229	\$ 6,103	\$ 4,573	\$ 8,746
8,528	6,519	6,229	6,103	4,573	8,746
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 83,580	\$ 82,394	\$ 83,374	\$ 78,416	\$ 76,112	\$ 70,464
10.20%	7.91%	7.47%	7.78%	6.01%	12.41%

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 (Debt Service 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

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Unrestricted intergovernmental	\$ 271,674	\$ 271,674	\$ 1,847,675	\$ 1,576,001
Miscellaneous	-	67,430	33,715	(33,715)
Total revenues	<u>271,674</u>	<u>339,104</u>	<u>1,881,390</u>	<u>1,542,286</u>
EXPENDITURES				
Current:				
General government	190,324	190,324	209,520	(19,196)
Debt service:				
Principal retirements	27,109,630	27,469,630	27,719,073	(249,443)
Interest and other charges	10,157,544	10,157,544	10,043,977	113,567
Total expenditures	<u>37,457,498</u>	<u>37,817,498</u>	<u>37,972,570</u>	<u>(155,072)</u>
Deficiency of revenues under expenditures	<u>(37,185,824)</u>	<u>(37,478,394)</u>	<u>(36,091,180)</u>	<u>1,387,214</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	33,400,000	33,650,000	32,247,646	(1,402,354)
Long-term debt issued	2,500,000	2,860,000	360,908	(2,499,092)
Fund balance to reserves	1,285,824	968,394	-	(968,394)
Total other financing sources, net	<u>37,185,824</u>	<u>37,478,394</u>	<u>32,608,554</u>	<u>(4,869,840)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(3,482,626)</u>	<u>\$ (3,482,626)</u>
FUND BALANCE				
Beginning balance			6,746,061	
Ending balance			<u>\$ 3,263,435</u>	

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, 2024

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
REVENUES					
Sales taxes	\$ -	\$ 109,874	\$ -	\$ 109,874	\$ 109,874
Restricted intergovernmental:					
Federal	14,661,062	15,043,320	1,199,805	16,243,125	1,582,063
State	16,818,674	6,934,236	144,926	7,079,162	(9,739,512)
Other	-	142,332	887,070	1,029,402	1,029,402
Investment earnings	2,253,475	7,321,118	3,055,428	10,376,546	8,123,071
Miscellaneous	4,321,224	5,275,116	311,870	5,586,986	1,265,762
Total revenues	<u>38,054,435</u>	<u>34,825,996</u>	<u>5,599,099</u>	<u>40,425,095</u>	<u>2,370,660</u>
EXPENDITURES					
Current:					
Capital outlay	302,356,889	241,946,355	23,243,440	265,189,795	37,167,094
Debt service:					
Interest and other charges	-	4,449,401	-	4,449,401	(4,449,401)
Total expenditures	<u>302,356,889</u>	<u>246,395,756</u>	<u>23,243,440</u>	<u>269,639,196</u>	<u>32,717,693</u>
Deficiency of revenues under expenditures	<u>(264,302,454)</u>	<u>(211,569,760)</u>	<u>(17,644,341)</u>	<u>(229,214,101)</u>	<u>35,088,353</u>
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	33,275,420	190,337,496	-	190,337,496	157,062,076
Premiums on bonds	2,000,000	31,101,064	736,050	31,837,114	29,837,114
Other long-term debt issued	204,668,694	165,957,851	5,851,069	171,808,920	(32,859,774)
Payment to escrow agent	-	(151,809,861)	-	(151,809,861)	(151,809,861)
Proceeds from sale of capital assets	-	-	22,570	22,570	22,570
Transfers from other funds	25,164,083	34,787,304	2,027,608	36,814,912	11,650,829
Transfers to other funds	(2,027,680)	(6,833,375)	-	(6,833,375)	(4,805,695)
Appropriated fund balance	1,221,937	-	-	-	(1,221,937)
Total other financing sources, net	<u>264,302,454</u>	<u>263,540,479</u>	<u>8,637,297</u>	<u>272,177,776</u>	<u>7,875,322</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 51,970,719</u>	<u>(9,007,044)</u>	<u>\$ 42,963,675</u>	<u>\$ 42,963,675</u>
FUND BALANCE					
Beginning balance			51,970,719		
Ending balance			<u>\$ 42,963,675</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, 2024

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
REVENUES					
Sales taxes	\$ 592,333	\$ 493,539	\$ -	\$ 493,539	\$ (98,794)
Unrestricted intergovernmental	-	581,128	-	581,128	581,128
Restricted intergovernmental:					
Lottery proceeds	138,443,658	2,959,057	-	2,959,057	(135,484,601)
Investment earnings	-	3,939,669	679,895	4,619,564	4,619,564
Miscellaneous	-	33,759	-	33,759	33,759
Total revenues	<u>139,035,991</u>	<u>8,007,152</u>	<u>679,895</u>	<u>8,687,047</u>	<u>(130,348,944)</u>
EXPENDITURES					
Current:					
Education:					
Orange County Schools	129,699,324	52,515,510	15,495,615	68,011,125	61,688,199
Chapel Hill-Carrboro City Schools	172,514,421	192,829,191	24,786,515	217,615,706	(45,101,285)
Other	984,561	3,043,215	488,676	3,531,891	(2,547,330)
Total expenditures	<u>303,198,306</u>	<u>248,387,916</u>	<u>40,770,806</u>	<u>289,158,722</u>	<u>14,039,584</u>
Deficiency of revenues under expenditures	<u>(164,162,315)</u>	<u>(240,380,764)</u>	<u>(40,090,911)</u>	<u>(280,471,675)</u>	<u>(116,309,360)</u>
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	-	125,530,873	-	125,530,873	125,530,873
Premiums on bonds	5,531,923	6,305,785	-	6,305,785	773,862
Other long-term debt issued	90,039,366	90,602,468	5,118,023	95,720,491	5,681,125
Transfers from other funds	68,591,026	54,296,648	6,034,126	60,330,774	(8,260,252)
Transfers to other funds	-	(10,822,685)	-	(10,822,685)	(10,822,685)
Total other financing sources, net	<u>164,162,315</u>	<u>265,913,089</u>	<u>11,152,149</u>	<u>277,065,238</u>	<u>112,902,923</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 25,532,325</u>	<u>(28,938,762)</u>	<u>\$ (3,406,437)</u>	<u>\$ (3,406,437)</u>
FUND BALANCE					
Beginning balance			<u>25,532,325</u>		
Ending balance			<u>\$ (3,406,437)</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, 2024

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 10,618,741	\$ 10,640,786	\$ 22,045
Other operating revenue	230,000	453,170	223,170
Disposal taxes and reimbursements	306,000	429,353	123,353
Investment earnings	95,000	428,435	333,435
Total revenues	11,249,741	11,951,744	702,003
EXPENDITURES			
Operations	8,173,737	7,590,885	582,852
General and administrative	3,034,464	2,943,204	91,260
Total expenditures	11,208,201	10,534,089	674,112
Excess (deficiency) of revenues over (under) expenditures	41,540	1,417,655	1,376,115
OTHER FINANCING SOURCES (USES)			
Transfers to Solid Waste Capital Projects Fund	(2,244,897)	(2,244,897)	-
Appropriated fund balance	2,203,357	-	(2,203,357)
Total other financing uses, net	(41,540)	(2,244,897)	(2,203,357)
Deficiency of revenues and other financing uses under expenditures	\$ -	(827,242)	\$ (827,242)
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Solid Waste Fund reconciling items:			
Increase in deferred outflows - pensions		(149,477)	
Increase in compensated absences		(29,704)	
Increase in net pension liability		113,708	
Decrease in deferred inflows - pensions		20,463	
Depreciation expense		(1,323,706)	
Solid Waste Capital Projects Fund reconciling items:			
Gain on sale of capital assets		179,606	
Transfer from Solid Waste Fund		2,244,897	
Interest and other charges		(196,935)	
Change in net position - GAAP Basis		\$ 31,610	

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, 2024**

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Investment earnings	\$ -	\$ 48	\$ 987	\$ 1,035	\$ 1,035
Total revenues	<u>-</u>	<u>48</u>	<u>987</u>	<u>1,035</u>	<u>1,035</u>
EXPENDITURES					
Capital expenditures	12,543,902	7,333,458	828,904	8,162,362	4,381,540
Debt service:					
Principal retirements	4,206,051	3,983,334	931,736	4,915,070	(709,019)
Interest and other charges	1,179,337	1,017,862	195,485	1,213,347	(34,010)
Total expenditures	<u>17,929,290</u>	<u>12,334,654</u>	<u>1,956,125</u>	<u>14,290,779</u>	<u>3,638,511</u>
Deficiency of revenues under expenditures	<u>(17,929,290)</u>	<u>(12,334,606)</u>	<u>(1,955,138)</u>	<u>(14,289,744)</u>	<u>3,639,546</u>
OTHER FINANCING SOURCES					
Long-term debt issued	8,356,887	4,899,997	550,000	5,449,997	(2,906,890)
Proceeds from sale of assets	240,000	370,897	179,606	550,503	310,503
Transfer from Solid Waste Fund	9,332,403	7,087,506	2,244,897	9,332,403	-
Total other financing sources	<u>17,929,290</u>	<u>12,358,400</u>	<u>2,974,503</u>	<u>15,332,903</u>	<u>(2,596,387)</u>
Excess of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 23,794</u>	<u>\$ 1,019,365</u>	<u>\$ 1,043,159</u>	<u>\$ 1,043,159</u>

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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ 5,538,687	\$ 5,497,730	\$ (40,957)
Total revenues	<u>5,538,687</u>	<u>5,497,730</u>	<u>(40,957)</u>
EXPENDITURES			
Operations	3,260,024	3,205,285	54,739
General and administrative	1,536,875	1,715,141	(178,266)
Total expenditures	<u>4,796,899</u>	<u>4,920,426</u>	<u>(123,527)</u>
Excess of revenues over expenditures	<u>741,788</u>	<u>577,304</u>	<u>(164,484)</u>
OTHER FINANCING SOURCES (USES)			
Transfer to other funds	(158,000)	(158,000)	-
Transfer to SportsPlex Capital Projects Fund	(817,694)	(746,694)	71,000
Appropriated fund balance	233,906	-	(233,906)
Other financing uses, net	<u>(741,788)</u>	<u>(904,694)</u>	<u>(162,906)</u>
Deficiency of revenues and other financing uses under expenditures	<u>\$ -</u>	<u>(327,390)</u>	<u>\$ (327,390)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
SportsPlex Fund reconciling items:			
Depreciation expense		(498,738)	
SportsPlex Capital Projects Fund reconciling items:			
Transfer from SportsPlex Operating Fund		746,694	
Change in fund balance - Sportsplex Capital Projects Fund		(464,893)	
Interest and other charges		(126,062)	
Change in net position - GAAP Basis		<u>\$ (670,389)</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, 2024**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total	
REVENUES					
Investment earnings	\$ -	\$ 2,568	\$ 5,912	\$ 8,480	\$ 8,480
Total revenues	-	2,568	5,912	8,480	8,480
EXPENDITURES					
Community services	-	2,144,529	470,805	2,615,334	(2,615,334)
Capital expenditures	4,010,249	1,574,818	-	1,574,818	2,435,431
Debt service:					
Principal retirements	2,630,719	1,903,573	336,857	2,240,430	390,289
Interest and other charges	937,723	849,837	150,835	1,000,672	(62,949)
Total expenditures	7,578,691	6,472,757	958,497	7,431,254	147,437
Deficiency of revenues under expenditures	(7,578,691)	(6,470,189)	(952,585)	(7,422,774)	155,917
OTHER FINANCING SOURCES					
Long-term debt issued	3,108,648	941,182	-	941,182	(2,167,466)
Transfers from SportsPlex Fund	3,963,043	2,795,804	746,694	3,542,498	(420,545)
Appropriated fund balance	507,000	-	-	-	(507,000)
Total other financing sources	7,578,691	3,736,986	746,694	4,483,680	(3,095,011)
Deficiency of revenues and other financing sources under expenditures	\$ -	\$ (2,733,203)	\$ (205,891)	\$ (2,939,094)	\$ (2,939,094)

ORANGE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds					
	Local Fire Districts	FEMA Recovery	Grant Supported	Grant Projects	Sheriff Forfeitures	Community Development
ASSETS						
Unrestricted cash and investments	\$ 880,016	\$ 387,391	\$ 155,118	\$ 1,627,365	\$ 1,289,761	\$ 915,363
Receivables:						
Taxes receivable, net	283,913	-	-	-	-	-
Due from other governments	-	34,456	-	154,258	-	182,529
Other receivables	-	-	801	-	-	-
Notes receivable	-	-	-	-	-	1,000,000
Total assets	<u>1,163,929</u>	<u>421,847</u>	<u>155,919</u>	<u>1,781,623</u>	<u>1,289,761</u>	<u>2,097,892</u>
LIABILITIES						
Accounts payable	-	-	-	-	125,515	10,200
Due to other funds	-	970,540	-	-	-	-
Accrued payroll and other liabilities	-	169	-	25,033	-	69,302
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>970,709</u>	<u>-</u>	<u>25,033</u>	<u>125,515</u>	<u>79,502</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - intergovernmental	-	-	64,919	-	-	-
Unavailable revenues - property taxes receivables	187,845	-	-	-	-	-
Total deferred inflows of resources	<u>187,845</u>	<u>-</u>	<u>64,919</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted:						
Stabilization by State Statute	-	-	-	-	-	-
Public safety	976,084	-	-	-	1,164,246	-
Human services	-	-	91,000	1,756,590	-	1,018,390
Community services	-	-	-	-	-	1,000,000
Committed:						
Human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Unassigned	-	(548,862)	-	-	-	-
Total fund balances	<u>976,084</u>	<u>(548,862)</u>	<u>91,000</u>	<u>1,756,590</u>	<u>1,164,246</u>	<u>2,018,390</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,163,929</u>	<u>\$ 421,847</u>	<u>\$ 155,919</u>	<u>\$ 1,781,623</u>	<u>\$ 1,289,761</u>	<u>\$ 2,097,892</u>

Special Revenue Funds					
Section 8 Housing	Article 46 Sales Tax	Emergency Telephone System	Visitors Bureau	Spay/Neuter	DSS Client Services
\$ 248,238	\$ 1,093,993	\$ 890,064	\$ 1,001,546	\$ -	\$ 716,958
-	1,582,945	-	-	-	-
594,757	-	48,180	-	-	-
-	-	-	266,537	-	2,541
-	-	-	-	-	-
<u>842,995</u>	<u>2,676,938</u>	<u>938,244</u>	<u>1,268,083</u>	<u>-</u>	<u>719,499</u>
5,848	220,456	90,009	96,784	2,060	3,380
-	-	-	-	545	-
61,259	3,221	2,999	45,290	-	-
60,268	-	-	200	-	-
<u>127,375</u>	<u>223,677</u>	<u>93,008</u>	<u>142,274</u>	<u>2,605</u>	<u>3,380</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,582,945	-	-	-	-
-	-	845,236	-	-	-
715,620	-	-	-	-	-
-	-	-	1,125,809	-	-
-	-	-	-	-	716,119
-	870,316	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(2,605)	-
<u>715,620</u>	<u>2,453,261</u>	<u>845,236</u>	<u>1,125,809</u>	<u>(2,605)</u>	<u>716,119</u>
<u>\$ 842,995</u>	<u>\$ 2,676,938</u>	<u>\$ 938,244</u>	<u>\$ 1,268,083</u>	<u>\$ -</u>	<u>\$ 719,499</u>

(Continued)

ORANGE COUNTY, NORTH CAROLINA

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024**

	Special Revenue Funds				
	Recreation Subdivision	Inspections	Small Business Loans	Library Development	Mental Health Insurance
ASSETS					
Unrestricted cash and investments	\$ 642,344	\$ 78,098	\$ 312,155	\$ 91,320	\$ 402,639
Receivables:					
Taxes receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other receivables	-	-	-	-	-
Notes receivable	-	-	99,148	-	-
Total assets	<u>642,344</u>	<u>78,098</u>	<u>411,303</u>	<u>91,320</u>	<u>402,639</u>
LIABILITIES					
Accounts payable	-	1,233	61	-	1,899
Due to other funds	-	-	-	-	-
Accrued payroll and other liabilities	-	36,215	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>37,448</u>	<u>61</u>	<u>-</u>	<u>1,899</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - intergovernmental	-	-	-	-	-
Unavailable revenues - property taxes receivables	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	99,148	-	-
Restricted:					
Stabilization by State Statute	-	-	-	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	400,740
Community services	642,344	40,650	312,094	91,320	-
Committed:					
Human services	-	-	-	-	-
Education	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>642,344</u>	<u>40,650</u>	<u>411,242</u>	<u>91,320</u>	<u>400,740</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 642,344</u>	<u>\$ 78,098</u>	<u>\$ 411,303</u>	<u>\$ 91,320</u>	<u>\$ 402,639</u>

Representative Payee	Special Revenue Funds				Capital Project Funds		Total
	Opioid Settlement Fund	Communication Tower Trust	School District	Orange County Giving	School Capital Reserve	County Capital Reserve	Nonmajor Governmental Funds
\$ 123,494	\$ 2,388,306	\$ 5,918	\$ 41,028	\$ 185,515	\$ 123,144	\$ 755,218	\$ 14,354,992
-	-	-	493,509	-	-	-	2,360,367
-	871,428	-	-	-	-	-	1,885,608
424	-	-	-	425	-	-	270,728
-	-	-	-	-	-	-	1,099,148
<u>123,918</u>	<u>3,259,734</u>	<u>5,918</u>	<u>534,537</u>	<u>185,940</u>	<u>123,144</u>	<u>755,218</u>	<u>19,970,843</u>
6,633	12,118	-	266,968	-	-	-	843,164
-	-	-	-	-	-	-	971,085
14,248	4,485	-	-	-	-	-	262,221
-	-	-	-	153,927	-	-	214,395
<u>20,881</u>	<u>16,603</u>	<u>-</u>	<u>266,968</u>	<u>153,927</u>	<u>-</u>	<u>-</u>	<u>2,290,865</u>
-	-	-	-	-	-	-	64,919
-	-	-	371,914	-	-	-	559,759
-	-	-	371,914	-	-	-	624,678
-	-	-	-	-	-	-	99,148
-	-	-	-	-	-	-	1,582,945
-	-	-	-	-	-	-	2,985,566
103,037	3,243,131	-	-	-	-	-	7,328,508
-	-	5,918	-	32,013	-	-	3,250,148
-	-	-	-	-	-	-	716,119
-	-	-	-	-	-	-	870,316
-	-	-	-	-	123,144	755,218	878,362
-	-	-	(104,345)	-	-	-	(655,812)
<u>103,037</u>	<u>3,243,131</u>	<u>5,918</u>	<u>(104,345)</u>	<u>32,013</u>	<u>123,144</u>	<u>755,218</u>	<u>17,055,300</u>
<u>\$ 123,918</u>	<u>\$ 3,259,734</u>	<u>\$ 5,918</u>	<u>\$ 534,537</u>	<u>\$ 185,940</u>	<u>\$ 123,144</u>	<u>\$ 755,218</u>	<u>\$ 19,970,843</u>

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds					
	Local Fire Districts	FEMA Recovery	Grant Supported	Grant Projects	Sheriff Forfeitures	Community Development
REVENUES						
Property taxes	\$ 8,723,270	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	94,909	-	352,847
Restricted intergovernmental	25,000	195,225	-	1,021,257	467,560	1,938,209
Charges for services	-	-	2,437	-	-	25,000
Investment earnings	23,541	-	-	-	21,420	5,508
License and permits	-	-	-	-	-	-
Miscellaneous	-	-	17,526	312,496	-	17,704
Total revenues	8,771,811	195,225	19,963	1,428,662	488,980	2,339,268
EXPENDITURES						
Current:						
Community services	-	-	-	31,286	-	-
General government	-	-	-	44,745	-	-
Public safety	8,636,336	-	-	729,015	272,645	-
Human services	-	81	-	922,282	-	1,829,169
Education	-	-	-	-	-	-
Debt service:						
Principal retirements	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	8,636,336	81	-	1,727,328	272,645	1,829,169
Excess (deficiency) of revenues over (under) expenditures	135,475	195,144	19,963	(298,666)	216,335	510,099
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	250
Transfers from other funds	-	-	-	66,695	-	417,103
Transfers to other funds	-	-	(17,364)	-	-	-
Other financing sources (uses), net	-	-	(17,364)	66,695	-	417,353
Net change in fund balances	135,475	195,144	2,599	(231,971)	216,335	927,452
FUND BALANCES						
Beginning balances	840,609	(744,006)	88,401	1,988,561	947,911	1,090,938
Ending balances	\$ 976,084	\$ (548,862)	\$ 91,000	\$ 1,756,590	\$ 1,164,246	\$ 2,018,390

Special Revenue Funds					
Section 8 Housing	Article 46 Sales Tax	Emergency Telephone System	Visitors Bureau	Spay/Neuter	DSS Client Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	6,130,571	-	-	-	-
-	-	-	2,223,599	-	-
-	500,000	-	467,439	-	-
7,243,086	-	-	95,760	-	103,865
-	-	578,160	128,090	-	-
7,941	106,468	18,866	21,885	-	13,771
-	-	-	-	-	-
-	25,000	-	-	-	11,927
<u>7,251,027</u>	<u>6,762,039</u>	<u>597,026</u>	<u>2,936,773</u>	<u>-</u>	<u>129,563</u>
-	3,439,662	-	2,264,652	-	-
-	-	-	521,353	-	-
-	-	610,432	-	-	-
7,148,994	-	-	-	-	77,669
-	-	-	-	-	-
-	596,577	-	-	-	-
-	274,123	-	-	-	-
<u>7,148,994</u>	<u>4,310,362</u>	<u>610,432</u>	<u>2,786,005</u>	<u>-</u>	<u>77,669</u>
<u>102,033</u>	<u>2,451,677</u>	<u>(13,406)</u>	<u>150,768</u>	<u>-</u>	<u>51,894</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	(4,919,861)	-	(112,000)	-	-
-	(4,919,861)	-	(112,000)	-	-
<u>102,033</u>	<u>(2,468,184)</u>	<u>(13,406)</u>	<u>38,768</u>	<u>-</u>	<u>51,894</u>
<u>613,587</u>	<u>4,921,445</u>	<u>858,642</u>	<u>1,087,041</u>	<u>(2,605)</u>	<u>664,225</u>
<u>\$ 715,620</u>	<u>\$ 2,453,261</u>	<u>\$ 845,236</u>	<u>\$ 1,125,809</u>	<u>\$ (2,605)</u>	<u>\$ 716,119</u>

(Continued)

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Special Revenue Funds				
	Recreation		Small	Library	Mental
	Subdivision	Inspections	Business	Development	Health
			Loans		Insurance
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-
Charges for services	-	22,761	-	-	-
Investment earnings	13,366	-	5,941	-	8,688
License and permits	-	1,132,824	-	-	-
Miscellaneous	24,563	10,874	-	-	-
Total revenues	<u>37,929</u>	<u>1,166,459</u>	<u>5,941</u>	<u>-</u>	<u>8,688</u>
EXPENDITURES					
Current:					
Community services	-	1,512,814	33	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	16,166
Education	-	-	-	-	-
Debt service:					
Principal retirements	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,512,814</u>	<u>33</u>	<u>-</u>	<u>16,166</u>
Excess (deficiency) of revenues over (under) expenditures	<u>37,929</u>	<u>(346,355)</u>	<u>5,908</u>	<u>-</u>	<u>(7,478)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers from other funds	-	387,005	-	-	-
Transfers to other funds	-	-	-	-	-
Other financing sources (uses), net	<u>-</u>	<u>387,005</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>37,929</u>	<u>40,650</u>	<u>5,908</u>	<u>-</u>	<u>(7,478)</u>
FUND BALANCES					
Beginning balances	<u>604,415</u>	<u>-</u>	<u>405,334</u>	<u>91,320</u>	<u>408,218</u>
Ending balances	<u>\$ 642,344</u>	<u>\$ 40,650</u>	<u>\$ 411,242</u>	<u>\$ 91,320</u>	<u>\$ 400,740</u>

Representative Payee	Special Revenue Funds				Capital Project Funds		Total
	Opioid Settlement Fund	Communication Tower Trust	School District	Orange County Giving	School Capital Reserve	County Capital Reserve	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 28,026,693	\$ -	\$ -	\$ -	\$ 36,749,963
-	-	-	-	-	-	-	6,130,571
-	-	-	-	-	-	-	2,223,599
-	-	-	-	-	-	-	1,415,195
-	2,738,015	-	-	-	-	-	13,827,977
-	-	-	-	-	-	-	756,448
-	-	126	-	-	2,612	45,206	295,339
-	-	8,000	-	-	-	-	1,140,824
-	-	-	-	-	-	250,000	670,090
-	2,738,015	8,126	28,026,693	-	2,612	295,206	63,210,006
-	-	7,000	-	-	-	-	7,255,447
-	-	-	-	-	-	-	566,098
-	202,771	-	-	-	-	-	10,451,199
-	173,667	-	-	-	-	-	10,168,028
-	-	-	28,131,038	-	-	-	28,131,038
-	-	-	-	-	-	-	596,577
-	-	-	-	-	-	-	274,123
-	376,438	7,000	28,131,038	-	-	-	57,442,510
-	2,361,577	1,126	(104,345)	-	2,612	295,206	5,767,496
-	-	-	-	-	-	-	250
-	-	-	-	-	-	-	870,803
-	-	-	-	-	-	(1,458,202)	(6,507,427)
-	-	-	-	-	-	(1,458,202)	(5,636,374)
-	2,361,577	1,126	(104,345)	-	2,612	(1,162,996)	131,122
103,037	881,554	4,792	-	32,013	120,532	1,918,214	16,924,178
\$ 103,037	\$ 3,243,131	\$ 5,918	\$ (104,345)	\$ 32,013	\$ 123,144	\$ 755,218	\$ 17,055,300

ORANGE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Revenues				
Ad valorem taxes:				
Property taxes	\$ 190,271,632	\$ 190,360,419	\$ 193,592,404	\$ 3,231,985
Tax penalties and interest	626,615	626,615	653,405	26,790
Gross receipts tax	90,000	90,000	111,246	21,246
Total ad valorem taxes	190,988,247	191,077,034	194,357,055	3,280,021
Sales tax:				
Local option sales tax	43,739,131	43,739,131	42,643,725	(1,095,406)
Intergovernmental revenues:				
Animal tax	-	-	550	550
Beer and wine tax	279,673	279,673	265,431	(14,242)
Federal and State grants	17,149,090	18,766,823	17,508,131	(1,258,692)
Local grants	1,081,522	1,183,987	918,650	(265,337)
ABC Board law enforcement distribution	915,898	915,898	871,593	(44,305)
Total intergovernmental revenues	19,426,183	21,146,381	19,564,355	(1,582,026)
Charges for services:				
Register of Deeds	1,967,000	1,967,000	2,101,588	134,588
Collection fees	379,000	379,000	362,684	(16,316)
Inspection fees	499,000	631,835	733,834	101,999
Health service fees	1,764,834	1,764,834	1,517,637	(247,197)
Recreation fees	549,360	549,360	551,104	1,744
Aging fees	356,800	362,612	144,563	(218,049)
EMS fees	5,241,000	5,241,000	4,995,799	(245,201)
Sheriff and court charges	2,170,000	2,170,000	1,835,943	(334,057)
Other charges	255,857	255,857	261,768	5,911
Total charges for services	13,182,851	13,321,498	12,504,920	(816,578)
Investment earnings and interest income				
	1,600,000	2,000,000	2,370,147	370,147
Licenses, permits and fees:				
Privilege licenses	12,000	12,000	13,005	1,005
Franchise fees	262,200	262,200	213,523	(48,677)
Total licenses, permits and fees	274,200	274,200	226,528	(47,672)
Miscellaneous revenues:				
Donations	101,000	180,409	150,937	(29,472)
Rent	306,060	306,060	340,935	34,875
Other	1,446,566	1,640,225	4,355,742	2,715,517
Total miscellaneous revenues	1,853,626	2,126,694	4,847,614	2,720,920
Total revenues	271,064,238	273,684,938	276,514,344	2,829,406

continued

ORANGE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024**

Expenditures	Budget		Actual	Variance With Final Budget
	Original	Final		
Current:				
Community Services:				
Animal services	\$ 2,878,507	\$ 2,856,929	\$ 2,964,411	\$ (107,482)
Cooperative extension	548,910	555,910	394,161	161,749
Solid Waste Management	1,716,356	1,508,321	1,528,593	(20,272)
Department of environment, agriculture, parks and recreation	4,816,321	5,139,437	4,743,268	396,169
Orange public transportation	2,482,346	2,143,067	2,473,899	(330,832)
Planning and inspections	2,235,213	2,249,653	2,127,932	121,721
Municipal recreation	125,108	125,108	125,108	-
Non-departmental	439,156	515,453	347,567	167,886
Total	15,241,917	15,093,878	14,704,939	388,939
General Government:				
Board of county commissioners	859,447	909,079	837,469	71,610
Board of elections	1,200,287	1,206,124	1,190,662	15,462
County attorney's office	806,998	988,065	888,286	99,779
County manager's office	1,687,805	2,070,241	1,865,606	204,635
Register of deeds	1,153,810	1,325,708	1,257,809	67,899
Tax administration	4,867,322	5,655,795	4,917,450	738,345
Outside Agencies	1,037,016	1,037,016	1,023,174	13,842
Non-departmental	375,000	391,650	386,564	5,086
Total	11,987,685	13,583,678	12,367,020	1,216,658
Public Safety:				
Courts	176,063	277,308	254,824	22,484
Emergency services	15,647,795	15,858,527	15,177,134	681,393
Sheriff	18,301,548	22,108,187	20,834,662	1,273,525
Criminal justice	1,238,702	1,318,006	1,286,123	31,883
Non-departmental	518,790	586,669	530,927	55,742
Total	35,882,898	40,148,697	38,083,670	2,065,027
Human Services:				
Child support services	1,186,088	1,341,492	1,283,750	57,742
Department of social services	24,444,855	23,520,488	22,646,410	874,078
Department of aging	2,686,854	3,115,705	2,851,263	264,442
Health department	12,507,738	13,157,889	12,331,443	826,446
Housing, human rights, and community development	3,066,763	2,930,766	2,783,135	147,631
Library services	2,636,623	2,757,595	2,772,947	(15,352)
Library municipal	622,023	622,023	622,023	-
OPC area program	897,850	887,188	830,973	56,215
Non-departmental	492,349	397,555	304,862	92,693
Total	48,541,143	48,730,701	46,426,806	2,303,895

ORANGE COUNTY, NORTH CAROLINA

**GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL (NON-GAAP BASIS)
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance With Final Budget
	Original	Final		
Expenditures (Continued)				
Education:				
Current expenditures	\$ 102,942,576	\$ 102,942,576	\$ 102,942,576	\$ -
Fair funding	3,888,025	4,087,152	3,676,831	410,321
Durham Tech (Orange campus)	975,346	975,346	975,346	-
Total	<u>107,805,947</u>	<u>108,005,074</u>	<u>107,594,753</u>	<u>410,321</u>
Support Services:				
Asset management services	5,920,668	6,283,324	12,653,462	(6,370,138)
Community relations	435,674	504,849	439,249	65,600
Finance and administrative services	1,563,670	1,836,593	1,674,261	162,332
Human resources	3,451,665	3,877,313	3,381,649	495,664
Information technologies	5,250,330	5,697,435	4,180,645	1,516,790
Non-departmental	1,870,100	92,500	98,013	(5,513)
Total	<u>18,492,107</u>	<u>18,292,014</u>	<u>22,427,279</u>	<u>(4,135,265)</u>
Debt Service:				
Principal	-	-	3,650,458	(3,650,458)
Interest	-	-	128,880	(128,880)
Total	<u>-</u>	<u>-</u>	<u>3,779,338</u>	<u>(3,779,338)</u>
Total expenditures	<u>237,951,697</u>	<u>243,854,042</u>	<u>245,383,805</u>	<u>(1,529,763)</u>
Excess of revenues over expenditures	33,112,541	29,830,896	31,130,539	1,299,643
Other financing sources (uses)				
Issuance of leases	-	-	8,454,537	8,454,537
Sale of capital assets	50,000	50,000	32,900	(17,100)
Transfers in	1,391,290	1,507,732	1,537,732	30,000
Transfers out	(41,553,831)	(39,235,893)	(39,235,893)	-
Appropriated fund balance	7,000,000	7,847,265	-	(7,847,265)
Total other financing uses, net	<u>(33,112,541)</u>	<u>(29,830,896)</u>	<u>(29,210,724)</u>	<u>620,172</u>
Net change in fund balances	-	-	1,919,815	1,919,815
Fund balance, beginning of year	<u>80,408,265</u>	<u>80,408,265</u>	<u>80,408,265</u>	<u>-</u>
Fund balance, end of year	<u>\$ 80,408,265</u>	<u>\$ 80,408,265</u>	<u>\$ 82,328,080</u>	<u>\$ 1,919,815</u>

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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Taxes	\$ 8,581,026	\$ 8,723,270	\$ 142,244
Restricted intergovernmental	25,000	25,000	-
Investment earnings	3,310	23,541	20,231
Total revenues	<u>8,609,336</u>	<u>8,771,811</u>	<u>162,475</u>
EXPENDITURES			
Current:			
Public safety	<u>8,636,336</u>	<u>8,636,336</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(27,000)	135,475	162,475
OTHER FINANCING SOURCES			
Appropriated fund balance	27,000	-	(27,000)
Net change in fund balance	<u>\$ -</u>	<u>135,475</u>	<u>\$ 135,475</u>
FUND BALANCE			
Beginning balance		840,609	
Ending balance		<u>\$ 976,084</u>	

ORANGE COUNTY, NORTH CAROLINA

**FEMA RECOVERY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Restricted intergovernmental	\$ 4,750,000	\$ 195,225	\$ (4,554,775)
EXPENDITURES			
Current:			
General government	95,108	-	95,108
Public safety	4,486,484	-	4,486,484
Human services	168,408	81	168,327
Total expenditures	<u>4,750,000</u>	<u>81</u>	<u>4,749,919</u>
Excess of revenues over expenditures	-	195,144	195,144
OTHER FINANCING SOURCES			
Transfers from other funds	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>195,144</u>	<u>\$ 195,144</u>
FUND BALANCE			
Beginning balance		(744,006)	
Ending balance		<u>\$ (548,862)</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Charges for services	\$ -	\$ 2,437	\$ 2,437
Miscellaneous	17,364	17,526	162
Total revenues	<u>17,364</u>	<u>19,963</u>	<u>2,599</u>
Excess of revenues over expenditures	17,364	19,963	2,599
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	(17,364)	(17,364)	-
Net change in fund balance	<u>\$ -</u>	<u>2,599</u>	<u>\$ 2,599</u>
FUND BALANCE			
Beginning balance		88,401	
Ending balance		<u>\$ 91,000</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, 2024

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
REVENUES					
Unrestricted intergovernmental	\$ 1,382,448	\$ 318,200	\$ 94,909	\$ 413,109	\$ (969,339)
Restricted intergovernmental	20,286,803	14,352,685	1,021,257	15,373,942	(4,912,861)
Miscellaneous	1,639,312	922,522	312,496	1,235,018	(404,294)
Total revenues	<u>23,308,563</u>	<u>15,593,407</u>	<u>1,428,662</u>	<u>17,022,069</u>	<u>(6,286,494)</u>
EXPENDITURES					
Current:					
Community services	2,283,973	1,244,000	31,286	1,275,286	1,008,687
General government	437,338	262,445	44,745	307,190	130,148
Public safety	11,911,900	5,876,564	729,015	6,605,579	5,306,321
Human services	10,106,662	7,764,609	922,282	8,686,891	1,419,771
Support services	293,247	231,967	-	231,967	61,280
Total expenditures	<u>25,033,120</u>	<u>15,379,585</u>	<u>1,727,328</u>	<u>17,106,913</u>	<u>7,926,207</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,724,557)</u>	<u>213,822</u>	<u>(298,666)</u>	<u>(84,844)</u>	<u>1,639,713</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	1,850,052	1,626,529	66,695	1,693,224	(156,828)
Transfers to other funds	(125,495)	(24,917)	-	(24,917)	100,578
Closed out project revenue	-	173,127	-	173,127	173,127
Total other financing sources, net	<u>1,724,557</u>	<u>1,774,739</u>	<u>66,695</u>	<u>1,841,434</u>	<u>116,877</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,988,561</u>	<u>(231,971)</u>	<u>\$ 1,756,590</u>	<u>\$ 1,756,590</u>
FUND BALANCE					
Beginning balance			1,988,561		
Ending balance			<u>\$ 1,756,590</u>		

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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Restricted intergovernmental	\$ 2,378,491	\$ 467,560	\$ (1,910,931)
Investment earnings	64,396	21,420	(42,976)
Total revenues	<u>2,442,887</u>	<u>488,980</u>	<u>(1,953,907)</u>
EXPENDITURES			
Current:			
Public safety	2,430,936	272,645	2,158,291
Total expenditures	<u>2,430,936</u>	<u>272,645</u>	<u>2,158,291</u>
Excess of revenues over expenditures	<u>11,951</u>	<u>216,335</u>	<u>204,384</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	13,049	-	(13,049)
Transfers to other funds	(25,000)	-	25,000
Total other financing uses, net	<u>(11,951)</u>	<u>-</u>	<u>11,951</u>
Net change in fund balance	<u>\$ -</u>	216,335	<u>\$ 216,335</u>
FUND BALANCE			
Beginning balance		947,911	
Ending balance		<u>\$ 1,164,246</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, 2024**

	Project Authorization	Actual		Total	Variance Positive (Negative)
		Prior Year	Current Year		
REVENUES					
Unrestricted intergovernmental:					
Town of Chapel Hill	\$ 2,708,075	\$ 2,237,285	\$ 231,538	\$ 2,468,823	\$ (239,252)
Town of Carrboro	964,086	747,502	83,400	830,902	(133,184)
Town of Hillsborough	346,192	311,290	37,909	349,199	3,007
Restricted intergovernmental:					
HOME	17,226,154	12,850,019	346,497	13,196,516	(4,029,638)
CDBG	3,955,860	3,984,952	460,198	4,445,150	489,290
HOPE	2,794,285	2,058,703	-	2,058,703	(735,582)
Other	4,489,190	3,172,112	1,131,514	4,303,626	(185,564)
Charges for services	527,072	1,171,920	25,000	1,196,920	669,848
Investment earnings	1,000	22,847	5,508	28,355	27,355
Miscellaneous	25,294	156,486	17,704	174,190	148,896
Total revenues	<u>33,037,208</u>	<u>26,713,116</u>	<u>2,339,268</u>	<u>29,052,384</u>	<u>(3,984,824)</u>
EXPENDITURES					
Current:					
Human services					
HOME	20,443,010	18,114,864	53,277	18,168,141	2,274,869
Homelessness Partnership	5,830,522	4,108,756	1,100,174	5,208,930	621,592
Housing Rehab	3,764,001	3,731,802	138,086	3,869,888	(105,887)
Mitigation/housing displacement	8,724,928	8,771,766	93,033	8,864,799	(139,871)
Affordable Housing	990,653	937,212	-	937,212	53,441
Other programs	5,057,488	2,891,872	444,599	3,336,471	1,721,017
Total expenditures	<u>44,810,602</u>	<u>38,556,272</u>	<u>1,829,169</u>	<u>40,385,441</u>	<u>4,425,161</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,773,394)</u>	<u>(11,843,156)</u>	<u>510,099</u>	<u>(11,333,057)</u>	<u>440,337</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	14,080	14,080	250	14,330	250
Transfers from other funds	13,851,430	13,153,792	417,103	13,570,895	(280,535)
Transfers to other funds	(2,092,116)	(1,716,242)	-	(1,716,242)	375,874
Closed out project revenue	-	1,482,464	-	1,482,464	1,482,464
Total other financing sources, net	<u>11,773,394</u>	<u>12,934,094</u>	<u>417,353</u>	<u>13,351,447</u>	<u>1,578,053</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,090,938</u>	<u>927,452</u>	<u>\$ 2,018,390</u>	<u>\$ 2,018,390</u>
FUND BALANCE					
Beginning balance			<u>1,090,938</u>		
Ending balance			<u>\$ 2,018,390</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Restricted intergovernmental	\$ 7,252,886	\$ 7,243,086	\$ (9,800)
Investment earnings	2,000	7,941	5,941
Total revenues	<u>7,254,886</u>	<u>7,251,027</u>	<u>(3,859)</u>
 EXPENDITURES			
Current:			
Human services	7,334,886	7,148,994	185,892
Total expenditures	<u>7,334,886</u>	<u>7,148,994</u>	<u>185,892</u>
 Excess (deficiency) of revenues over (under) expenditures	<u>(80,000)</u>	<u>102,033</u>	<u>182,033</u>
 OTHER FINANCING SOURCES			
Appropriated fund balance	80,000	-	(80,000)
Total other financing sources	<u>80,000</u>	<u>-</u>	<u>(80,000)</u>
 Net change in fund balance	<u>\$ -</u>	102,033	<u>\$ 102,033</u>
 FUND BALANCE			
Beginning balance		613,587	
Ending balance		<u>\$ 715,620</u>	

ORANGE COUNTY, NORTH CAROLINA

ARTICLE 46 SALES TAX SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024

	Project Authorization	Prior Year	Actual Current Year	Total	Variance Positive (Negative)
REVENUES					
Sales taxes	\$ 48,662,510	\$ 42,948,755	\$ 6,130,571	\$ 49,079,326	\$ 416,816
Unrestricted intergovernmental	1,000,000	500,000	500,000	1,000,000	-
Investment earnings	-	219,408	106,468	325,876	325,876
Miscellaneous	56,913	1,154,824	25,000	1,179,824	1,122,911
Total revenues	<u>49,719,423</u>	<u>44,822,987</u>	<u>6,762,039</u>	<u>51,585,026</u>	<u>1,865,603</u>
EXPENDITURES					
Current:					
Community services	17,513,561	11,764,971	3,439,662	15,204,633	2,308,928
Education	19,778,029	19,778,998	-	19,778,998	(969)
Debt service:					
Principal	6,037,666	5,821,454	596,577	6,418,031	(380,365)
Interest	1,319,062	2,267,029	274,123	2,541,152	(1,222,090)
Total expenditures	<u>44,648,318</u>	<u>39,632,452</u>	<u>4,310,362</u>	<u>43,942,814</u>	<u>705,504</u>
Excess of revenues over expenditures	<u>5,071,105</u>	<u>5,190,535</u>	<u>2,451,677</u>	<u>7,642,212</u>	<u>2,571,107</u>
OTHER FINANCING SOURCES (USES)					
Transfers to other funds	(5,071,105)	(604,073)	(4,919,861)	(5,523,934)	(452,829)
Closed out project revenue	-	334,983	-	334,983	334,983
Total other financing uses, net	<u>(5,071,105)</u>	<u>(269,090)</u>	<u>(4,919,861)</u>	<u>(5,188,951)</u>	<u>(117,846)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 4,921,445</u>	<u>(2,468,184)</u>	<u>\$ 2,453,261</u>	<u>\$ 2,453,261</u>
FUND BALANCE					
Beginning balance			<u>4,921,445</u>		
Ending balance			<u>\$ 2,453,261</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Restricted intergovernmental	\$ 115,031	\$ -	\$ (115,031)
Charges for services	578,160	578,160	-
Investment earnings	-	18,866	18,866
Total revenues	<u>693,191</u>	<u>597,026</u>	<u>(96,165)</u>
EXPENDITURES			
Current:			
Public safety:			
Telephone	95,000	78,603	16,397
Equipment and maintenance	320,291	304,539	15,752
Training	34,878	32,166	2,712
Contract services	226,931	168,545	58,386
Supplies	35,991	26,579	9,412
Total expenditures	<u>713,091</u>	<u>610,432</u>	<u>102,659</u>
Deficiency of revenues under expenditures	<u>(19,900)</u>	<u>(13,406)</u>	<u>6,494</u>
OTHER FINANCING SOURCES			
Appropriated fund balance	<u>19,900</u>	-	<u>(19,900)</u>
Total other financing sources	<u>19,900</u>	-	<u>(19,900)</u>
Net change in fund balance	<u>\$ -</u>	<u>(13,406)</u>	<u>\$ 6,494</u>
FUND BALANCE			
Beginning balance		<u>858,642</u>	
Ending balance		<u>\$ 845,236</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Unrestricted intergovernmental	\$ 467,439	\$ 467,439	\$ -
Restricted intergovernmental	95,760	95,760	-
Charges for services	135,845	128,090	(7,755)
Investment earnings	-	21,885	21,885
Miscellaneous	1,852,791	2,223,599	370,808
Total revenues	<u>2,551,835</u>	<u>2,936,773</u>	<u>384,938</u>
EXPENDITURES			
Current:			
Community services	2,689,373	2,264,652	424,721
General government	551,795	521,353	30,442
Total expenditures	<u>3,241,168</u>	<u>2,786,005</u>	<u>455,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(689,333)</u>	<u>150,768</u>	<u>840,101</u>
OTHER FINANCING SOURCES (USES)			
Transfers to other funds	(112,000)	(112,000)	-
Appropriated fund balance	801,333	-	(801,333)
Total other financing sources (uses), net	<u>689,333</u>	<u>(112,000)</u>	<u>(801,333)</u>
Net change in fund balance	<u>\$ -</u>	<u>38,768</u>	<u>\$ 38,768</u>
FUND BALANCE			
Beginning balance		1,087,041	
Ending balance		<u>\$ 1,125,809</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Unrestricted intergovernmental	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-
Investment earnings	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Current:			
Community services:			
Animal shelter	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES			
Appropriated fund balance	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE			
Beginning balance		(2,605)	
Ending balance		<u>\$ (2,605)</u>	

ORANGE COUNTY, NORTH CAROLINA

**DSS CLIENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Project Authorization</u>	<u>Prior Year</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	1,240,221	1,447,341	103,865	1,551,206	310,985
Investment earnings	29,221	36,219	13,771	49,990	20,769
Miscellaneous	577,941	459,457	11,927	471,384	(106,557)
Total revenues	<u>1,870,729</u>	<u>1,966,363</u>	<u>129,563</u>	<u>2,095,926</u>	<u>225,197</u>
EXPENDITURES					
Current:					
Human services:					
Adoption enhancement	<u>2,040,407</u>	<u>1,388,624</u>	<u>77,669</u>	<u>1,466,293</u>	<u>574,114</u>
Excess (deficiency) of revenues over (under) expenditures	(169,678)	577,739	51,894	629,633	799,311
OTHER FINANCING SOURCES					
Transfers from other funds	<u>169,678</u>	<u>86,486</u>	<u>-</u>	<u>86,486</u>	<u>(83,192)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 664,225</u>	51,894	<u>\$ 716,119</u>	<u>\$ 716,119</u>
FUND BALANCE					
Beginning balance			664,225		
Ending balance			<u>\$ 716,119</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ -	\$ 13,366	\$ 13,366
Miscellaneous	10,500	24,563	14,063
Total revenues	<u>10,500</u>	<u>37,929</u>	<u>27,429</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	10,500	37,929	27,429
OTHER FINANCING USES			
Transfers to other funds	<u>(10,500)</u>	<u>-</u>	<u>10,500</u>
Net change in fund balance	<u>\$ -</u>	<u>37,929</u>	<u>\$ 37,929</u>
FUND BALANCE			
Beginning balance		604,415	
Ending balance		<u>\$ 642,344</u>	

ORANGE COUNTY, NORTH CAROLINA

**INSPECTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
License and permits	\$ 1,378,463	\$ 1,132,824	\$ (245,639)
Charges for services	21,400	22,761	1,361
Miscellaneous	5,450	10,874	5,424
Total revenues	<u>1,405,313</u>	<u>1,166,459</u>	<u>(238,854)</u>
EXPENDITURES			
Current:			
Community services	<u>1,659,483</u>	<u>1,512,814</u>	<u>146,669</u>
Total expenditures	<u>1,659,483</u>	<u>1,512,814</u>	<u>146,669</u>
Deficiency of revenues under expenditures	(254,170)	(346,355)	(92,185)
OTHER FINANCING SOURCES			
Transfers from other funds	<u>254,170</u>	<u>387,005</u>	<u>132,835</u>
Net change in fund balance	<u>\$ -</u>	40,650	<u>\$ 40,650</u>
FUND BALANCE			
Beginning balance		-	
Ending balance		<u>\$ 40,650</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Restricted intergovernmental	\$ 279,583	\$ -	\$ (279,583)
Investment earnings	-	5,941	5,941
Total revenues	<u>279,583</u>	<u>5,941</u>	<u>(273,642)</u>
EXPENDITURES			
Current:			
Community services	<u>279,583</u>	<u>33</u>	<u>279,550</u>
Net change in fund balance	<u>\$ -</u>	<u>5,908</u>	<u>\$ 5,908</u>
FUND BALANCE			
Beginning balance		405,334	
Ending balance		<u>\$ 411,242</u>	

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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ -	\$ -	\$ -
EXPENDITURES			
Current:			
Community services	-	-	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE			
Beginning balance		91,320	
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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ 15,454	\$ 8,688	\$ (6,766)
EXPENDITURES			
Current:			
Human services	<u>15,454</u>	<u>16,166</u>	<u>(712)</u>
Net change in fund balance	<u>\$ -</u>	<u>(7,478)</u>	<u>\$ (7,478)</u>
FUND BALANCE			
Beginning balance		408,218	
Ending balance		<u>\$ 400,740</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Miscellaneous	\$ 260,000	\$ -	\$ (260,000)
EXPENDITURES			
Current:			
Human services	260,000	-	260,000
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>
FUND BALANCE			
Beginning balance		103,037	
Ending balance		<u>\$ 103,037</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Investment earnings	\$ -	\$ 126	\$ 126
License and permits	11,000	8,000	(3,000)
Total revenues	<u>11,000</u>	<u>8,126</u>	<u>(2,874)</u>
EXPENDITURES			
Current:			
Community services	11,000	7,000	4,000
Net change in fund balance	<u>\$ -</u>	<u>1,126</u>	<u>\$ 1,126</u>
FUND BALANCE			
Beginning balance		4,792	
Ending balance		<u>\$ 5,918</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes	<u>\$ 28,242,966</u>	<u>\$ 28,026,693</u>	<u>\$ (216,273)</u>
EXPENDITURES			
Current:			
Education	<u>28,242,966</u>	<u>28,131,038</u>	<u>111,928</u>
Net change in fund balance	<u>\$ -</u>	<u>(104,345)</u>	<u>\$ (104,345)</u>
FUND BALANCE			
Beginning balance		<u>-</u>	
Ending balance		<u>\$ (104,345)</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Miscellaneous	<u>\$ 90,000</u>	<u>\$ -</u>	<u>\$ (90,000)</u>
EXPENDITURES			
Current:			
General government	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Total expenditures	<u>90,000</u>	<u>-</u>	<u>90,000</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
FUND BALANCE			
Beginning balance		32,013	
Ending balance		<u><u>\$ 32,013</u></u>	

ORANGE COUNTY, NORTH CAROLINA

**OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Restricted intergovernmental	\$ 2,748,141	\$ 2,738,015	\$ (10,126)
EXPENDITURES			
Current:			
Public safety	596,487	202,771	393,716
Public health	626,210	173,667	452,543
Total expenditures	<u>1,222,697</u>	<u>376,438</u>	<u>846,259</u>
Excess of revenues over expenditures	1,525,444	2,361,577	836,133
OTHER FINANCING USES			
Fund balance to reserves	<u>(1,525,444)</u>	-	<u>1,525,444</u>
Net change in fund balance	<u>\$ -</u>	2,361,577	<u>\$ 2,361,577</u>
FUND BALANCE			
Beginning balance		881,554	
Ending balance		<u>\$ 3,243,131</u>	

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 20, 2024

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Charges for services	\$ 14,568,229	\$ 13,799,712	\$ (768,517)
Investment earnings	-	2,288	2,288
Total revenues	14,568,229	13,802,000	(766,229)
EXPENDITURES			
Operations	17,640,258	16,798,142	842,116
General and administrative	111,376	90,338	21,038
Total expenditures	17,751,634	16,888,480	863,154
Deficiency of revenues under expenditures	(3,183,405)	(3,086,480)	96,925
OTHER FINANCING SOURCES			
Transfers from other funds	3,183,405	3,183,405	-
Total other financing sources	3,183,405	3,183,405	-
Excess of revenues and other financing sources over expenditures	\$ -	96,925	\$ 96,925
Reconciliation from budgetary basis (modified accrual) to full accrual:			
decrease in claims payable		280,745	
Change in net position - GAAP Basis		\$ 377,670	

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024**

	Cooperative Extension 4-H Fund	American Stone No Fault Well Repair Fund	Jail Inmate Pay Fund	Total Custodial Funds
ASSETS				
Cash and investments - restricted	\$ 65,574	\$ 97,893	\$ 13,437	\$ 176,904
Total assets	<u>65,574</u>	<u>97,893</u>	<u>13,437</u>	<u>176,904</u>
LIABILITIES				
Accounts payable	515	-	-	515
Accrued liabilities	<u>30,427</u>	<u>-</u>	<u>11,401</u>	<u>41,828</u>
Total liabilities	<u>30,942</u>	<u>-</u>	<u>11,401</u>	<u>42,343</u>
NET POSITION				
Restricted for:				
Individuals, organizations and other governments	<u>34,632</u>	<u>97,893</u>	<u>2,036</u>	<u>134,561</u>
Total net position	<u>\$ 34,632</u>	<u>\$ 97,893</u>	<u>\$ 2,036</u>	<u>\$ 134,561</u>

ORANGE COUNTY, NORTH CAROLINA

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Cooperative Extension 4-H Fund	American Stone No Fault Well Repair Fund	Jail Inmate Pay Fund	Total Custodial Funds
ADDITIONS				
Charges for services	\$ 10,170	\$ 15,000	\$ -	\$ 25,170
Collections on behalf of inmates	-	-	276,621	276,621
Donations	4,478	-	-	4,478
Investment earnings	1,773	2,091	-	3,864
Total additions	16,421	17,091	276,621	310,133
DEDUCTIONS				
Water improvements	-	30,918	-	30,918
Payments on behalf of inmates	-	-	284,790	284,790
Culture and recreation	18,849	-	-	18,849
Total deductions	18,849	30,918	284,790	334,557
Net change in fiduciary net position	(2,428)	(13,827)	(8,169)	(24,424)
NET POSITION				
Beginning balance	37,060	111,720	10,205	158,985
Ending balance	\$ 34,632	\$ 97,893	\$ 2,036	\$ 134,561

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2024

Fiscal Year	Uncollected Balance July 1, 2023	Additions	Collections and Credits	Uncollected Balance June 30, 2024
2023-2024	\$ -	\$ 192,242,699	\$ 191,110,361	\$ 1,132,338
2022-2023	986,394	-	488,852	497,542
2021-2022	475,891	-	155,195	320,696
2020-2021	330,727	-	98,467	232,260
2019-2020	318,064	-	78,724	239,340
2018-2019	188,581	-	46,502	142,079
2017-2018	122,054	-	42,624	79,430
2016-2017	68,327	-	16,736	51,591
All-prior	1,619,495	-	21,351	1,598,144
	\$ 4,109,533	\$ 192,242,699	\$ 192,058,812	4,293,420
Less: allowance for uncollectible accounts - General Fund				(2,255,920)
Ad valorem taxes receivable - net				\$ 2,037,500
<u>Reconciliation to revenues:</u>				
Ad valorem taxes - General Fund				\$ 192,259,154
Reconciling items:				
Interest and penalties				653,405
Miscellaneous adjustments				(853,747)
Total collections and credits				\$ 192,058,812

ORANGE COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2024

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 22,997,881,904	0.8350	\$ 192,101,308	\$ 178,660,241	\$ 13,441,067
Late listing penalties	-		134,115	134,115	-
Lien advertisement	-		7,276	7,276	-
Total	22,997,881,904		192,242,699	178,801,632	13,441,067
Releases	-	0.8310	-	-	-
Total property valuation	\$ 22,997,881,904				
Net levy			192,242,699	178,801,632	13,441,067
Uncollected taxes at June 30, 2024			(1,132,338)	(1,132,338)	-
Current year's taxes collected			\$ 191,110,361	\$ 177,669,294	\$ 13,441,067
Current levy collection percentage			99.41%	99.37%	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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 72,992,094	\$ 68,828,030	\$ 64,787,858	\$ 36,420,704
Restricted for:				
Stabilization by State statute	28,683,743	23,530,505	21,373,361	15,881,733
Various other programs	13,749,926	10,022,351	6,871,946	5,931,817
Unrestricted	(275,426,162)	(247,859,007)	(255,080,848)	(240,453,014)
Total governmental activities net position	<u>\$ (160,000,399)</u>	<u>\$ (145,478,121)</u>	<u>\$ (162,047,683)</u>	<u>\$ (182,218,760)</u>
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 10,545,893	\$ 10,017,187	\$ 9,728,045	\$ 7,740,664
Unrestricted	9,176,522	10,344,007	7,989,721	6,994,389
Total business-type activities net position	<u>\$ 19,722,415</u>	<u>\$ 20,361,194</u>	<u>\$ 17,717,766</u>	<u>\$ 14,735,053</u>
TOTAL - PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 83,537,987	\$ 78,845,217	\$ 74,515,903	\$ 44,161,368
Restricted for:				
Stabilization by State statute	28,683,743	23,530,505	21,373,361	15,881,733
Various other programs	13,749,926	10,022,351	6,871,946	5,931,817
Unrestricted	(266,249,640)	(237,515,000)	(247,091,127)	(233,458,625)
Total primary government net position	<u>\$ (140,277,984)</u>	<u>\$ (125,116,927)</u>	<u>\$ (144,329,917)</u>	<u>\$ (167,483,707)</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

(1) (Restated) 2020	2019	2018	2017	2016	2015
\$ 32,355,004	\$ 29,752,938	\$ 30,229,146	\$ 29,924,257	\$ 23,190,053	\$ 42,946,587
17,838,399	16,392,707	14,222,179	12,264,244	13,693,038	12,845,946
47,732,061	67,909,157	37,517,431	17,264,973	23,225,509	4,493,650
(249,861,109)	(212,549,798)	(155,693,774)	(133,115,016)	(79,859,843)	(94,888,828)
<u>\$ (151,935,645)</u>	<u>\$ (98,494,996)</u>	<u>\$ (73,725,018)</u>	<u>\$ (73,661,542)</u>	<u>\$ (19,751,243)</u>	<u>\$ (34,602,645)</u>
\$ 7,331,915	\$ 9,391,992	\$ 10,361,313	\$ 6,883,243	\$ 7,462,618	\$ 7,327,120
9,857,968	7,007,056	6,165,732	5,058,871	3,322,472	2,539,292
<u>\$ 17,189,883</u>	<u>\$ 16,399,048</u>	<u>\$ 16,527,045</u>	<u>\$ 11,942,114</u>	<u>\$ 10,785,090</u>	<u>\$ 9,866,412</u>
\$ 39,686,919	\$ 39,144,930	\$ 40,590,459	\$ 36,807,500	\$ 30,652,671	\$ 50,273,707
17,838,399	16,392,707	14,222,179	12,264,244	13,693,038	12,845,946
47,732,061	67,909,157	37,517,431	17,264,973	23,225,509	4,493,650
(240,003,141)	(205,542,742)	(149,528,042)	(128,056,145)	(76,537,371)	(92,349,536)
<u>\$ (134,745,762)</u>	<u>\$ (82,095,948)</u>	<u>\$ (57,197,973)</u>	<u>\$ (61,719,428)</u>	<u>\$ (8,966,153)</u>	<u>\$ (24,736,233)</u>

ORANGE COUNTY, NORTH CAROLINA

Changes in Net Position Last Ten Fiscal Years

	2024	2023	2022	(2) 2021
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	\$ 20,948,090	\$ 20,734,639	\$ 18,018,607	\$ 14,484,271
General Government	23,295,527	25,398,164	15,219,514	22,774,275
Public safety	52,709,153	45,887,225	41,248,675	41,376,196
Human services	61,979,579	58,984,570	57,651,056	56,271,330
Education	176,496,597	144,538,477	132,090,386	155,464,500
Support services	26,562,067	17,145,499	19,876,747	16,301,136
Interest on long-term debt	8,673,654	8,728,060	9,301,115	14,275,755
Total expenses - governmental activities	370,664,667	321,416,634	293,406,100	320,947,463
<i>Business-type activities:</i>				
Landfill	12,100,727	9,651,419	10,272,510	11,222,179
SportsPlex	6,016,031	4,260,509	4,067,041	3,204,250
Efland Sewer (1)	-	-	-	470
Total expenses - business-type activities	18,116,758	13,911,928	14,339,551	14,426,899
Total expenses - primary government	388,781,425	335,328,562	307,745,651	335,374,362
REVENUES				
<i>Governmental activities:</i>				
Program revenues:				
Charges for services	14,628,720	15,220,028	14,984,721	12,647,084
Operating grants and contributions	35,699,034	34,103,111	31,355,542	31,345,445
Capital grants and contributions	-	-	1,129,817	454,718
General revenues:				
Property taxes	231,086,320	221,142,931	213,946,408	201,379,367
Other taxes	50,997,895	51,254,512	44,737,788	37,498,124
Other revenues	22,700,992	15,147,692	9,261,726	6,894,256
Total revenues - governmental activities	355,112,961	336,868,274	315,416,002	290,218,994
<i>Business-type activities:</i>				
Program revenues:				
Charges for services	16,591,686	15,771,149	15,173,330	13,764,050
Operating grants and contributions	-	-	9,787	6,319
Capital grants and contributions	-	-	-	-
General revenues:				
Other revenues	1,044,293	784,207	701,197	344,748
Special item (1)	-	-	-	(1,697,694)
Total revenues - business-type activities	17,635,979	16,555,356	15,884,314	12,417,423
Total revenues - primary government	372,748,940	353,423,630	331,300,316	302,636,417

	2020	2019	2018	2017	2016	2015
	N/A	N/A	N/A	N/A	N/A	\$ 19,289,101
	N/A	N/A	N/A	N/A	N/A	9,178,467
	N/A	N/A	N/A	N/A	N/A	13,773,024
	N/A	N/A	N/A	N/A	N/A	2,486,556
\$	16,617,090	\$ 15,902,720	\$ 15,223,280	\$ 14,528,306	\$ 11,798,260	N/A
	20,030,815	15,382,288	16,685,804	17,268,682	22,439,461	N/A
	36,883,247	33,718,408	32,247,386	29,634,987	28,476,942	27,613,011
	48,406,126	44,580,536	43,371,252	45,058,561	45,512,630	38,142,905
	156,765,760	132,364,089	106,689,649	97,196,824	86,255,010	84,862,221
	19,391,577	19,455,503	12,733,446	14,579,007	11,344,246	N/A
	7,641,254	6,954,179	5,707,204	3,311,756	3,933,332	4,782,894
	<u>305,735,869</u>	<u>268,357,723</u>	<u>232,658,021</u>	<u>221,578,123</u>	<u>209,759,881</u>	<u>200,128,179</u>
	10,820,274	10,783,737	9,566,421	10,197,990	9,812,564	11,037,061
	3,105,279	3,739,404	3,608,084	3,354,734	3,420,624	3,215,365
	87,564	327,665	443,049	399,818	430,846	243,993
	<u>14,013,117</u>	<u>14,850,806</u>	<u>13,617,554</u>	<u>13,952,542</u>	<u>13,664,034</u>	<u>14,496,419</u>
	<u>319,748,986</u>	<u>283,208,529</u>	<u>246,275,575</u>	<u>235,530,665</u>	<u>223,423,915</u>	<u>214,624,598</u>
	15,099,534	15,827,035	15,719,203	16,424,044	15,778,566	15,698,925
	28,714,814	24,223,044	24,212,789	26,044,125	26,418,629	26,224,918
	1,256,036	1,157,514	1,620,344	1,000,233	1,059,278	1,112,971
	171,493,308	165,411,715	160,185,898	155,565,259	153,059,233	149,605,562
	33,073,561	33,541,804	32,377,997	29,522,796	27,712,231	26,378,822
	2,130,474	3,553,143	218,178	618,793	267,113	25,268
	<u>251,767,727</u>	<u>243,714,255</u>	<u>234,334,409</u>	<u>229,175,250</u>	<u>224,295,050</u>	<u>219,046,466</u>
	14,077,939	14,259,849	13,482,011	11,861,307	11,719,530	8,496,708
	3,681	30,570	200,448	-	-	1,192,897
	164,560	305,882	138,915	261,713	162,555	2,328
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>14,246,180</u>	<u>14,596,301</u>	<u>13,821,374</u>	<u>12,123,020</u>	<u>11,882,085</u>	<u>9,691,933</u>
	<u>266,013,907</u>	<u>258,310,556</u>	<u>248,155,783</u>	<u>241,298,270</u>	<u>236,177,135</u>	<u>228,738,399</u>

ORANGE COUNTY, NORTH CAROLINA

Changes in Net Position Last Ten Fiscal Years

	2024	2023	2022	(2) 2021
TRANSFERS				
Governmental activities	\$ 158,000	\$ -	\$ (790,000)	\$ 445,354
Business-type activities	(158,000)	-	790,000	(445,354)
NET CHANGE IN NET POSITION				
Governmental activities	(14,522,278)	15,451,640	21,219,902	(30,283,115)
Business-type activities	(638,779)	2,643,428	2,334,763	(2,454,830)
NET POSITION				
Beginning balances, as previously reported	(125,116,927)	(144,329,917)	(167,483,707)	(135,831,027)
Prior period adjustments	-	1,117,922	(403,875)	1,085,265
Beginning balances, as restated	(125,116,927)	(143,211,995)	(167,887,582)	(134,745,762)
Ending balances	\$ (140,277,984)	\$ (125,116,927)	\$ (144,332,917)	\$ (167,483,707)

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.

2020	2019	2018	2017	2016	2015
\$ (2,293)	\$ (126,510)	\$ (1,739,866)	\$ (1,568,349)	\$ (1,834,548)	\$ (2,376,743)
2,293	126,510	1,739,866	1,568,349	1,834,548	2,376,743
(53,970,435)	(24,769,978)	(63,478)	6,028,778	12,700,621	16,541,544
235,356	(127,995)	1,943,686	(261,173)	(415,014)	(2,427,743)
(82,095,948)	(57,197,975)	(4,372,786)	(8,966,153)	(24,736,234)	(34,249,723)
-	-	(54,705,397)	(1,174,238)	3,484,474	(4,600,312)
(82,095,948)	(57,197,975)	(59,078,183)	(10,140,391)	(21,251,760)	(38,850,035)
<u>\$ (135,831,027)</u>	<u>\$ (82,095,948)</u>	<u>\$ (57,197,975)</u>	<u>\$ (4,372,786)</u>	<u>\$ (8,966,153)</u>	<u>\$ (24,736,234)</u>

ORANGE COUNTY, NORTH CAROLINA

Fund Balances - Governmental Funds Last Ten Fiscal Years

	2024	2023	2022	2021
GENERAL FUND				
Non-spendable:				
Prepaid items	\$ -	\$ -	\$ -	\$ 579,291
Inventories	48,545	11,804	73,171	9,645
Other	5,545	34,817	5,543	10,818
Restricted for:				
Stabilization for State statute	27,100,798	21,845,304	20,244,134	14,858,782
Committed:				
Health Benefits	8,293,841	8,293,841	7,543,841	7,543,841
General services	-	-	-	-
Assigned:				
Subsequent year expenditures	7,100,000	7,000,000	14,608,880	14,757,382
Unassigned	39,779,351	43,222,499	38,870,823	38,357,267
Total General Fund	82,328,080	80,408,265	81,346,392	76,117,026
ALL OTHER GOVERNMENTAL FUNDS (1)				
Non-spendable:				
Notes receivable	99,148	166,141	1,250,517	1,332,130
Restricted for:				
Stabilization for State Statute	1,582,945	1,685,201	1,129,227	1,022,951
Education	-	25,532,325	28,765,551	16,587,053
Human services	7,372,202	4,174,296	2,688,612	2,224,961
Governing and management	N/A	N/A	N/A	N/A
Public safety	2,985,566	2,647,162	2,300,661	2,503,052
Community services	3,250,148	3,058,774	1,684,160	955,701
Community and environment				
Capital projects	42,963,675	51,970,719	56,911,631	27,099,316
Committed				
Human services	716,119	664,225	778,927	756,432
Education	870,316	3,236,244	4,099,582	2,933,874
Debt Service	3,263,435	6,746,061	-	-
Community services	-	-	-	-
Governing and management	N/A	N/A	N/A	N/A
Assigned:				
Human services	-	-	134,125	95,080
Community services				
Community and environment	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A
Education	-	-	-	-
Capital projects	878,362	2,038,746	-	134,023
Unassigned	(4,062,249)	(747,785)	(1,383,455)	(3,367,130)
Total All Other Government Funds	59,919,667	101,172,109	98,359,538	52,277,443
Total Government Funds	\$ 142,247,747	\$ 181,580,374	\$ 179,705,930	\$ 128,394,469

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

2020	2019	2018	2017	2016	2015
\$ 300,192	\$ 3,001	\$ 3,001	\$ 3,001	\$ 3,001	\$ -
9,645	12,428	16,973	7,329	13,668	20,306
136,000	136,000	136,000	136,000	-	-
16,205,850	15,007,391	12,576,115	10,739,850	12,151,274	11,255,821
7,543,841	7,543,841	7,543,841	7,543,841	7,543,841	
-	-	-	-	-	7,543,841
8,268,603	7,808,006	8,820,099	9,769,060	13,880,592	10,650,770
35,479,220	35,697,519	34,439,230	34,527,855	30,873,811	35,548,843
<u>67,943,351</u>	<u>66,208,186</u>	<u>63,535,259</u>	<u>62,726,936</u>	<u>64,466,187</u>	<u>65,019,581</u>
-	-	-	-	-	-
1,632,549	1,385,316	1,646,064	1,524,394	1,541,764	1,590,125
43,324,451	63,291,434	26,763,497	4,330,808	10,266,810	6,444,383
165,940	252,328	2,668,966	2,748,663	2,533,694	N/A
N/A	N/A	N/A	N/A	N/A	21,408,280
2,871,984	2,774,848	2,755,925	2,017,706	1,590,761	2,402,687
1,148,324	1,279,385	3,716,198	3,419,193	3,160,345	N/A
45,206,350	19,695,260	25,144,847	28,485,737	23,780,620	2,297,379
169,777	143,902	125,878	81,079	35,122	N/A
1,140,095	1,140,095	-	-	-	788,612
-	-	-	-	-	113,388
2,710,240	1,928,742	-	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A
3,396,354	2,724,748	166,439	141,597	228,063	N/A
44,724	50,448	64,006	62,771	67,294	N/A
N/A	N/A	N/A	N/A	N/A	1,363,560
N/A	N/A	N/A	N/A	N/A	72,133
-	-	-	-	-	4,341,861
134,004	4,569,498	148,396	146,913	146,144	-
(722,240)	-	-	-	-	(276,297)
<u>101,222,552</u>	<u>99,236,004</u>	<u>63,200,216</u>	<u>42,958,861</u>	<u>43,350,617</u>	<u>40,578,605</u>
<u>\$ 169,165,903</u>	<u>\$ 165,444,190</u>	<u>\$ 126,735,475</u>	<u>\$ 105,685,797</u>	<u>\$ 107,816,804</u>	<u>\$ 105,598,186</u>

ORANGE COUNTY, NORTH CAROLINA

Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	2024	2023	2022	(1) 2021
REVENUES				
Property taxes	\$ 231,107,018	\$ 221,545,909	\$ 213,925,307	\$ 201,160,334
Other taxes	50,997,895	51,254,512	43,075,944	36,530,714
Intergovernmental revenues	46,921,847	41,429,318	38,037,018	37,665,928
Charges for services	13,261,368	14,979,933	14,698,427	12,355,060
Investment earnings	6,445,674	5,032,160	231,204	292,024
Other revenues	7,230,641	3,027,909	5,094,731	2,685,552
Total revenues	355,964,443	337,269,741	315,062,631	290,689,612
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	21,960,386	19,395,402	16,244,058	14,049,012
General government	16,393,038	14,020,145	11,330,701	15,426,594
Public safety	50,943,554	42,262,631	36,226,038	39,118,307
Human services	58,939,310	55,255,877	53,559,345	55,152,414
Education	176,496,597	144,538,477	131,985,386	155,464,500
Support services	22,458,559	12,862,406	12,578,233	12,535,964
Capital outlay	23,243,440	18,063,762	14,940,246	26,148,205
Debt Service:				
Principal	31,966,108	31,869,264	32,887,437	23,777,135
Interest and other charges	10,446,980	10,764,716	11,401,340	12,092,055
Total expenditures	412,847,972	349,032,680	321,152,784	353,764,186
Excess (deficiency) of revenues over (under) expenditures	(56,883,529)	(11,762,939)	(6,090,153)	(63,074,574)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	11,330,000	15,865,109	56,474,149	22,525,555
Issuance of leases	8,454,537			
Premiums on long-term debt issued	736,050	-	1,621,526	3,472,402
Payments to escrow agent - refunding	-	-	-	(7,136,379)
Proceeds from sale of capital assets	55,720	564,499	95,939	1,422
Transfers from other funds	42,717,915	59,785,762	8,882,396	16,659,872
Transfers to other funds	(45,743,320)	(62,577,987)	(9,672,396)	(13,749,518)
Other financing sources (uses), net	17,550,902	13,637,383	57,401,614	21,773,354
Net change in fund balances	\$ (39,332,627)	\$ 1,874,444	\$ 51,311,461	\$ (41,301,220)
Debt service as a percentage of non-capital expenditures	10.27%	12.21%	14.32%	10.95%

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

2020	2019	2018	2017	2016	2015
\$ 171,125,831	\$ 165,291,673	\$ 160,164,100	\$ 155,630,633	\$ 153,539,268	\$ 150,938,119
33,073,561	33,541,804	31,012,534	29,522,796	27,712,231	26,378,822
28,132,049	25,116,465	25,618,064	26,454,930	27,002,678	27,337,889
12,335,681	12,946,473	12,974,619	12,015,197	10,787,145	12,620,908
2,103,470	3,553,143	1,392,733	618,793	267,113	25,155
3,596,504	3,144,655	2,974,653	5,013,275	5,412,883	4,653,526
<u>250,367,096</u>	<u>243,594,213</u>	<u>234,136,703</u>	<u>229,255,624</u>	<u>224,721,318</u>	<u>221,954,419</u>
N/A	N/A	N/A	N/A	N/A	13,050,437
N/A	N/A	N/A	N/A	N/A	8,823,950
N/A	N/A	N/A	N/A	N/A	13,612,192
N/A	N/A	N/A	N/A	N/A	2,647,079
15,585,690	15,298,049	14,659,707	14,186,060	11,980,673	N/A
10,170,359	9,898,414	9,692,463	8,209,934	9,369,732	N/A
34,041,147	31,710,007	30,746,216	29,093,813	28,396,838	26,634,573
45,950,432	43,665,611	43,022,683	44,427,224	46,194,177	37,584,165
151,003,467	127,320,635	98,899,949	97,196,824	86,255,010	78,548,393
15,178,951	12,626,572	12,974,342	13,929,639	11,661,104	N/A
24,745,320	14,141,956	12,375,007	5,538,992	7,580,903	13,030,640
22,239,544	21,929,818	21,164,194	19,830,716	20,049,781	19,344,248
10,024,425	9,300,600	7,373,100	6,854,627	6,867,259	8,369,842
<u>328,939,335</u>	<u>285,891,662</u>	<u>250,907,661</u>	<u>239,267,829</u>	<u>228,355,477</u>	<u>221,645,519</u>
<u>(78,572,239)</u>	<u>(42,297,449)</u>	<u>(16,770,958)</u>	<u>(10,012,205)</u>	<u>(3,634,159)</u>	<u>308,900</u>
88,616,970	77,160,000	62,125,757	9,354,561	6,655,158	33,084,778
7,291,635	6,586,231	7,865,143	-	-	-
(14,549,364)	-	(30,091,068)	-	-	(17,972,035)
27,004	12,963	190,910	95,016	32,167	-
17,613,046	5,964,008	8,228,700	9,706,368	8,280,750	6,756,556
(16,705,339)	(8,717,038)	(10,498,836)	(11,274,717)	(10,115,298)	(9,133,299)
<u>82,293,952</u>	<u>81,006,164</u>	<u>37,820,606</u>	<u>7,881,228</u>	<u>4,852,777</u>	<u>12,736,000</u>
<u>\$ 3,721,713</u>	<u>\$ 38,708,715</u>	<u>\$ 21,049,648</u>	<u>\$ (2,130,977)</u>	<u>\$ 1,218,618</u>	<u>\$ 13,044,900</u>
<u>10.41%</u>	<u>11.28%</u>	<u>11.52%</u>	<u>11.33%</u>	<u>11.79%</u>	<u>12.70%</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
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
2022	19,776,883,656	1,884,947,740	364,879,155	82,177,022
2023	20,915,506,497	1,504,996,150	386,793,191	81,256,223
2024	20,399,712,524	2,208,133,210	411,484,411	84,064,353

Notes to the Schedule:

Source: Annual County Report of Valuation and Property Tax Levies

The 2022 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
\$ 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%
21,944,533,529	0.8187	22,233,569,938	98.70%
22,807,295,838	0.8312	27,823,954,908	81.97%
23,019,330,145	0.8353	31,984,397,417	69.47%

ORANGE COUNTY, NORTH CAROLINA

Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County Direct Rates				
Orange County (1)	\$ 0.08353	\$ 0.083120	\$ 0.081870	\$ 0.086790
Total general direct rate	<u>0.08353</u>	<u>0.083120</u>	<u>0.081870</u>	<u>0.086790</u>
Fire Districts (2)	0.13038	0.094121	0.088733	0.091666
Total direct rate	<u>\$ 0.21391</u>	<u>\$ 0.177241</u>	<u>\$ 0.170603</u>	<u>\$ 0.178456</u>
Chapel Hill-Carrboro School District	0.1980	0.1830	0.1830	0.2018
Municipality rates:				
Chapel Hill	0.5720	0.5220	0.5140	0.5440
Carrboro	0.6044	0.6044	0.6044	0.5944
Hillsborough	0.5870	0.5870	0.5870	0.6200
Mebane	0.3700	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

2020	2019	2018	2017	2016	2015
\$ 0.086790	\$ 0.085040	\$ 0.083770	\$ 0.087800	\$ 0.087800	\$ 0.087800
0.086790	0.085040	0.083770	0.087800	0.087800	0.087800
0.090828	0.087540	0.071220	0.060300	0.062300	0.059900
<u>\$ 0.177618</u>	<u>\$ 0.172580</u>	<u>\$ 0.154990</u>	<u>\$ 0.148100</u>	<u>\$ 0.150100</u>	<u>\$ 0.147700</u>
0.2018	0.2018	0.2018	0.2084	0.2084	0.2084
0.5440	0.5280	0.5080	0.5240	0.5240	0.5240
0.5944	0.5944	0.5894	0.5894	0.5894	0.5894
0.6200	0.6200	0.6200	0.6800	0.6800	0.6800
0.4700	0.4700	0.4700	0.4900	0.4900	0.4900

ORANGE COUNTY, NORTH CAROLINA

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	Type of Business	2024		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Carolinas LLC	Public Utility	\$ 205,307,515	1	0.89%
Chapel Hill Foundation Real Estate Holdings Inc	Apartment/Retail	112,650,500	2	0.49%
Mre Propco LP	Industrial	85,057,500	3	0.37%
BIR Chapel Hill LLC	Apartment/Retail	80,124,700	4	0.35%
NR Edge Apartments Property	Apartment/Retail	78,271,000	5	0.34%
Piedmont Electric Member Corp	Public Utility	72,291,142	6	0.31%
Townhouse Apartments LLC	Apartment Rental	70,175,272	7	0.30%
Northwestern Mutual Life Insurance Co	Apartment Rental	68,815,625	8	0.30%
Industrial Connections \$ Solutions LLC	Office/Industrial	61,787,188	9	0.27%
State Employees Credit Union	Bank/Financial	59,181,834	10	0.26%
Corium LLC	Insurance Provider			
East 54 Office Retail LLC	Office/Retail			
Madison University Mall Properties	Retail			
ACC GF III Chapel Ridge/Chapel View LLC	Apartment Rental			
Europa Center LLC	Hotel			
Granville Towers LLC	Apartments Rental			
SMA Greenbridge Development, LLC	Residential Condos			
Total		\$ 893,662,276		3.89%

2015		
Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$ 110,846,022	1	0.67%
55,630,473	2	0.33%
38,627,273	3	0.23%
36,433,531	4	0.22%
35,239,900	5	0.21%
35,174,472	6	0.21%
34,214,712	7	0.21%
27,816,248	8	0.17%
27,414,585	9	0.16%
27,371,000	10	0.16%
\$ 428,768,216		2.57%

ORANGE COUNTY, NORTH CAROLINA

Property Tax Levies and Collections Last Ten Fiscal Years

<u>Tax Year</u>	<u>Year Ended June 30</u>	<u>(1) Current Adjusted Tax Levy</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>
			<u>Amount</u>	<u>% Collected</u>	
2015	2016	\$ 146,967,477	\$ 145,747,667	99.17%	\$ 1,112,989
2016	2017	149,566,210	148,358,015	99.19%	1,044,531
2017	2018	153,783,722	152,424,863	99.12%	1,115,172
2018	2019	159,101,577	157,743,510	99.14%	967,983
2019	2020	164,884,700	163,403,993	99.10%	805,605
2020	2021	168,893,588	167,481,534	99.16%	853,760
2021	2022	179,742,965	178,314,181	99.21%	952,893
2022	2023	186,464,351	185,261,931	99.36%	-
2023	2024	192,242,699	191,110,361	99.41%	-

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.

(5) - Act. 110022 & 110023

Table 8

Total Collections to Date		(2) Delinquent Taxes Receivable	(3) % of Receivable to Adjusted Tax Levy
Amount	% Collected		
\$ 146,860,656	99.93%	\$ 106,821	0.07%
149,402,546	99.89%	163,664	0.11%
153,540,035	99.84%	243,687	0.16%
158,711,493	99.75%	390,084	0.25%
164,209,598	99.59%	675,102	0.41%
168,335,294	99.67%	558,294	0.33%
178,314,181	99.21%	475,891	0.26%
185,261,931	99.36%	1,202,420 (5)	0.64%
191,110,361	99.41%	1,132,338	0.59%

ORANGE COUNTY, NORTH CAROLINA

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Installment Loans	Leases and SBITAs	State Revolving Loans	Premiums
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
2022	128,250,000	182,965,072	9,311,654	-	24,760,930
2023	116,815,000	181,052,504	6,654,903	-	22,304,552
2024	107,345,000	173,976,036	11,019,801	-	21,234,451

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	Premiums	Total Outstanding Debt	Debt Per Capita	Estimated Actual Market Values	(2) Personal Income
\$ 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	1,003,026	321,340,347	2,161	1.47%	3.22%
11,209,480	942,737	357,439,873	2,399	1.61%	3.58%
9,738,829	821,910	337,387,698	2,242	1.21%	3.02%
9,020,236	798,643	323,394,167	2,147	1.01%	2.60%

ORANGE COUNTY, NORTH CAROLINA

Ratios of Net General Debt Outstanding Last Ten Fiscal Years

Fiscal Year	General Debt Outstanding			
	General	Installment	State	Premiums
	Obligation Bonds	Loans	Revolving loan	
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	-	25,940,760
2022	128,250,000	194,174,552	-	25,940,760
2023	116,815,000	180,404,555	-	22,304,553
2024	107,345,000	173,976,036	-	21,234,451

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.

K23/T5_TAXIL22

	Percentage of		
	(1) Personal Income	(2) Net Assessed Property Value	(1) Debt Per Capita
\$ 207,784,411	2.75%	1.26%	\$ 1,467
190,805,417	2.44%	1.14%	1,347
178,156,937	2.01%	1.05%	1,244
198,045,600	2.23%	1.08%	1,377
256,659,923	2.64%	1.37%	1,778
312,981,718	3.18%	1.65%	2,136
310,244,578	3.11%	1.60%	2,086
348,365,312	3.48%	1.59%	2,338
319,524,108	2.86%	1.40%	2,123
302,555,487	2.44%	1.31%	2,009

ORANGE COUNTY, NORTH CAROLINA

Legal Debt Margin Information Last Ten Fiscal Years

	2024	2023	2022	2021
Assessed value of property	\$ 23,019,330,145	\$ 22,421,502,597	\$ 21,944,533,529	\$ 19,449,954,413
Debt limit (1)	\$ 1,841,546,412	\$ 1,793,720,208	\$ 1,755,562,682	\$ 1,555,996,353
Amount of debt applicable to limit:				
Gross debt	290,340,353	297,219,555	311,215,072	295,399,529
Legal debt margin	\$ 1,551,206,059	\$ 1,496,500,653	\$ 1,444,347,610	\$ 1,260,596,824
Total net debt applicable to limit as a percentage of debt limit	15.77%	16.57%	17.73%	18.98%

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

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>\$ 18,956,491,582</u>	<u>\$ 18,681,613,587</u>	<u>\$ 18,330,900,870</u>	<u>\$ 17,024,519,084</u>	<u>\$ 16,778,182,392</u>	<u>\$ 16,501,943,134</u>
\$ 1,516,519,327	\$ 1,494,529,087	\$ 1,466,472,070	\$ 1,361,961,527	\$ 1,342,254,591	\$ 1,320,155,451
<u>292,048,590</u>	<u>240,226,492</u>	<u>184,996,310</u>	<u>170,774,092</u>	<u>180,809,567</u>	<u>193,665,654</u>
<u>\$ 1,224,470,737</u>	<u>\$ 1,254,302,595</u>	<u>\$ 1,281,475,760</u>	<u>\$ 1,191,187,435</u>	<u>\$ 1,161,445,024</u>	<u>\$ 1,126,489,797</u>
<u>19.26%</u>	<u>16.07%</u>	<u>12.62%</u>	<u>12.54%</u>	<u>13.47%</u>	<u>14.67%</u>

ORANGE COUNTY, NORTH CAROLINA

Direct and Overlapping Debt - Governmental Activities June 30, 2024

<u>Governmental Unit</u>	<u>General Obligation Debt Outstanding</u>	<u>(1) Percentage Municipality in County</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Municipalities:			
Town of Carrboro	\$ 16,395,172 (2)	100%	\$ 16,395,172
Town of Chapel Hill	111,913,121	100%	111,913,121
Town of Hillsborough	2,696,164	100%	2,696,164
City of Durham	329,983,005	3%	9,899,490
Town of Mebane	<u>7,520,120</u>	30%	<u>2,256,036</u>
Overlapping debt	468,507,582		143,159,983
Orange County Direct debt	<u>311,215,072</u>		<u>311,215,072</u>
Total direct and overlapping debt	<u><u>\$ 779,722,654</u></u>		<u><u>\$ 454,375,055</u></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.

(2) Outstanding debt information is only available as of June 30, 2023.

ORANGE COUNTY, NORTH CAROLINA

Demographic and Economic Statistics Last Ten Fiscal Years

Year	(1) Population	(2) Personal Income (Thousands)	(2) Per Capita Income	(6) Median Age	(3) Public Schools Enrollment	(4) Unemployment Rate	(5) Building Permits Issued
2015	141,596	\$ 7,557,466	\$ 52,339	34.57	20,202	4.8%	1,852
2016	141,704	7,822,229	55,201	35.05	20,040	4.4%	3,026
2017	143,264	8,884,312	62,014	35.05	19,959	4.6%	1,793
2018	143,873	8,884,312	61,751	33.60	20,232	3.5%	2,937
2019	144,372	9,728,507	67,385	33.60	20,398	4.0%	2,087
2020	146,521	9,840,004	67,158	34.70	20,408	5.4%	4,853
2021	148,696	9,975,866	67,089	34.90	19,491	5.5%	4,085
2022	149,013	9,997,133	67,089	35.10	20,461	3.5%	4,838
2023	150,477	11,165,424	74,994	35.10 (6)	19,256	3.2%	5,082
2024	150,626	12,424,716	82,487	36.70	18,769	3.5%	5,105

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.
- (6) - Statistic did not change in FY23

ORANGE COUNTY, NORTH CAROLINA

Principal Employers Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment
UNC Health Care	14,316	1	28.47%	N/A	N/A	N/A
UNC Chapel Hill	13,938	2	27.72%	17,819	1	25.61%
Chapel Hill-Carrboro City Schools	1,900	3	3.78%	2,043	3	2.94%
Orange County Government	1,414	4	2.81%	894	5	1.28%
Orange County Schools	1,143	5	2.27%	1,270	4	1.83%
Industrial Connections & Solutions ABB (formerly G.E.)	750	6	1.49%	620	8	89.00%
Town of Chapel Hill	737	7	1.47%	714	6	1.03%
Wegmans	387	8	0.77%	N/A	N/A	N/A
Armacell	365	9	0.73%	N/A	N/A	N/A
AKG of America	351	10	0.70%	N/A	N/A	N/A
UNC Hospitals	N/A	N/A	N/A	10,262	2	14.75%
Aramack Services	N/A	N/A	N/A	404	10	0.58%
Sports Endeavors, Inc.	N/A	N/A	N/A	439	9	0.63%
Blue Cross Blue Shield of NC	N/A	N/A	N/A	698	7	1.00%

Notes to the Schedule:

Source: Orange County Economic Development Commission, Employment Security Commission

*Total Employment based on 2022 census value of 50,289 - <https://www.census.gov/quickfacts/orangecountynorthcarolina>

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

Source: Orange County Economic Development Commission, Employment Security Commission

*Total Employment based on 2020 census value of 49,105 - <https://www.census.gov/quickfacts/orangecountynorthcarolina>

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	2024	2023	2022	2021	2020
Government and management	N/A	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A	N/A
Community and environment	N/A	N/A	N/A	N/A	N/A
Human services	N/A	N/A	N/A	N/A	N/A
Public safety	N/A	N/A	N/A	N/A	N/A
Cultural and recreational	N/A	N/A	N/A	N/A	N/A
Solid Waste Enterprise	N/A	N/A	N/A	N/A	N/A
Community Services	132.00	146.75	141.00	141.00	161.40
General Government	87.20	81.63	78.66	76.63	104.43
Human Services	357.00	409.21	379.61	380.11	358.01
Support Services	68.40	74.70	74.70	74.70	73.90
Public Safety	300.20	346.50	304.50	303.50	288.60
Solid Waste	62.20	66.68	62.43	62.43	65.48
Total Full-Time Equivalents	<u>1,007.00</u>	<u>1,125.46</u>	<u>1,040.89</u>	<u>1,038.36</u>	<u>1,051.82</u>

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.

2019	2018	2017	2016	2015
N/A	N/A	N/A	N/A	101.75
N/A	N/A	N/A	N/A	86.03
N/A	N/A	N/A	N/A	95.20
N/A	N/A	N/A	N/A	297.86
N/A	N/A	N/A	N/A	265.28
N/A	N/A	N/A	N/A	29.53
N/A	N/A	N/A	N/A	62.28
161.40	153.20	145.00	132.80	N/A
104.43	93.23	98.83	100.43	N/A
358.01	364.60	356.23	341.76	N/A
73.90	75.90	77.10	74.30	N/A
288.60	236.10	285.98	269.58	N/A
65.48	64.75	65.85	62.65	N/A
<u>1,051.82</u>	<u>987.78</u>	<u>1,028.99</u>	<u>981.52</u>	<u>937.93</u>

ORANGE COUNTY, NORTH CAROLINA

Operating Indicators by Function Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
Governing and Management:				
Number of animals sheltered	2,860	2,344	2,136	2,113
Number of rabies investigations	100	101	117	77
Employment applications received	6,285	4,974	5,037	4,234
General Services:				
Incoming Calls to Technology Help Desk	9031	9,670	12,021	10,159
Real Estate documents processed	5,287	17,363	23,644	27,110
Vital records recorded and issued	10,261	27,860	25,470	21,502
Community and Environment:				
Building permits issued	720	800	981	1,055
Building, plumbing, mechanical, and electrical inspections completed	9,810	12,646	16,450	13,807
Human Services:				
Households receiving food stamps	5,162	5,933	6,344	6,140
Individuals receiving food stamps	9,580	10,925	11,823	11,058
Number of Medicaid cases	20,435	21,939	19,130	
Number of families receiving daycare subsidies	572	616	625	715
Total number of dental patient visits	5003	3,804	6,002	4,445
Family planning clients served	579	560	522	792
Public Safety:				
Requests for EMS service	24,750	26,064	25,926	21,348
Number of fire inspections	1,086	899	1,215	1,181
Average number of non-federal inmates per month	79	N/A	49	37
Culture and Recreation:				
Library materials circulated at the Orange County Library	428,158	378,025	399,680	195,771
Number of reference volumes at the Orange County Library	2,145	2,128	2,127	2,102
Education:				
Average daily membership (NCDPI planning numbers)	19,077	19,465	20,461	19,491
County current expense appropriation per pupil (\$)	5,396	4,808	4,367	4,365

Notes to the Schedule:

Source: Orange County Finance and Administrative Services Department

2020	2019	2018	2017	2016	2015
2,051	3,058	2,966	2,934	3,162	3,246
90	112	121	72	86	232
5,310	6,793	6,453	7,519	8,891	6,703
9,901	10,351	10,842	10,696	12,416	11,825
20,138	16,357	18,740	20,558	19,969	19,214
22,255	2,339	20,945	22,164	20,297	18,909
937	1,045	986	891	890	815
16,149	17,443	18,477	16,616	17,000	14,900
N/A	N/A	N/A	N/A	N/A	N/A
14,459	14,478	9,880	11,492	10,640	11,793
13,597	12,033	13,066	12,867	12,496	12,960
667	792	721	750	710	685
6,927	7,215	6,840	6,924	6,949	6,131
646	772	829	1,026	1,032	1,812
19,144	18,306	17,227	16,908	16,607	13,810
1,147	511	350	366	308	400
57	75	75	76	76	173
353,766	434,993	463,348	427,632	450,372	442,367
2,131	2,725	2,813	2,672	2,897	2,240
20,409	20,398	20,232	19,959	20,040	20,202
4,352	4,165	3,991	3,868	3,698	3,571

ORANGE COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	2024	2023	2022	2021
Human Services:				
Public health occupied square footage	31,433	31,433	31,433	31,433
Social services occupied square footage	47,232	47,232	47,232	47,232
Cooperative extension occupied square footage	2,057	2,057	2,057	2,057
Number of centers	15	15	15	15
Public Safety:				
Number of law enforcement vehicles	133	133	147	153
Number of emergency services vehicles	40	38	40	45
Number of animal control vehicles	7	7	8	8
Detention capacity	140	140	140	129
Cultural and Recreational:				
Libraries - branches	2	2	2	2
Volume of library books	110,155	107,691	108,375	107,556
Education:				
Number of schools	33	33	33	33

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

COMPLIANCE SECTION

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Members of the Board of Commissioners Orange County, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the 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, 2024, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated February 5, 2025. Our report includes a reference to other auditors who audited the financial statements of the Orange County ABC Board, as described in our report on Orange County’s financial statements. The financial statements of the Orange County ABC Board were not audited in accordance with *Government Auditing Standards* and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the ABC Board or that are reported on separately by those auditors who audited the financial statements of the ABC Board.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

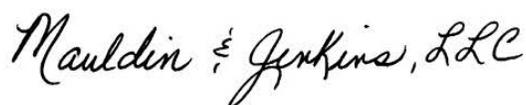
As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*, and which is described in the accompanying schedule of findings and questioned costs as item 2024-004.

Orange County, North Carolina's Responses to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Raleigh, North Carolina
February 5, 2025

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act

**To the Members of the Board of Commissioners
Orange County, North Carolina**

Report on Compliance for the Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Orange County, North Carolina's** (the "County") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2024. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Government Auditing Standards requires the auditor to perform limited procedures in the County's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-005. Our opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-005 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
February 5, 2025

Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control over Compliance in Accordance with Applicable Sections of the OMB Uniform Guidance and the State Single Audit Implementation Act

**To Members of the Board of Commissioners
Orange County, North Carolina**

Opinion on Each Major State Program

We have audited **Orange County, North Carolina's** (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2024. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major state program for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County's state programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined below. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Raleigh, North Carolina
February 5, 2025

Mauldin & Jenkins, LLC

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Program Title	State/Pass-through Grantor's Number	Federal Assistance Listing Number	Federal Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipient
Federal Awards:						
U. S. Department of Agriculture:						
<u>Direct Programs:</u>						
<u>Natural Resources Conservation Service:</u>						
Soil And Water Conservation	None	10.902	\$ 28,651	\$ -	\$ -	\$ -
<u>Division of Social Services:</u>						
<u>Supplemental Nutrition Assistance Program Cluster:</u>						
SNAP Administration	DSSR016-076	10.561	1,726,704	-	1,726,703	-
SNAP Fraud Administration	DSSR016-076	10.561	60,820	-	60,820	-
SNAP E&T and Dependent Care	DSSR016-076	10.561	429,294	-	429,294	-
COVID-19 FNS ARPA FUNDS	DSSR016-076	10.561	25,710	-	-	-
Total Supplemental Nutrition Assistance Program Cluster			2,242,528	-	2,216,817	-
Total U. S. Department of Agriculture			2,271,179	-	2,216,817	-
Institute of Museum and Library Services:						
<u>Passed-Through State Library of NC</u>						
Library Services & Technology Act (LSTA)	None	45.310	1,013	-	-	-
Total Institute of Museum and Library Services			1,013	-	-	-
U. S. Department of Housing and Urban Development:						
<u>Direct Programs:</u>						
<u>Office of Fair Housing and Equal Opportunity</u>						
Cooperative Fair Housing Assistance Program	None	14.401	22,784	-	32,555	-
<u>Office of Community Planning and Development:</u>						
Emergency Solutions Grant Program	None	14.231	89,688	-	10,275	-
Home Investment Partnership Program	None	14.239	53,277	-	-	-
Continuum of Care Program: Rapid Rehousing	None	14.267	170,978	-	22,495	-
Continuum of Care Program: Planning	None	14.267	23,526	-	-	-
Continuum of Care Program	None	14.267	164,878	-	-	-
<u>Housing Voucher Cluster:</u>						
Housing Choice Vouchers	NC104	14.871	7,148,994	-	-	-
Total Housing Voucher Cluster			7,148,994	-	-	-
Total U. S. Department of Housing and Urban Development			7,674,125	-	65,325	-
U. S. Department of Justice:						
<u>Workforce Innovation and Opportunity Act:</u>						
Workforce Innovation and Opportunity Act (WIOA)	None	17.259	160,989	-	-	-
Total Workforce Investment Act Cluster			160,989	-	-	-
Total U. S. Department of Justice			160,989	-	-	-
U. S. Department of Transportation:						
<u>Direct Programs:</u>						
<u>Federal Transit Administration</u>						
Passed-through NC Department of Transportation						
Grants for Buses and Bus Facilities Program (5339(b))	22-39-056	20.526	691,638	-	-	-
State and Community Highway Safety	PT-23-06-05	20.600	14,700	-	-	-
Formula Grants for Rural Areas and Tribal Transit Program	24-RO-056		-	100,633	-	-
Formula Grants for Rural Areas and Tribal Transit Program	23/24-CT-056	20.509	198,035	12,377	-	-
Enhanced Mobility of Seniors and Individuals with Disabilities	None	20.513	122,460	-	-	-
Total U. S. Department of Transportation			1,026,833	113,010	-	-
U. S. Department of Health and Human Services:						
<u>Passed-through N. C. Department of Health and Human Services Regional Office</u>						
<u>Administration for Community Living:</u>						
Special Programs for the Aging - Title III, Part D - Disease	DAAS 19-09	93.043	7,547	444	888	-
National Family Caregiver Support, Title III, Part E	DAAS 12-07	93.052	61,350	4,090	-	-
COVID-19 National Family Caregiver Support, Title III, Part E - ARPA	DAAS 12-07	93.052	20,090	6,697	-	-
<u>Aging Cluster:</u>						
Nutrition Services Incentive Program	DAAS-734	93.053	14,350	-	-	-
MIPPA	None	93.071	4,318	-	-	-
HCCBG - Access In Home Support Services	DAAS-732	93.044	201,280	75,853	31,984	-
COVID-19 ARPA - Supportive Services	DAAS-732	93.044	5,635	994	-	-
HCCBG - In Home Support	DAAS-735	93.044	-	251,651	27,961	-
HCCBG - Congregate Meals	DAAS 19-09	93.045	142,156	8,362	16,724	-
COVID-19 ARPA - Home Delivered Meals	DAAS 19-09	93.045	71,592	12,634	-	-
Total Aging Cluster			528,318	360,725	77,557	-
<u>Centers for Medicare and Medicaid Services</u>						
<u>Passed-through NC Department of Health and Human Services</u>						
<u>Division of Medical Assistance:</u>						
<u>Medicaid Cluster:</u>						
Adult Care Home Case Management	DSSR016-076	93.778	33,429	10,698	22,730	-
MAC	DSSR016-076	93.778	58,184	-	58,183	-
Medical Assistance - Administration	DSSR016-076	93.778	3,039,279	83,039	1,250,132	-
State County Special Assistance	DSSR016-076	93.778	14,653	-	6,252	-
Medical Transport Admin	DSSR016-076	93.778	1,780	-	1,780	-
Total Medicaid Cluster			3,147,325	93,737	1,339,077	-
<u>Division of Public Health:</u>						
Public Health Emergency Preparedness	2B32680 20G0054001	93.069	34,966	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	2B1883A 20G0065001	93.116	50	-	-	-
Immunization Cooperation Agreements	2B0631E 20G0093002	93.268	24,370	-	-	-
Refugee and Entrant Assistance Targeted Assistance Grants	2B08100 20G0122001	93.566	3,540	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	2B1906A 20G0100005	93.323	635,294	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	2B03100 20G0167001	93.898	11,800	-	-	-
Public Health Infrastructure- Local Workforce Development	2B05GLH8 20G0216001	93.967	20,009	-	-	-
HIV Prevention Activities Health Department Based	2B26021 20G0079004	93.940	31,000	-	-	-
Family Planning Services	2B25900 20G0079002	93.217	90,198	-	-	-
Maternal and Child Health Services Block Grant	2D05318 20G0185002	93.994	113,789	12,804	-	-
Maternal and Child Health Federal Consolidated Programs	2B15880 20G0063001	93.110	3,999	-	-	-
Preventive Health and Health Services Block Grant	2B04536 20G0184002	93.991	30,431	-	-	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	2B04631 20G0182001	93.977	100	-	-	-
Total Division of Public Health			999,546	12,804	-	-

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Program Title	State/Pass-through Grantor's Number	Federal Assistance Listing Number	Federal Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipient
Federal Awards (Continued):						
U. S. Department of Health and Human Services (Continued):						
Passed-through N. C. Department of Health and Human Services Regional Office						
Administration of Children and Families						
<u>Division of Social Services:</u>						
Child Care Development Fund-Administration	DSSR016-076	93.596	\$ 276,021	\$ -	\$ -	\$ -
<u>Social Services Block Grant</u>						
Social Services Block Grant - Other Service and Training	DSSR016-076	93.667	279,957	-	93,319	-
Social Services Block Grant - In Home Services	DSSR016-076	93.667	88,487	-	12,641	-
Social Services Block Grant - In Home Services over 60	DSSR016-076	93.667	27,422	-	3,917	-
Social Services Block Grant - Adult Protective Services	DSSR016-076	93.667	5,875	-	-	-
Social Services Block Grant - Adult Daycare over 60	DSSR016-076	93.667	908	29,045	4,279	-
COVID-19 APS ESSENT SVC/APS ARPA S	DSSR016-076	93.667	30	2,420	-	-
CPS TANF to SSBG	2301NCSOSR	93.667	70,924	-	-	-
Total Social Services Block Grant			749,624	31,465	114,156	-
<u>Temporary Assistance for Needy Families Cluster:</u>						
<u>Administration:</u>						
TANF- Work First Admin	DSSR016-076	93.558	140,795	-	227,838	-
TANF- Work First Service	DSSR016-076	93.558	864,362	-	1,379,150	-
Temporary Assistance for Needy Families	AA 1332-5150-T2, AA 13A1-	93.558	10,014	-	-	-
Total Temporary Assistance for Needy Families Cluster			1,015,171	-	1,606,988	-
<u>Foster Care and Adoption Cluster (Note 4):</u>						
<u>Administration:</u>						
IV-E CPS	DSSR016-076	93.658	97,386	97,385	-	-
IV-E Foster Care	DSSR016-076	93.658	1,161,535	-	838,268	-
IV-E Foster Care - Benefit Payments	DSSR016-076	93.658	227,573	65,077	-	-
Pre Training CWS	DSSR016-076	93.658	13,463	-	4,598	-
IV-E Adoption /Off Trn	DSSR016-076	93.659	16,826	-	16,826	-
IV-E Optional Adoption Trn 5	DSSR016-076	93.659	10,938	-	10,938	-
Total Foster Care and Adoption Cluster			1,527,721	162,462	870,630	-
Child Support Enforcement	DSSR016-076	93.563	1,480,632	(603)	763,353	-
Family Preservation	DSSR016-076	93.556	28,930	-	-	-
Refugee Assistance Admin	DSSR016-076	93.566	477	-	-	-
Refugee and Entrant Assistance - Cash and Medical Payments	DSSR016-076	93.566	9,453	-	-	-
Low Income Home Energy Administration	DSSR016-076	93.568	89,104	-	-	-
Low Income Home Energy Assistance	DSSR016-076	93.568	15,197	-	-	-
Permanency Planning - Service & Admin	DSSR016-076	93.645	57,130	16	-	-
Independent Living - LINKS	DSSR016-076	93.674	21,743	5,149	-	-
Children's Health Insurance Program - NC Health Choice	DSSR016-076	93.767	381,731	5,742	110,019	-
Total Division of Social Services			2,084,397	10,304	873,372	-
Passed-through NC Integrated Care for Kids						
Integrated Care for Kids Model	None	93.378	108,179	-	-	-
Total U.S. Department of Health and Human Services			10,160,281	671,497	4,881,780	-
U. S. Department of Homeland Security:						
Passed-through N. C. Department of Public Safety						
Division of Emergency Management						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	4487	97.036	195,225	-	-	-
Emergency Management Performance Grant	None	97.042	3,283	-	-	-
Total U.S. Department of Homeland Security			198,508	-	-	-
U. S. Department of Treasury:						
Direct Awards:						
COVID-19 Coronavirus State and Local Fiscal recovery Funds	SLT-3458-P&E	21.027	8,134,844	-	-	-
Passed through N.C. Arts Commission	94534	21.027	-	70,002	-	-
Passed through Guilford County	AA 621	21.027	43,998	-	-	-
Lead & Asbestos- Remediation of Lead Paint and Asbestos in Schools & Childcare Facilities	2B0SFLA 200TT00000,	21.027	-	4,528	-	-
Total U.S. Department of Treasury			8,178,842	74,530	-	-
Total Federal awards			29,671,770	859,037	7,163,922	-
State Awards:						
N. C. Department of Health and Human Services:						
<u>Division of Social Services:</u>						
<u>Administration:</u>						
State Child Welfare /CPS/CSLD			-	204,654	-	-
Smart Start			-	23,545	-	-
<u>Direct Benefit Payments:</u>						
F/C at risk maximization			-	2,385	918	-
Extended FC/Max Non IV-E			-	3,213	-	-
Foster Care Kinship			-	1,606	1,606	-
SFHF Maximization			-	27,180	-	-
State Foster Care			-	63,678	65,442	-
Work First Non Reimbursable			-	-	1,207,764	-
Links/Chafee/Non reimbursable links			-	-	3,609	-
County Funded Programs			-	-	5,397,613	-
Non Allocated County Cost			-	-	424,691	-
Total Division of Social Services			-	326,261	7,101,643	-

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/Program Title	State/Pass-through Grantor's Number	Federal Assistance Listing Number	Federal Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipient
State Awards (Continued):						
<u>N. C. Department of Health and Human Services (Continued):</u>						
<u>Division of Mental Health:</u>						
Police and Mental Health Collaborations for Diversion Program		Contract #45257	\$ -	\$ 364,688	\$ 4,981	\$ -
<u>Passed-through N. C. Department of Health and Human Services Regional Office</u>						
State Appropriation - Fans			-	2,650	-	-
State Appropriation - Senior Center-GP			-	16,640	5,547	-
Total N.C. Department of Health and Human Services Regional Office			-	19,290	5,547	-
<u>Division of Public Health:</u>						
<u>Other Receipts/State Supported Expenditures</u>						
Food and Lodging Fees			-	52,705	-	-
General Communicable Disease Control			-	3,708	-	-
Communicable Disease Pandemic Recovery			-	172,530	-	-
Aid-to-Counties (PH Capacity Building)			-	105,921	-	-
Breast and Cervical Cancer Program			-	6,425	-	-
Healthy Community Activities			-	3,747	-	-
Family Planning - State			-	57,534	-	-
Maternal Health - State			-	24,955	-	-
Minority Diabetes Prevention Program - State			-	18,638	-	-
Women's Health Service Fund			-	16,122	-	-
HIV/STD State			-	3,444	-	-
TPPI-Adolescent Parenting Program			-	65,641	-	-
Tuberculosis Control			-	14,771	-	-
Total Division of Public Health			-	546,141	-	-
Total N. C. Department of Health and Human Services			-	1,256,380	7,112,171	-
<u>N.C. Department of Transportation:</u>						
Rural Operating Assistance Program	DOT-16CL		-	229,770	-	-
DIV 7 Orange Efland VFD Station 3	DOT-18		-	25,000	-	-
Total N. C. Department of Natural and Cultural Resources			-	254,770	-	-
<u>N. C. Department of Natural and Cultural Resources:</u>						
State Arts Grant			-	95,760	-	-
<u>Division of State Library:</u>						
State Aid to Public Libraries			-	133,302	-	-
Total N. C. Department of Natural and Cultural Resources			-	229,062	-	-
<u>N. C. Department of Public Safety</u>						
Juvenile Crime Prevention Council			-	359,096	-	348,814
Local Reentry Council Grant	GS143B-604		-	160,978	-	-
Hazardous Material Emergency Preparedness			-	52,631	-	-
Safe Roads Act	SL1983-435		-	1,818	-	-
Total N. C. Department of Crime Control and Public Safety			-	574,523	-	348,814
<u>N. C. Housing Trust Fund</u>						
<u>Passed-through North Carolina Housing Finance Agency</u>						
Urgent Repair Grant			-	190,525	-	-
Single Family Housing Rehabilitation			-	253,902	-	-
Total N.C. Housing Trust Fund			-	444,427	-	-
<u>N. C. Department of Commerce</u>						
Building Reuse Grant			-	500,000	-	-
<u>N. C. Department of Public Instruction:</u>						
Public School Capital Building Fund - Lottery Proceeds			-	1,576,000	-	-
<u>N.C. Department of Insurance</u>						
SHIIP Funds			-	14,936	-	-
Total State awards			-	4,850,098	7,112,171	348,814
<u>Other Financial Assistance:</u>						
NC Department of Justice Opioid Settlement Fund (Note7)			-	376,438	-	-
Total Federal and State Awards			\$ 29,671,770	\$ 6,085,573	\$ 14,276,093	\$ 348,814

ORANGE COUNTY, NORTH CAROLINA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Orange County, North Carolina (the "County") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) *Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements* (Uniform Guidance) for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position or cash flows of the County. Direct benefit payments are paid directly to recipients and are not included in the County's basic financial statements.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has elected not to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Indirect Cost Rate

The County has elected not to use the 10 percent de Minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4: Cluster of Programs

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care, Foster Care and Adoption, and Aging.

Note 5: Benefit Payments Issued by the State

The amount listed below were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures to the County.

	AL#	Federal	State
AFDC Payments and Penalties	93.560	\$ (65)	\$ (18.00)
Adoption Assistance	93.659	995,984	234,082
Temporary Assistance for Needy Families	93.558	256,732	-
State/County Special Assistance program	N/A	-	382,998
Child Welfare Services Adoption	N/A	-	81,936
Supplemental Nutrition Assistance Program	10.551	18,908,151	-
Special Supplemental Nutrition Program for WIC	10.557	1,318,703	-
Children's Health Insurance Program	93.767	(377)	(118)
Medical Assistance Program	93.778	131,206,266	52,473,538

Note 6: Juvenile Crime Prevention Council reimbursed the following subrecipients as reported on the SEFSA.

Volunteers for Youth	\$ 154,355
Rein Supp Network	57,778
Exchange Club's Family Center in Alamance	59,049
Dispute Settlement Center	59,000
Wrenn/Haven House	18,632
	<u>\$ 348,814</u>

Note 7: Opioid Settlement Fund

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2024

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major state programs:
Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major federal programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major program:

Assistance Listing Number

93.778

21.027

14.871

Name of Federal Program or Cluster

Medicaid Cluster

Coronavirus State and Local Fiscal Recovery Funds

Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs: \$890,153

Auditee qualified as low-risk auditee? No

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDIT RESULTS (CONTINUED)

State Awards

Internal control over major state programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's report issued on compliance for
major state programs?

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with the State Single Audit Implementation Act?

_____ Yes X No

Identification of major State programs:

Program Name

Public School Building Capital Fund – Lottery Proceeds

Opioid Settlement

Rural Building Reuse

Other major state programs include Medical Assistance Program (Medicaid) which has a state match on the federal program. Therefore, this program has been included in the major programs above.

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

2024-001 Accounting for Cash Transactions and Reconciliation of Bank Accounts Using the County's Enterprise Resource Planning (ERP) System

Criteria: Internal controls should be in place to ensure a complete monthly bank reconciliation is performed for all County accounts. As a part of this reconciliation process, the County should ensure that the carrying value of cash and investments, as recorded in the internal Central Depository Fund, agrees with the amount of cash and investments reported across all of the County's funds for external financial reporting purposes.

Condition: We noted the County's main operating bank account was not reconciled properly in a timely manner. Internal controls were not sufficient to detect material misstatements in the reporting of cash balances.

Cause: The issues noted appear to result from system generated entries that were created in error during a period of turnover in key positions at the beginning of the fiscal year under audit. Internal controls were not sufficient to identify and correct these errors in a timely manner.

Effect: Failure to properly account for cash transactions and reconcile bank accounts properly increases the risk of financial misstatements, impacting the accuracy of financial reporting. The software issues that were ultimately identified by County staff were corrected during the audit process, but the errors resulted in time consuming reconciliation efforts from County staff and delays in the ability to perform required audit procedures and commence preparation of the County's annual financial statements.

Recommendation: We recommend the County implement the necessary controls and procedures to ensure that all bank accounts are reconciled in a timely manner and all accounts, and the associated activities are properly reported. Additionally, we recommend the County cross-train employees to ensure that these system issues do not arise again in the future should the County experience turnover in the finance department.

Auditee's Response: Finance met with the Enterprise Resource Planning (ERP) software technical team and remediated the issue during the audit engagement. Finance has updated our Accounting Policies and Procedure Manual to include additional monthly processes to ensure that financial statements are properly presented in accordance with generally accepted accounting principles. The new Accounting Manager has reviewed these processes with his new Accountants.

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2024-002 General Ledger Maintenance and Accounting for Fund Balance Using the County's ERP System

Criteria: Internal controls should be in place to ensure that the County's general ledger (GL) is updated at the conclusion of the audit process and, before issuance of the final annual comprehensive financial report (ACFR), all balances in the GL match the ACFR.

Condition: Failure to ensure the County's GL matched the final ACFR, as well as issues with former employees (who are no longer with the County) posting journal entries in error caused beginning equity (fund balance and/or net position) of several of the County's funds to not properly roll-forward and reconcile with the prior year ACFR.

Cause: During the fiscal year, there were entries made in the accounting system to fund balance by former employees that are no longer with the County. These entries were made in error and were not identified and corrected in a timely manner.

Effect: While the fund balance misstatement was identified and corrected during the audit process, the initial error resulted in delays in financial statement preparation as additional time was required to investigate and adjust fund balances. In total, we identified approximately \$900,000 of differences that were required to be corrected between the trial balances submitted for audit and the final version used in preparation of the County's financial statements.

Recommendation: We recommend the County implement the necessary controls and procedures to ensure that all fund balances are properly stated and reflect the ending fund balance of the previous year's audit. The County should review opening equity balances each month to ensure there are no transactions improperly adjusting fund balance or net position.

Auditee's Response: Finance met with the ERP software technical team and remediated the issue during the audit engagement. Finance has updated our Accounting Policies and Procedure Manual to include additional monthly processes to ensure that financial statements are properly presented in accordance with generally accepted accounting principles. The new Accounting Manager has reviewed these processes with his new Accountants.

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2024-003 Annual Financial Close and Preparation of Records for Audit

Criteria: Internal controls should be in place to ensure that financial statements properly present the financial position and results of the County in accordance with generally accepted accounting principles.

Condition: The County's review and manual adjustments were not sufficient to prevent, or detect and correct, material misstatements in the County's financial statements.

Cause: During the audit for the year ended June 30, 2024, material audit adjustments were required to correct current year balances in several audit areas:

- Audit adjustments totaling approximately \$6,350,000 were required to properly reflect debt proceeds, debt payments, debt premiums and interest expenditures/expenses.
- Audit adjustments totaling approximately \$1,100,000 were required to correct the reporting of the County's capital assets. The County incorrectly expensed construction costs that were capital in nature and should have been reported as capital assets.
- Across several of the County's funds, issues were noted with both accounts payable and accounts receivable balances. The amounts reported in the County's general ledger did not agree and reconcile with the underlying detailed listings or subsidiary ledgers. These differences led to delays in receiving from the County staff final accounts receivable and accounts payable balances with proper documentation to support the ending balances reported.

Effect: While the errors were identified and corrected during the audit, the incomplete financial close process resulted in increased reconciliation efforts from County staff, increased potential risk for misstatements, and delays in finalizing financial statements, requiring additional review and adjustments.

Recommendation: Management should be reconciling the balance sheet each month to the subsidiary ledgers in order to timely address variances in the account balances that are outside expectations. Internal controls should be set up to ensure that these closing items are prevented, and if necessary, detected and corrected.

Auditee's Response: The County acknowledges the audit finding and is committed to improving its financial reporting processes and internal controls to ensure compliance with generally accepted accounting principles (GAAP). We recognize the need for enhanced financial statement preparation, reconciliations, and timely review processes to prevent material misstatements and ensure accurate financial reporting.

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)

2024-004 Noncompliance with Bonding Requirements per G.S. 159-29, Section 9 of Session Law 2022-53

Criteria: Effective January 1, 2023, the fidelity bond requirements of G.S. 159-29 were amended by Section 9 of Session Law 2022-53. A person may not be appointed as a finance officer or assume the duties for which a bond is required if the person is unable to obtain the bond required by G.S. 159-29. Under the revised statute, the bond for the finance officer “may not be less than the greater of the following: (1) Fifty thousand dollars (\$50,000); or (2) An amount equal to ten percent (10%) of the unit’s annually budgeted funds, up to one million dollars (\$1,000,000).

Condition: The amount for which the County’s designated finance officer was bonded for the fiscal year ended June 30, 2024, was not in compliance with the requirements of G.S. 159-29, as noted above.

Context/Cause: During our audit for the fiscal year ended June 30, 2024, we reviewed the County’s bonding of the Chief Financial Officer (CFO), noting it was for \$500,000 throughout the fiscal year. Per review of the County’s annually budgeted funds, ten percent of the annual budgeted funds is greater than one million dollars, and therefore the CFO’s bond amount should have been \$1,000,000 as required by G.S. 159-29.

Effects: As a result of the current bond amount (\$500,000) being less than the \$1,000,000 required, the County was not in compliance with State law.

Recommendation: We recommend the County work with its insurance company and other bonding agencies, as necessary, to obtain the appropriate amount of coverage so that the County is in compliance with the requirements of G.S. 159-29.

Auditee’s Response: The County acknowledges the audit finding. At the time of the statute change, the Finance Officer immediately increased his bond to \$500,000 and mistakenly believed the \$1 million bond was to be phased in over time.

ORANGE COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2024-005 Significant Deficiency over Reporting

Information on the Federal Program: Low Income Housing Assistance Program (Section 8), Assistance Listing Number 14.871, U.S. Department of Housing and Urban Development.

Criteria: Public Housing Agencies (PHAs) are required to submit timely a Financial Assessment Sub-system (FASS-PH) GAAP-based unaudited and audited financial information electronically to HUD.

Condition: We noted the County did not submit the 2023 FASS-PH report in a timely manner. The report was submitted in the past several months after the audit for that year's end, while this year, the report was submitted on January 29, 2025, as a result of our single audit testing discovering it had not been submitted.

Cause: The County had turnover in key positions leading to difficulties in finalizing the FASS-PH report on time.

Effect: The County was not in compliance with the requirement to submit the FASS-PH report in a timely manner. This is not a material weakness as other information is supplied to HUD throughout the year but is still a significant deficiency as this report not being submitted causes the County to not be in compliance with HUD requirements.

Recommendation: We recommend that the County designate specific personnel responsible for monitoring federal reporting deadlines and have internal controls in place to ensure that, even during times of staff turnover, these functions are still being carried out as required.

Auditee's Response: The 2023 FASS-PH report is now completed, and the 2024 FASS-PH is in progress of being completed. Both of these reports have been added to our year-end checklist.

SECTION IV
STATE AWARD FINDINGS AND QUESTIONED COSTS

None reported.

ORANGE COUNTY, NORTH CAROLINA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2024

2023-001 Significant Deficiency over Activities Allowed and Unallowed and Allowable Costs/Cost Principles

Criteria: Per the NCDHHS policy manual, salaries, wages, and fringe benefits of Department of Social Service employees hired under the state merit system are allowable. Salaries shall be allocated to programs by time distribution methods and supported by payroll and attendance records for individuals.

Condition: Employee's time is tracked through the use of day sheets in which employees track their time by service code in 6-minute increments. Day sheets are used to complete weekly timesheets which are approved by supervisors. We noted three out of forty day sheets selected for Medicaid, and one out of forty day sheets selected for SNAP that had more program minutes than what was reported on the employee's approved time sheet.

Current Status: Corrected.

The following Corrective Action Plans are in response to the audit findings reported in the FY 2024 Compliance Audit.

Finding 2024-001 Accounting for Cash Transactions and Reconciliation of Bank Accounts Using the County's Enterprise Resource Planning (ERP) System

Name of contact person: Gary Donaldson, Chief Financial Officer

Corrective Action Plan:

1. Enhanced Reconciliation Procedures:

- Revise the monthly bank reconciliation process to ensure timely and accurate reconciliation of all bank accounts.
- Assign dedicated personnel to oversee cash transactions and bank reconciliation procedures to enhance accountability.
- Develop a reconciliation checklist to document and track the completion of each step in the reconciliation process.
- Enhance review protocols requiring supervisory oversight to identify and correct discrepancies promptly.

2. System Enhancements & Automation:

- Assess and upgrade the Enterprise Resource Planning (ERP) system to include automated reconciliation features for improved efficiency.
- Establish integration between cash receipt modules and the general ledger to minimize manual errors.
- Implement automated alerts for unreconciled items and discrepancies, ensuring timely follow-up and resolution.
- Explore the use of electronic bank statement imports for a streamlined reconciliation process.

3. Staff Training & Capacity Building:

- Provide mandatory training for finance personnel on best practices for bank reconciliations and cash transaction accounting.
- Conduct workshops on internal controls and fraud prevention related to cash handling and reconciliations.
- Establish a knowledge-sharing framework to ensure cross-training and redundancy in reconciliation responsibilities.
- Encourage staff to pursue professional certifications in financial management and reconciliation best practices.
- Implementation Timeline:
 - Immediate (Within 30 Days): Develop and communicate enhanced reconciliation procedures; assign roles and responsibilities to finance personnel.
 - Short-Term (Within 90 Days): Conduct training on cash transaction controls, bank reconciliation best practices, and system enhancements.
 - Mid-Term (Within 6 Months): Implement automation features in the ERP system and establish internal monitoring controls.
 - Long-Term (Ongoing): Conduct periodic audits and reassess reconciliation processes for continuous improvement.

Proposed Completion Date: Fiscal year 2025

Finding 2024-002 General Ledger Maintenance and Accounting for Fund Balance Using the County's ERP System

Name of contact person: Gary Donaldson, Chief Financial Officer

Corrective Action Plan:

The CFO and Accounting team has met with the ERP technical team and has implemented additional monthly processes to ensure the accuracy of the GL maintenance and fund balance accounting using the Accounting Manager business process. The ERP General Ledger application is a multi-fund budgeting and accounting system that adheres to GAAFR and GAAP standards, accommodating multi-year funds and grants, as well as staggered fiscal year. Monthly processes will include adhering to the Munis Account Trial Balance Procedural Documentation to detect and identify discrepancies at month-end. This step is aimed at ensuring fund balance accuracy provides insights into running trial balance reports to verify fund balances and identify discrepancies. This resource outlines procedures to generate reports for single accounts or ranges of accounts, helping ensure that both beginning and ending balances are zero, and that debits equal credits for fund totals. The Accounting Policies and Procedures Manual is in progress of being updated to ensure monthly reconciliations of fund balance accounts. This will include a review and approval process for all fund balance adjustments.

Proposed Completion Date: Fiscal year 2025

Name of contact person: Gary Donaldson, Chief Financial Officer

Corrective Action Plan: Capital assets schedules are being further revised to ensure that the schedules are properly identified and classified. Additional process improvements will include reviews with key stakeholders monthly to eliminate year-end reconciliations. All the auditor recommendations will be implemented.

Proposed Completion Date: Fiscal year 2025

Finding 2024-003 Annual Financial Close and Preparation of Records for Audit

Name of contact person: Gary Donaldson, Chief Financial Officer

Corrective Action Plan:

1. General Ledger Reconciliation

- Finance will implement additional monthly reconciliations instead of annual reconciliations.
- Establish checklists for reconciling key accounts (cash, receivables, payables, fixed assets).
- Automate GL reconciliation where possible using Tyler Munis or other ERP systems.
- Require supervisory approval before finalizing reconciliations.

2. Fund Balance Accuracy & Adjustments

- Conduct quarterly reviews of fund balances and ensure proper classification.
- Ensure proper journal entries and year-end accruals.
- Review prior-year adjustments to identify trends and correct errors proactively.

3. Financial Statement Preparation

- Edit the closing calendar outlining hard deadlines for financial reporting.
- Standardize financial report templates for accuracy and consistency.
- Run trial balances and ensure balances reconcile to prior fiscal year.
- Ensure compliance with GASB/GAAP principles.

Finding 2024-003 Annual Financial Close and Preparation of Records for Audit (Continued)

4. Internal Controls & Compliance

- Strengthen segregation of duties in key financial processes.
- Conduct internal control reviews annually.
- Implement a risk management framework for financial transactions.
- Document all financial processes and establish an approval hierarchy.

5. Audit Preparedness & Documentation

- Create an audit preparedness checklist detailing required documents.
- Assign audit liaisons to coordinate auditor requests.
- Conduct pre-audit meetings to address known issues.
- Establish an electronic document repository for easy retrieval of audit evidence.

6. Staff Training & Accountability

- Implement annual training on financial close best practices.
- Conduct cross-training to ensure backup coverage.
- Develop performance metrics to track staff accountability.
- Provide technical training on ERP systems (e.g., Tyler Munis).

7. Technology Utilization & Automation

- Leverage ERP features (e.g., Tyler Munis) for automated reconciliations and reporting.
- Use data analytics for trend analysis and anomaly detection.
- Integrate audit-ready reporting to minimize last-minute adjustments.

8. Monitoring & Follow-Up

- Conduct quarterly progress reviews of CAP implementation.
- Report findings for executive leadership and audit committee.
- Adjust the plan based on feedback from auditors and finance personnel.

Proposed Completion Date: Fiscal year 2025

Finding 2024-004 Noncompliance with Bonding Requirements per G.S. 159-29, Section 9 of Session Law 2022-53

Name of contact person: Gary Donaldson, Chief Financial Officer

Corrective Action Plan: The County will acquire bonding in the appropriate amount (\$1 million) for the Finance Officer.

Proposed Completion Date: March 1, 2025

Finding 2024-005 Significant Deficiency over Reporting Auditee's Response: The 2023 FASS-PH report is now completed, and the 2024 FASS-PH is in progress of being completed. These reports have been added to our year-end checklist.

- Include FASS-PH report to closing year-end reports schedule Financial reconciliations.
- FASS-PH report preparation.
- Management review & approval.
- Assign responsible parties for each step in the process.
- Conduct weekly check-ins during reporting periods to track progress.

Name of contact person: Gary Donaldson