

# 2025 ANNUAL COMPREHENSIVE FINANCIAL REPORT

*for the year ended June 30, 2025*



**ORANGE COUNTY, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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## **INTRODUCTORY SECTION**

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## ORANGE COUNTY

### Department of Finance and Administrative Services

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

January 27, 2026

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, 2025.

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, 2025, 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 and state 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, supplemented by office, commercial, and service-oriented businesses. The County is also the place of residence for many technical, professional, and executive employees who work in the Research Triangle Park and the neighboring cities of Durham, Raleigh, and Burlington. The Research Triangle refers to the area anchored by the municipalities of Chapel Hill, Durham, and Raleigh and includes several major universities, including The University of North Carolina at Chapel Hill, Duke University, North Carolina Central University, and North Carolina State University. The concentration and proximity of these institutions make the region well suited to a wide range of research, academic, and technology-based activities.

The Research Triangle Park (the "Park"), located approximately 10 miles east of the County, encompasses approximately 7,000 acres reserved for research and research-oriented manufacturing. Since its inception in the 1950s, approximately 300 private and governmental organizations have located facilities in the Park, which currently employs approximately 50,000 individuals. Approximately 87% of the Park's employees work for multinational corporations. Major employers in the Park include IBM Corporation, Cisco, RTI International, Fidelity Investments, the U.S. Environmental Protection Agency, the National Institute of Environmental Health Sciences, Biogen IDEC, and NetApp. Due to its proximity to the County and the fact that many Park employees reside in Orange County, the Park continues to have a significant impact on the County's economy.

According to the Orange County Economic Development Department, the County's leading industries include educational services; health care and social assistance; professional, scientific, management, administrative, and waste management services; and arts, entertainment, recreation, accommodation, and food services. The most common occupations are professional, education, and health care occupations (50%); service occupations (18%); and manufacturing, construction, transportation, and warehousing occupations (13%). The County's workforce remains highly educated, with approximately 61.8% of residents age 25 and over holding a bachelor's degree or higher, well above the national average. The median household income in the County is approximately \$88,553, and the median value of owner-occupied housing units is approximately \$428,500, reflecting the County's strong economic profile and quality of life.

The University of North Carolina at Chapel Hill and the UNC Health Care System remain the largest employers in Orange County and serve as the primary economic anchors of the County. Together, the University and health system and their associated teaching, research, and service programs have long held national and international reputations for excellence in higher education, medical care, and research.

The UNC Health Care System operates a medical campus in the Town of Hillsborough that opened in 2015 and was expanded by approximately 107,000 square feet in 2021. The Hillsborough campus now encompasses approximately 365,000 square feet and includes 163 licensed beds, serving more than 25,000 patients annually and employing approximately 500 individuals. The campus includes acute care beds, an intensive care unit, operating and procedure rooms, an emergency department, and a broad range of outpatient medical and surgical specialty services, including urgent care, imaging, and oncology.

The western portion of the County, particularly areas adjacent to Interstate 85, continues to accommodate a concentration of manufacturing and distribution activity. The County has designated approximately 2,200 acres in three strategically located Economic Development Districts along Interstate 85 and Interstate 40. Due to the County's location midway between the Piedmont Triad and Research Triangle metropolitan areas, these districts remain attractive for significant development potential. These designated areas provide opportunities to attract significant new tax base and employment centers for light industrial, warehouse and flex space, office, retail, and business services. Available tracts range from approximately 20 acres to more than 100 acres in size, and, have appropriate zoning and utility infrastructure in place to support new and expanding industries. This industrial region of the County hosts 8 different business park sites along the interstate that can potentially attract close to 6 million square feet of new commercial and industrial tenants. Two of these business parks are currently building a total of 450,000 sq. ft. of new industrial space. The industry Morinaga America Foods is nearing completion of a \$136 million factory expansion that will add another 203 jobs.

The County supports economic development by utilizing Article 46 retail sales tax revenues to finance a portion of the upfront water and sewer infrastructure costs associated with commercial development within its Economic Development Districts. Recent economic development investments within the County include ABB, Medline Industries, Thermo Fisher Scientific, Morinaga America Foods, Mid-Atlantic STIHL, Piedmont Metal Works, Armacell, and AKG North America. The large trucking firm R&L Carriers has also purchased a large tract and have plans to add 150 jobs and over \$30 million in investment. Within the Town of Chapel Hill, commercial businesses that Orange County has recruited, like Wegmans Food Markets and Well Dot, support hundreds of sustainable, full-time jobs, and significant retail sales tax revenue and payroll. These investments have contributed to a 5.2% increase in the County's daytime population. The County's stable employment base has consistently resulted in one of the lowest unemployment rates in North Carolina, measured at 3.6% as of June 30, 2025.

### **Fiscal Outlook**

The adopted General Fund Budget for FY 2025-26 totals \$306.04 million, representing approximately a 4 % increase over the FY 2024-25 adopted budget. The County is on a four-year revaluation cycle. The revaluation became effective January 1, 2025. This updated County-wide property revaluation applies to all real property assessments. The total tax base increased from \$23.6 billion in FY 2024-25 to \$33.3 billion in FY 2025-26 or 42.6%. The tax base increase results in a statutorily required decrease in the tax rate from 86.29 cents to a revenue neutral rate of 62.64 cents per \$100 of assessed value. To fund this budget, the property tax rate was set at 63.83 cents per \$100 of assessed value, which is 1.19 cents above the revenue-neutral rate which is projected to generate \$3.9 million in additional revenue. Education funding continues to be a priority in the FY 2025-26 budget. Per-pupil expenditure for Orange County Schools increases to \$5,877, while funding for the Chapel Hill-Carrboro City Schools increases to \$8,560 (including revenue from the special district tax). The budget also reflects continued support for behavioral health and housing programs and increasing the Longtime Homeowners Assistance program and reallocating funds to Emergency Housing Assistance. The FY 2025-26 budget includes a 2% pay increase for all permanent county employees effective July 1, 2025, and the official adoption of an \$18.18/hour living wage for both permanent and temporary employees. The budget also increases funding for the Orange County Campus of Durham Technical Community College by 8%, reflecting the increasing demand for non-instructional services from county residents. Strategic budget goals remain consistent with the County's Strategic Plan, financial policy, emphasizing minimizing tax impacts, funding core services and education, maintaining fiscal flexibility, and preserving reserves.

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. Article 46 Sales Tax revenue totaled \$6.1 million.

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. The bonds are allocated between the two school districts at \$174.7 million to Chapel Hill-Carrboro City Schools and \$125.3 million to Orange County Schools.

**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 16% Fund Balance Policy as measured by the General Fund unassigned fund balance is at 16.9% of General Fund expenditures on June 30, 2025.

#### **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. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards in state and local governmental financial reporting. 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 and comply with generally accepted accounting principles (GAAP) in the United States of America and applicable legal requirements.

Orange County departments and employees are strongly aligned with the County's Strategic Plan, whose guiding principles, vision, and mission provide the framework for policy development, service delivery, and resource allocation. This alignment is reflected in the high quality of services provided to County residents and the County's continued emphasis on accountability, collaboration, and fiscal stewardship.

I would like to acknowledge the collaborative efforts of County departments in the preparation of this report, as well as their ongoing support in executing the daily financial activities of the Department of Finance. Appreciation is also extended to the hard work of our Finance Department team and the County's independent auditors, Mauldin & Jenkins, LLC, for their professional assistance and guidance.

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,



Gary Donaldson, CTP Chief Financial Officer

# **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  
Deputy County 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



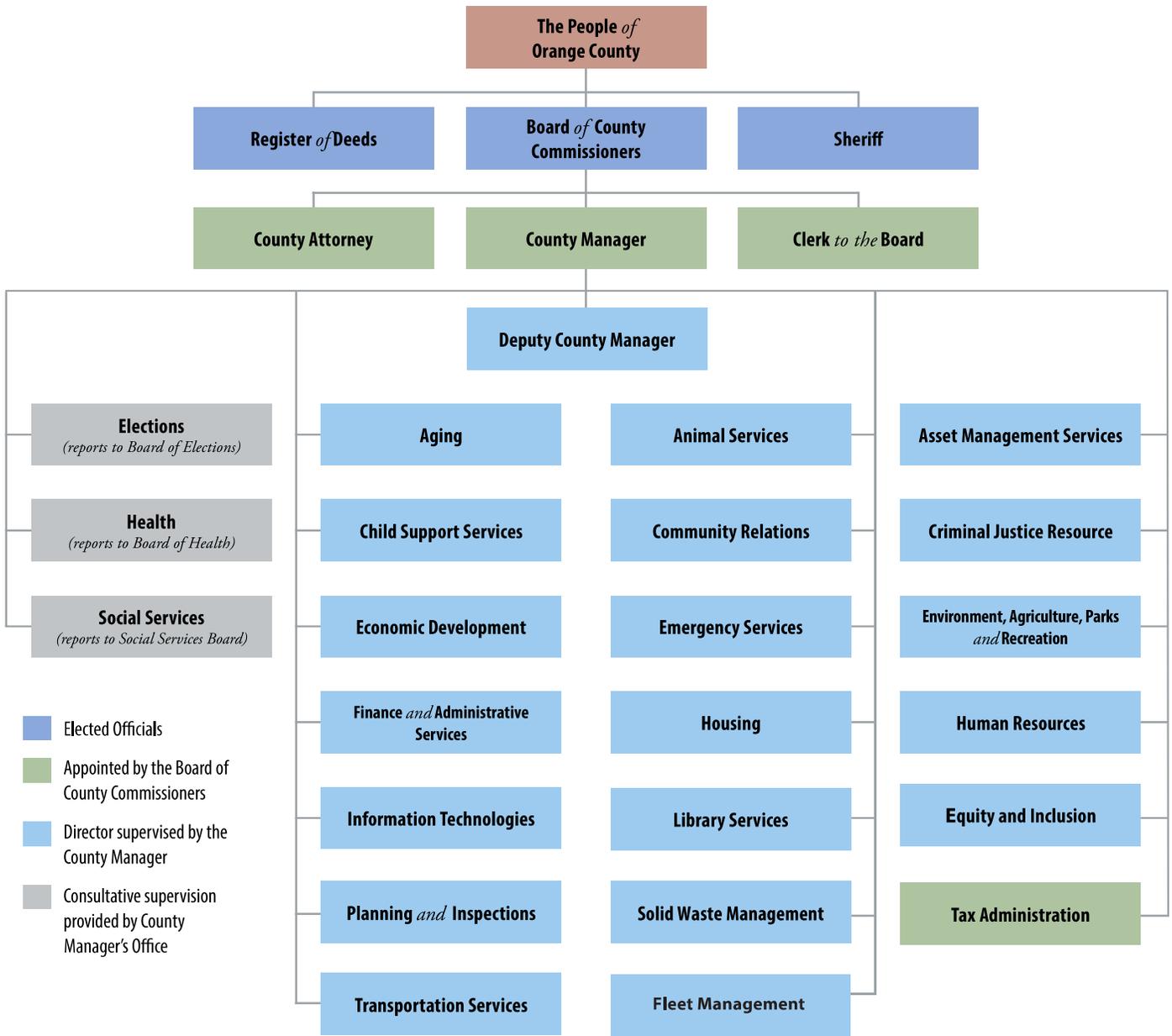
Sally Greene



Earl McKee



Phyllis Portie-Ascott



## **FINANCIAL SECTION**

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## Independent Auditor's Report

**To the Members of the Board of Commissioners  
Orange County  
Hillsborough, 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, 2025, 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, 2025, 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, 2025. 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 January 27, 2026, 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  
January 27, 2026

# Management's Discussion and Analysis

## Introduction

The management of Orange County, North Carolina (the "County") offers readers of the County's financial statements this Management's Discussion and Analysis of the financial activities of the County for the fiscal year ended June 30, 2025. Readers are encouraged to review the information presented here in conjunction with the County's basic financial statements and the accompanying notes.

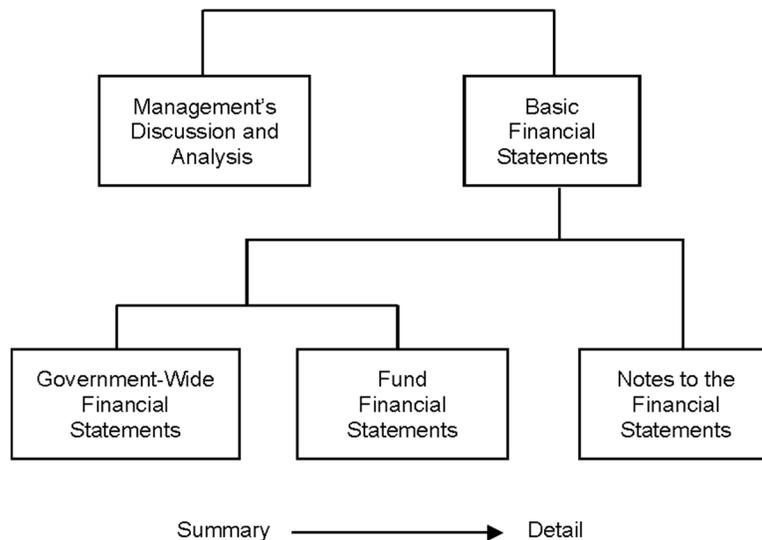
## Financial Highlights

- At June 30, 2025, the County's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by \$168,859,734 (deficit net position). In accordance with North Carolina law, the County reports long-term debt associated with school system capital assets that are owned by the two local education agencies; because the related school capital assets are not reported in the County's financial statements, this contributes significantly to the unrestricted net position deficit.
- Total net position decreased by \$28,581,750 during FY 2025 (from a \$140,277,984 deficit at June 30, 2024).
- Governmental funds reported combined ending fund balances of \$154,013,512 at June 30, 2025, an increase of \$11,765,765 (8.3%) from June 30, 2024.
- The County's General Fund ending fund balance was \$78,358,190 at June 30, 2025, of which unassigned fund balance was \$42,849,485 (or 16.9% of General Fund expenditures) which is in compliance with the County's unassigned fund balance policy target of 16% of General Fund expenditures.
- Orange County maintains very strong credit quality with general obligation bond ratings of AAA (Fitch), Aaa (Moody's), and AAA (S&P).

## 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.

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.

## Management's Discussion and Analysis

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The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the residents of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statements provided for the General Fund demonstrate how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statements use the budgetary basis of accounting and are presented using the same format, language, and classifications as the Statement of Revenues, Expenditures, and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

### **Proprietary Funds**

The County has two kinds of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its sewer activity, for its landfill operations, and Sportsplex operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an internal service fund to account for two activities – its employee health and dental insurance program. Because these operations benefit predominantly governmental rather than business-type activities, the internal service funds have been included within the governmental activities in the government-wide financial statements.

### **Fiduciary Funds**

Fiduciary funds are used to account for assets the County holds on behalf of others. The County's fiduciary funds consist of one OPEB trust fund and four custodial funds.

### **Notes to Basic Financial Statements**

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

## Management's Discussion and Analysis

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

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>ASSETS</b>						
Current and other assets	\$ 190,829	\$ 170,478	\$ 19,906	\$ 20,158	\$ 210,735	\$ 190,636
Capital assets, net	181,436	177,810	19,975	18,615	201,411	196,425
Total assets	372,265	348,288	39,881	38,773	412,146	387,061
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	55,780	47,133	1,052	1,297	56,832	48,430
<b>LIABILITIES</b>						
Long-term liabilities	532,598	488,600	21,250	19,171	553,848	507,771
Other liabilities	28,318	26,061	1,865	1,147	30,183	27,208
Total liabilities	560,916	514,661	23,115	20,318	584,031	534,979
<b>DEFERRED INFLOWS OF RESOURCES</b>	53,793	40,760	14	29	53,807	40,789
<b>NET POSITION</b>						
Net investment in capital assets	79,370	72,992	10,425	10,546	89,795	83,538
Restricted	33,792	42,434	-	-	33,792	42,434
Unrestricted (deficit)	(299,826)	(275,426)	7,379	9,177	(292,447)	(266,249)
Total net position	\$ (186,664)	\$ (160,000)	\$ 17,804	\$ 19,723	\$ (168,860)	\$ (140,277)

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, 2025, the net investment in capital assets increased by \$6.4 million.

The final category of net position is unrestricted net position. This balance may be used to meet the County's ongoing obligations to residents and creditors. At June 30, 2025, the total net deficit reported of (\$168.9 million) is attributable to the unrestricted net deficit balance of (\$292.5 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	
	2025	2024	2025	2024	2025	2024
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 16,208	\$ 14,629	\$ 16,804	\$ 16,592	\$ 33,012	\$ 31,221
Operating grants and contributions	27,031	36,570	15	-	27,046	36,570
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	244,799	231,086	-	-	244,799	231,086
Other taxes	49,650	48,774	-	-	49,650	48,774
Other revenues	22,998	24,925	1,168	1,044	24,166	25,969
Total revenues	360,686	355,984	17,987	17,636	378,673	373,620
<b>EXPENSES</b>						
Community services	21,295	20,948	-	-	21,295	20,948
General government	37,955	23,296	-	-	37,955	23,296
Public safety	51,358	52,709	-	-	51,358	52,709
Human services	62,558	61,980	-	-	62,558	61,980
Education	176,978	176,497	-	-	176,978	176,497
Support services	24,328	26,562	-	-	24,328	26,562
Interest expense	8,584	8,674	-	-	8,584	8,674
Solid Waste landfill	-	-	13,938	12,100	13,938	12,100
SportsPlex	-	-	5,652	6,016	5,652	6,016
Total expenses	383,056	370,666	19,590	18,116	402,646	388,782
Transfers	316	158	(316)	(158)	-	-
Change in net position	(22,054)	(14,524)	(1,919)	(638)	(23,973)	(15,162)
<b>NET POSITION</b>						
Beginning balances	(160,000)	(145,476)	19,723	20,361	(140,277)	(125,115)
Restatement for error correction	(4,610)	-	-	-	(4,610)	-
Beginning balances, restated	(164,610)	-	-	-	(144,887)	-
Ending balances	\$ (186,664)	\$ (160,000)	\$ 17,804	\$ 19,723	\$ (168,860)	\$ (140,277)

## Management's Discussion and Analysis

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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 \$197.8 million of the outstanding debt on the County's financial statements was related to assets included in the school systems' financial statements. The majority of this school system related debt is general obligation debt, which is secured and pledged by the full faith, credit, and taxing power of the County. The County is authorized and required by State law to levy ad valorem taxes, without limit as to rate or amount to pay the debt service on its general obligation bonds. Principal and interest requirements will be provided by an appropriation in the year in which such requirements are due and payable. The majority of the non-general obligation debt is repaid from sales taxes earmarked for school capital, education lottery proceeds, and ad valorem property taxes allocated to school capital.

As noted earlier, the government's total net position decreased by \$26 million. This decrease is attributed primarily to higher general government expenses of which a portion is attributed to non-cash expenses associated with GASB 87 (Lease activity). 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 99.2%.
- Sales tax revenue, which is the second largest revenue source, increased by \$1,073,659 to \$43.7 million on a GAAP basis.
- The County continued to lead the State in per pupil funding for education at \$5,877.
- 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 \$42.8 million or 16.9% of General Fund expenditures. The County exercises fiscal discipline and strong management controls in managing the operating budget throughout the fiscal year.

### **Governmental Activities**

Governmental activities decreased the County's net position by \$26 million. Key elements of this change are as follows:

- Increase in Total Liabilities.

### **Business-type Activities**

Business-type activities decreased the County's net position by \$1.9 million. The decrease was primarily related to an increase in long-term liabilities.

### **Financial Analysis of the County's Funds**

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

### **Governmental Funds**

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

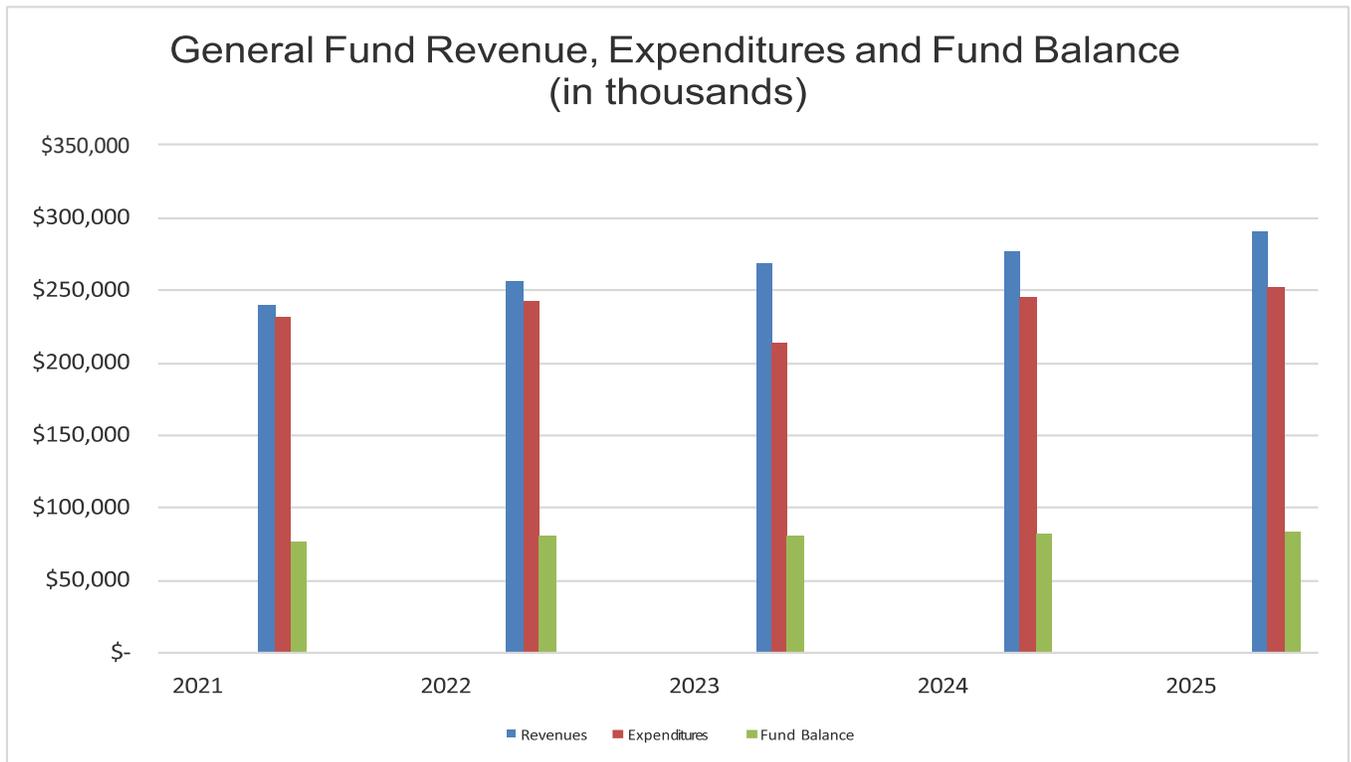
The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$42.8 million or 16.9% of General Fund expenditures in compliance with the 16% County policy. The total fund balance is \$78.3 million or 30% of General Fund expenditures.

## Management’s Discussion and Analysis

General Fund revenues were \$289.9 million or .8% higher than the final budget. General Fund revenues increased by \$13.4 or 4.8% from the prior fiscal year primarily due to property tax revenues. Property tax revenue comprises 71.2% of General Fund revenues. Sales tax revenue, the second largest revenue at 15.1% of General Fund revenues.

General Fund expenditures were \$252.3 million or 97.6% of the final 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 transfers out totaled \$39 million. These transfers out were to the Debt Service, County and School Capital, Community Development and Health/Dental Funds as described in Note 7.

The County Capital Improvement Fund reflects a \$3.4 million increase in fund balance due to additional bond proceeds during the fiscal year.



The American Rescue Plan Fund was established by the County in 2021 to account for the County’s \$28 million allocation of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). During the current fiscal year, the County expended approximately \$300,000 of its CSLFRF allotment leaving approximately \$6.2 million in unearned revenue as of June 30, 2025. The County will expend the remaining \$6.2 million by the December 30, 2026, deadline. The remaining expenditure will fund rural broadband infrastructure accounting for \$6 million.

**General Fund Budgetary 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 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 over the prior year. The real and personal collection rate was 99.2% consistent with prior years. County expenditures were 97% of the budget and contributed to no use of the Assigned Fund Balance. The County ended the fiscal year with an Unassigned Fund Balance at 16.9% of General Fund expenditures which is in compliance with the 16% County policy.

## Management's Discussion and Analysis

The budget appropriated \$7 million in fund balance, however no fund balance was drawn down at the close of the fiscal year due to the County's historically favorable budget versus actual expenditure performance. The General Fund ended with a modest operating surplus of \$640,327 after transfers out. The County remains in compliance with the 16% unassigned fund balance policy at 16.9% of General Fund expenditures. Property tax revenues comprised \$206.4 million or 71.2% of General Fund revenues with a final collection rate of 99.2%. The FY 2024-25 Sales tax revenue increased modestly with the point of sales Articles 39 and 42 increasing by 2% on a GAAP basis. 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	
	2025	2024	2025	2024	2025	2024
Land	\$ 21,845	\$ 20,516	\$ 1,619	\$ 1,619	\$ 23,464	\$ 22,135
Intangible rights	1,424	1,424	-	-	1,424	1,424
Land improvements	-	-	3,409	3,543	3,409	3,543
Buildings and improvements	128,133	99,519	10,181	10,299	138,314	109,818
Other improvements	-	939	-	-	-	939
Automotive equipment	5,246	4,153	-	-	5,246	4,153
Other equipment	4,224	4,325	4,766	2,623	8,990	6,948
Right-to-use assets	4,803	11,594	-	-	4,803	11,594
Construction in progress	15,761	35,340	-	531	15,761	35,871
	\$ 181,436	\$ 177,810	\$ 19,975	\$ 18,615	\$ 201,411	\$ 196,425

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 2024-25 budget approved uses of the anticipated proceeds by the two school districts for Technology acquisitions and the Economic Development Department.

### **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 net position remained flat at reported \$4.7 million of which \$3.5 million is net investment in capital assets.

The Solid Waste Fund reported a net position decrease of \$1.9 million of which \$6.9 million is net investment in capital assets.

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

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
General obligation bonds - direct placement	\$ 100,435	\$ 107,345	\$ -	\$ -	\$ 100,435	\$ 107,345
Bond premiums	7,773	8,404	-	-	7,773	8,404
Installment notes - direct borrowing and direct placement	220,066	173,976	10,714	9,021	230,780	182,997
Note premiums	17,128	12,831	965	798	18,093	13,629
Net OPEB liability	121,052	118,860	-	-	121,052	118,860
Pension liabilities	55,908	50,467	1,971	2,166	57,879	52,633
Other	10,236	16,717	7,600	7,186	17,836	23,903
	<b>\$ 532,598</b>	<b>\$ 488,600</b>	<b>\$ 21,250</b>	<b>\$ 19,171</b>	<b>\$ 553,848</b>	<b>\$ 507,771</b>

**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, 2025, totals \$201.4 million (net of accumulated depreciation) an increase of 2.5% primarily attributed to 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:

- Drakeford Library placed in service.

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, 2025, the County had total bonded debt outstanding of \$100.4 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 \$220 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 \$313.3 million in net debt applicable to the limit. The County has \$300 million in authorized and unissued general obligation bonds as of June 20, 2025, for Orange County Schools and Chapel Hill-Carrboro City Schools from the 2024 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, 2026**

The adopted General Fund Budget for FY 2025-26 totals \$306.04 million, representing approximately a 4% increase over the FY 2024-25 adopted budget. The County is on a four-year revaluation cycle. The revaluation became effective January 1, 2025. This updated County-wide property revaluation applies to all real property assessments. The total tax base increased from \$23.6 billion in FY 2024-25 to \$33.3 billion in FY 2025-26 or 42.6%. The tax base increase results in a statutorily required decrease in the tax rate from 86.29 cents to a revenue neutral rate of 62.64 cents per \$100 of assessed value. To fund this budget, the property tax rate was set at 63.83 cents per \$100 of assessed value, which is 1.19 cents above the revenue-neutral rate which is projected to generate \$3.9 million in additional revenue. Education funding continues to be a priority in the FY 2025-26 budget. Per-pupil expenditure for Orange County Schools increases to \$5,877, while funding for the Chapel Hill-Carrboro City Schools increases to \$8,560 (including revenue from the special district tax). The budget also reflects continued support for behavioral health and housing programs and increasing the Longtime Homeowners Assistance program and reallocating funds to Emergency Housing Assistance. The FY 2025-26 budget includes a 2% pay increase for all permanent county employees effective July 1, 2025, and the official adoption of an \$18.18/hour living wage for both permanent and temporary employees. The budget also increases funding for the Orange County Campus of Durham Technical Community College by 8%, reflecting the increasing demand for non-instructional services from county residents. Strategic budget goals remain consistent with the County's financial policy, emphasizing minimizing tax impacts, funding core services and education, maintaining fiscal flexibility, and preserving reserves.

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. Article 46 Sales Tax revenue totaled \$6.1 million.

### **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.

## Management's Discussion and Analysis

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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 \$6.2 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 and all remaining expenditures will occur by December 30, 2026, which is the spending deadline.

### **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, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Orange County ABC Board
<b>ASSETS</b>				
Cash and investments - unrestricted	\$ 90,431,624	\$ 17,496,099	\$ 107,927,723	\$ 4,466,544
Cash and investments - restricted	66,463,523	2,128,802	68,592,325	-
Receivables:				
Taxes receivable, net	4,738,214	-	4,738,214	-
Due from other governments	17,938,655	106,656	18,045,311	-
Leases receivable	8,077,427	-	8,077,427	-
Other receivables, net	1,957,368	174,901	2,132,269	2,783
Inventories and prepaid items	11,804	-	11,804	3,888,721
Net pension asset	141,430	-	141,430	-
Capital assets:				
Non-depreciable assets	39,029,960	1,619,060	40,649,020	1,951,041
Depreciable assets, net	137,603,120	18,355,676	155,958,796	8,829,436
Right-to-use assets, net	4,802,598	-	4,802,598	1,190,976
Notes receivable	1,069,000	-	1,069,000	35,476
Total assets	<u>372,264,723</u>	<u>39,881,194</u>	<u>412,145,917</u>	<u>20,364,977</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>55,780,572</u>	<u>1,052,418</u>	<u>56,832,990</u>	<u>914,090</u>
<b>LIABILITIES</b>				
Accounts payable	12,507,685	1,126,663	13,634,348	804,589
Accrued payroll and other liabilities	5,975,809	401,932	6,377,741	806,087
Accrued interest payable	3,176,546	-	3,176,546	-
Unearned revenue	6,658,764	336,800	6,995,564	-
Long-term liabilities:				
Due within one year	29,217,865	1,928,917	31,146,782	388,095
Due in more than one year	503,379,685	19,321,133	522,700,818	5,356,176
Total liabilities	<u>560,916,354</u>	<u>23,115,445</u>	<u>584,031,799</u>	<u>7,354,947</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>53,792,938</u>	<u>13,904</u>	<u>53,806,842</u>	<u>35,416</u>
<b>NET POSITION</b>				
Net investment in capital assets	79,370,290	10,424,893	89,795,183	8,435,470
Restricted for:				
Stabilization by State Statute	20,082,631	-	20,082,631	-
Register of Deeds' pension plan	141,430	-	141,430	-
Public safety	3,055,284	-	3,055,284	-
Human services	7,292,067	-	7,292,067	-
Community services	3,220,154	-	3,220,154	-
Working capital	-	-	-	889,951
Unrestricted (deficit)	(299,825,853)	7,379,370	(292,446,483)	4,563,283
Total net position	<u>\$ (186,663,997)</u>	<u>\$ 17,804,263</u>	<u>\$ (168,859,734)</u>	<u>\$ 13,888,704</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, 2025**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
Community services	\$ 21,294,627	\$ 3,436,865	\$ 208,279	\$ -
General government	37,954,737	3,726,451	960,647	-
Public safety	51,358,448	6,715,969	3,403,643	-
Human services	62,557,978	2,327,934	22,458,801	-
Education	176,978,167	-	-	-
Support services	24,328,473	500	-	-
Interest on long-term debt	8,582,930	-	-	-
Total governmental activities	<u>383,055,360</u>	<u>16,207,719</u>	<u>27,031,370</u>	<u>-</u>
<b>Business-type Activities</b>				
Solid waste landfill	13,937,835	10,847,396	15,000	-
SportsPlex	5,652,344	5,956,282	-	-
Total business-type activities	<u>19,590,179</u>	<u>16,803,678</u>	<u>15,000</u>	<u>-</u>
Total primary government	<u>402,645,539</u>	<u>33,011,397</u>	<u>27,046,370</u>	<u>-</u>
<b>Component Unit</b>				
Orange County ABC Board	<u>\$ 30,188,171</u>	<u>\$ 30,147,876</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, as previously reported
- Restatement for error correction (Note 15)
- Beginning balances, as restated
- Ending balances

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

**Net (Expenses) Revenues and  
Changes in Net Position**

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Orange County ABC Board
\$ (17,649,483)	\$ -	\$ (17,649,483)	\$ -
(33,267,639)	-	(33,267,639)	-
(41,238,836)	-	(41,238,836)	-
(37,771,243)	-	(37,771,243)	-
(176,978,167)	-	(176,978,167)	-
(24,327,973)	-	(24,327,973)	-
(8,582,930)	-	(8,582,930)	-
<u>(339,816,271)</u>	<u>-</u>	<u>(339,816,271)</u>	<u>-</u>
-	(3,075,439)	(3,075,439)	-
-	303,938	303,938	-
-	<u>(2,771,501)</u>	<u>(2,771,501)</u>	<u>-</u>
<u>(339,816,271)</u>	<u>(2,771,501)</u>	<u>(342,587,772)</u>	<u>-</u>
-	-	-	(40,295)
244,799,340	-	244,799,340	-
49,649,858	-	49,649,858	-
2,222,376	457,717	2,680,093	-
11,697,111	-	11,697,111	-
4,677,045	407,158	5,084,203	-
944,870	304,474	1,249,344	-
3,456,290	-	3,456,290	23,812
316,000	(316,000)	-	-
<u>317,762,890</u>	<u>853,349</u>	<u>318,616,239</u>	<u>23,812</u>
<u>(22,053,381)</u>	<u>(1,918,152)</u>	<u>(23,971,533)</u>	<u>(16,483)</u>
(160,000,399)	19,722,415	(140,277,984)	13,905,187
(4,610,217)	-	(4,610,217)	-
<u>(164,610,616)</u>	<u>19,722,415</u>	<u>(144,888,201)</u>	<u>13,905,187</u>
<u>\$ (186,663,997)</u>	<u>\$ 17,804,263</u>	<u>\$ (168,859,734)</u>	<u>\$ 13,888,704</u>

# ORANGE COUNTY, NORTH CAROLINA

## BALANCE SHEET GOVERNMENTAL FUNDS JUNE 30, 2025

	General Fund	Debt Service Fund	American Rescue Plan Act Fund
<b>ASSETS</b>			
Cash and investments - unrestricted	\$ 70,007,172	\$ 709,454	\$ 6,392,750
Cash and investments - restricted	509,691	-	-
Receivables:			
Property taxes receivable, net	2,286,602	-	-
Due from other governments	16,102,163	-	-
Leases receivable	8,077,427	-	-
Other receivables, net	1,646,290	-	-
Due from other funds	100,545	-	-
Inventories and prepaid items	11,804	-	-
Notes receivable	3,343	-	-
Total assets	98,745,037	709,454	6,392,750
<b>LIABILITIES</b>			
Accounts payable	3,719,106	116,366	-
Due to other funds	-	-	-
Accrued payroll and other liabilities	5,636,299	4,705	2,295
Unearned revenue	81,592	-	6,211,899
Total liabilities	9,436,997	121,071	6,214,194
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes receivable	2,019,503	-	-
Prepaid property taxes	913,876	-	-
Deferred lease revenues	8,016,471	-	-
Total deferred inflows of resources	10,949,850	-	-
<b>FUND BALANCES</b>			
Nonspendable	76,103	-	-
Restricted:			
Stabilization by State Statute	20,082,631	-	-
Public safety	-	-	-
Human services	-	-	178,556
Community services	-	-	-
Education	-	-	-
Capital projects	-	-	-
Committed:			
Health benefits	8,293,841	-	-
Education	-	-	-
Debt service	-	588,383	-
Human services	-	-	-
Assigned:			
To be used in the subsequent fiscal year	7,056,130	-	-
Capital projects	-	-	-
Unassigned	42,849,485	-	-
Total fund balances	78,358,190	588,383	178,556
Total liabilities, deferred inflows of resources, and fund balances	\$ 98,745,037	\$ 709,454	\$ 6,392,750

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

<b>County Capital Improvements Fund</b>	<b>School Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 12,656,404	\$ 89,765,780
41,025,388	24,928,444	-	66,463,523
-	-	2,451,612	4,738,214
328,677	-	1,507,815	17,938,655
-	-	-	8,077,427
-	-	306,168	1,952,458
-	-	-	100,545
-	-	-	11,804
-	-	1,065,657	1,069,000
<u>41,354,065</u>	<u>24,928,444</u>	<u>17,987,656</u>	<u>190,117,406</u>
3,447,077	3,978,659	607,812	11,869,020
-	-	100,545	100,545
-	-	332,510	5,975,809
-	-	365,273	6,658,764
<u>3,447,077</u>	<u>3,978,659</u>	<u>1,406,140</u>	<u>24,604,138</u>
-	-	549,906	2,569,409
-	-	-	913,876
-	-	-	8,016,471
-	-	549,906	11,499,756
-	-	65,657	141,760
-	-	-	20,082,631
-	-	3,055,284	3,055,284
-	-	7,113,511	7,292,067
-	-	3,220,154	3,220,154
-	20,949,785	-	20,949,785
37,906,988	-	-	37,906,988
-	-	-	8,293,841
-	-	1,602,025	1,602,025
-	-	-	588,383
-	-	752,537	752,537
-	-	-	7,056,130
-	-	331,012	331,012
-	-	(108,570)	42,740,915
<u>37,906,988</u>	<u>20,949,785</u>	<u>16,031,610</u>	<u>154,013,512</u>
<u>\$ 41,354,065</u>	<u>\$ 24,928,444</u>	<u>\$ 17,987,656</u>	<u>\$ 190,117,406</u>

# ORANGE COUNTY, NORTH CAROLINA

## RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCES TO THE STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2025

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

Ending fund balances - total governmental funds		\$ 154,013,512
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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	\$ 39,029,960	
Assets subject to depreciation	235,586,730	
Right-to-use lease assets	12,562,986	
Right-to-use subscription assets	4,283,849	
Less: accumulated depreciation and amortization	<u>(110,027,847)</u>	181,435,678

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		2,569,409
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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	\$ (108,208,125)	
Installment notes payable, net of unamortized premiums	(237,194,102)	
Leases payable	(3,930,376)	
Subscriptions payable	(510,652)	
Accrued interest payable	(3,176,546)	
Unamortized deferred charges from debt refundings	2,074,676	
Claims payable	(371,349)	
Compensated absences	<u>(5,423,039)</u>	(356,739,513)

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)	\$ (47,830,180)	
Total pension liability (LEOSSA)	(8,078,007)	
Net pension asset (RODSPF)	141,430	
Deferred outflows of resources - pension items	28,851,036	
Deferred inflows of resources - pension items	<u>(987,854)</u>	(27,903,575)

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	\$ (121,051,720)	
Deferred outflows of resources - OPEB items	24,854,860	
Deferred inflows of resources - OPEB items	<u>(43,874,737)</u>	(140,071,597)

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>32,089</u>
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Net position of governmental activities		<u>\$ (186,663,997)</u>
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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, 2025

	General Fund	Debt Service Fund	American Rescue Plan Act Fund
<b>REVENUES</b>			
Property taxes	\$ 206,488,649	\$ -	\$ -
Sales taxes	43,717,384	-	-
Other taxes	-	-	-
Unrestricted intergovernmental	7,687,020	1,823,738	-
Restricted intergovernmental	12,453,919	-	307,165
Charges for services	14,173,742	-	-
Investment earnings	2,408,722	-	134,864
License and permits	208,906	-	-
Miscellaneous	2,837,421	10,056	-
Total revenues	289,975,763	1,833,794	442,029
<b>EXPENDITURES</b>			
Current:			
Community services	15,845,035	-	-
General government	13,152,231	234,504	-
Public safety	40,129,493	-	30,109
Human services	47,987,431	-	270,134
Education	113,122,510	-	-
Support services	20,031,716	-	6,924
Capital outlay	-	-	-
Debt service:			
Principal retirements	2,017,253	25,203,462	-
Interest and other charges	97,038	9,550,859	-
Total expenditures	252,382,707	34,988,825	307,167
Excess (deficiency) of revenues over (under) expenditures	37,593,056	(33,155,031)	134,862
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	492,333	-
Issuance of leases	396,881	-	-
Issuance of subscriptions	395,481	-	-
Premium on long-term debt issued	-	-	-
Transfers from other funds	1,149,818	29,987,646	-
Transfers to other funds	(39,020,345)	-	-
Sale of capital assets	125,436	-	-
Other financing sources (uses), net	(36,952,729)	30,479,979	-
Net change in fund balances	640,327	(2,675,052)	134,862
<b>FUND BALANCES:</b>			
Beginning balances, as previously reported	82,328,080	3,263,435	43,694
Restatement for error correction (Note 15)	(4,610,217)	-	-
Beginning balances, as restated	77,717,863	3,263,435	43,694
Ending balances	\$ 78,358,190	\$ 588,383	\$ 178,556

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

<b>County Capital Improvements Fund</b>	<b>School Capital Improvements Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ -	\$ 38,071,442	\$ 244,560,091
-	-	5,932,474	49,649,858
-	-	2,222,376	2,222,376
-	-	2,186,353	11,697,111
2,289,154	-	12,046,551	27,096,789
-	-	586,783	14,760,525
1,877,607	-	256,005	4,677,198
-	-	1,237,788	1,446,694
383,060	-	225,600	3,456,137
<u>4,549,821</u>	<u>-</u>	<u>62,765,372</u>	<u>359,566,779</u>
-	-	6,611,063	22,456,098
-	-	630,685	14,017,420
-	-	11,542,575	51,702,177
-	-	12,180,895	60,438,460
-	35,257,355	28,598,302	176,978,167
-	-	-	20,038,640
27,587,334	-	-	27,587,334
-	-	614,668	27,835,383
-	-	304,145	9,952,042
<u>27,587,334</u>	<u>35,257,355</u>	<u>60,482,333</u>	<u>411,005,721</u>
<u>(23,037,513)</u>	<u>(35,257,355)</u>	<u>2,283,039</u>	<u>(51,438,942)</u>
16,565,422	47,477,245	-	64,535,000
-	-	-	396,881
-	-	-	395,481
-	5,219,020	-	5,219,020
1,415,404	6,917,312	957,018	40,427,198
-	-	(4,263,747)	(43,284,092)
-	-	-	125,436
<u>17,980,826</u>	<u>59,613,577</u>	<u>(3,306,729)</u>	<u>67,814,924</u>
(5,056,687)	24,356,222	(1,023,690)	16,375,982
42,963,675	(3,406,437)	17,055,300	142,247,747
-	-	-	(4,610,217)
<u>42,963,675</u>	<u>(3,406,437)</u>	<u>17,055,300</u>	<u>137,637,530</u>
<u>\$ 37,906,988</u>	<u>\$ 20,949,785</u>	<u>\$ 16,031,610</u>	<u>\$ 154,013,512</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, 2025

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

Net change in fund balances - total governmental funds	\$	16,375,982
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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	\$ 18,486,094		
Depreciation and amortization expense	<u>(8,478,398)</u>		10,007,696

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			(6,381,671)
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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	\$ 239,249		
Net change in unavailable intergovernmental revenues	<u>(64,919)</u>		174,330

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	\$ (65,327,362)		
Premiums on long-term debt issued	(5,219,020)		
Principal retirements	27,835,383		
Terminated leases	4,890,404		
Amortization of bond premiums	1,552,628		
Amortization of deferred charges on refunding	<u>(228,429)</u>		(36,496,396)

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	\$ 8,003		
Net change in interest payable	44,913		
Net change in claims payable	(103,599)		
Pension expense - LGERS	(4,941,352)		
Pension expense - LEOSSA	(519,748)		
Pension expense - RODSPF	(6,845)		
OPEB expense	<u>(334,868)</u>		(5,853,496)

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>120,174</u>	
		<u>\$ (22,053,381)</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, 2025

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 203,071,602	\$ 203,205,934	\$ 206,488,649	\$ 3,282,715
Sales tax	44,139,012	44,139,012	43,717,384	(421,628)
Unrestricted intergovernmental	7,298,674	7,734,526	7,687,020	(47,506)
Restricted intergovernmental	13,907,322	14,157,546	12,453,919	(1,703,627)
Charges for services	13,713,595	13,816,624	14,173,742	357,118
Investment earnings	1,800,000	2,280,000	2,408,722	128,722
License and permits	274,200	274,200	208,906	(65,294)
Miscellaneous	2,041,871	10,752,257	2,837,421	(7,914,836)
Total revenues	286,246,276	296,360,099	289,975,763	(6,384,336)
<b>EXPENDITURES</b>				
Current:				
Community service	16,089,149	16,822,295	15,845,035	977,260
General government	12,699,830	13,923,838	13,152,231	771,607
Public safety	40,930,579	41,217,286	40,129,493	1,087,793
Human services	53,023,027	52,835,889	47,987,431	4,848,458
Education	113,115,311	113,159,588	113,122,510	37,078
Support services	19,060,140	29,136,667	20,031,716	9,104,951
Debt service:				
Principal retirements	50,000	1,510,000	2,017,253	(507,253)
Interest and other charges	-	40,000	97,038	(57,038)
Total expenditures	254,968,036	268,645,563	252,382,707	16,262,856
Excess of revenues over expenditures	31,278,240	27,714,536	37,593,056	9,878,520
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	1,136,039	1,279,818	1,149,818	(130,000)
Transfers to other funds	(39,756,619)	(40,078,222)	(39,020,345)	1,057,877
Issuance of leases	192,340	1,692,340	396,881	(1,295,459)
Issuance of subscriptions	-	-	395,481	395,481
Sale of capital assets	50,000	50,000	125,436	75,436
Appropriated fund balance	7,100,000	9,341,528	-	(9,341,528)
Other financing uses, net	(31,278,240)	(27,714,536)	(36,952,729)	(9,238,193)
Net change in fund balance	\$ -	\$ -	640,327	\$ 640,327
Fund balance, beginning of year, as previously reported			82,328,080	
Restatement for error correction (Note 15)			(4,610,217)	
Fund balance, beginning of year, as restated			77,717,863	
Ending balance			\$ 78,358,190	

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, 2025**

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Restricted intergovernmental	\$ 28,839,722	\$ 28,839,722	\$ 307,165	\$ (28,532,557)
Investment earnings	-	-	134,864	134,864
Total revenues	<u>28,839,722</u>	<u>28,839,722</u>	<u>442,029</u>	<u>(28,397,693)</u>
<b>EXPENDITURES</b>				
Current:				
Community services	299,285	299,285	-	299,285
General government	9,626,768	9,626,768	-	9,626,768
Public safety	2,697,107	2,697,107	30,109	2,666,998
Human services	14,965,243	14,965,243	270,134	14,695,109
Support services	1,251,319	1,251,319	6,924	1,244,395
Total expenditures	<u>28,839,722</u>	<u>28,839,722</u>	<u>307,167</u>	<u>28,532,555</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>134,862</u>	<u>\$ 134,862</u>
<b>FUND BALANCE</b>				
Beginning balance			43,694	
Ending balance			<u>\$ 178,556</u>	

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

**ORANGE COUNTY, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2025**

	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
<b>ASSETS</b>				
Current assets:				
Cash and investments - unrestricted	\$ 15,464,782	\$ 2,031,317	\$ 17,496,099	\$ 665,844
Cash and investments - restricted	-	2,128,802	2,128,802	-
Accounts receivable	165,204	9,697	174,901	4,910
Due from other governments	106,656	-	106,656	-
Total current assets	<u>15,736,642</u>	<u>4,169,816</u>	<u>19,906,458</u>	<u>670,754</u>
Capital assets:				
Nondepreciable assets	824,594	794,466	1,619,060	-
Depreciable assets, net	11,962,676	6,393,000	18,355,676	-
Capital assets, net	<u>12,787,270</u>	<u>7,187,466</u>	<u>19,974,736</u>	<u>-</u>
Total assets	<u>28,523,912</u>	<u>11,357,282</u>	<u>39,881,194</u>	<u>670,754</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,052,418</u>	<u>-</u>	<u>1,052,418</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	744,831	381,832	1,126,663	638,665
Accrued payroll and other liabilities	330,561	71,371	401,932	-
Unearned revenue	-	336,800	336,800	-
Current portion:				
Long-term debt	766,019	322,195	1,088,214	-
Landfill post-closure	665,241	-	665,241	-
Compensated absences payable	175,462	-	175,462	-
Total current liabilities	<u>2,682,114</u>	<u>1,112,198</u>	<u>3,794,312</u>	<u>638,665</u>
Noncurrent liabilities:				
Long-term debt	5,086,361	5,504,070	10,590,431	-
Landfill post-closure	6,642,639	-	6,642,639	-
Compensated absences payable	116,975	-	116,975	-
Net pension liability	1,971,088	-	1,971,088	-
Total noncurrent liabilities	<u>13,817,063</u>	<u>5,504,070</u>	<u>19,321,133</u>	<u>-</u>
Total liabilities	<u>16,499,177</u>	<u>6,616,268</u>	<u>23,115,445</u>	<u>638,665</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>13,904</u>	<u>-</u>	<u>13,904</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	6,934,890	3,490,003	10,424,893	-
Unrestricted	6,128,359	1,251,011	7,379,370	32,089
Total net position	<u>\$ 13,063,249</u>	<u>\$ 4,741,014</u>	<u>\$ 17,804,263</u>	<u>\$ 32,089</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, 2025**

	<b>Solid Waste Landfill</b>	<b>SportsPlex</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 10,427,249	\$ 5,956,282	\$ 16,383,531	\$ -
Employer and employee contributions	-	-	-	14,886,560
Other operating revenue	420,147	-	420,147	-
Total operating revenues	<u>10,847,396</u>	<u>5,956,282</u>	<u>16,803,678</u>	<u>14,886,560</u>
<b>OPERATING EXPENSES</b>				
Operations	8,061,199	3,036,138	11,097,337	17,836,380
General and administrative	3,832,530	2,007,301	5,839,831	102,900
Depreciation	1,860,764	490,561	2,351,325	-
Total operating expenses	<u>13,754,493</u>	<u>5,534,000</u>	<u>19,288,493</u>	<u>17,939,280</u>
Operating income (loss)	<u>(2,907,097)</u>	<u>422,282</u>	<u>(2,484,815)</u>	<u>(3,052,720)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Disposal taxes and reimbursements	457,717	-	457,717	-
Intergovernmental	15,000	-	15,000	-
Investment earnings	404,300	2,858	407,158	-
Gain on disposal of capital assets	304,474	-	304,474	-
Interest expense	(183,342)	(118,344)	(301,686)	-
Non-operating revenue (expenses), net	<u>998,149</u>	<u>(115,486)</u>	<u>882,663</u>	<u>-</u>
Income (loss) before transfers	<u>(1,908,948)</u>	<u>306,796</u>	<u>(1,602,152)</u>	<u>(3,052,720)</u>
Transfers from other funds	-	799,669	799,669	3,172,894
Transfers to other funds	-	(1,115,669)	(1,115,669)	-
Change in net position	<u>(1,908,948)</u>	<u>(9,204)</u>	<u>(1,918,152)</u>	<u>120,174</u>
<b>NET POSITION</b>				
Beginning balances	14,972,197	4,750,218	19,722,415	(88,085)
Ending balances	<u>\$ 13,063,249</u>	<u>\$ 4,741,014</u>	<u>\$ 17,804,263</u>	<u>\$ 32,089</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, 2025**

	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$ 11,367,951	\$ 5,910,973	\$ 17,278,924	\$ 14,881,650
Cash paid for goods and services	(4,878,552)	(2,746,496)	(7,625,048)	(18,177,544)
Cash paid to employees	(6,096,475)	(1,989,664)	(8,086,139)	-
Net cash provided by (used in) operating activities	<u>392,924</u>	<u>1,174,813</u>	<u>1,567,737</u>	<u>(3,295,894)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	-	(1,115,669)	(1,115,669)	-
Transfers from other funds	-	799,669	799,669	3,172,894
Cash received from other governments	15,000	-	15,000	-
Net cash provided by (used in) non-capital financing activities	<u>15,000</u>	<u>(316,000)</u>	<u>(301,000)</u>	<u>3,172,894</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition/construction of capital assets	(3,711,456)	-	(3,711,456)	-
Proceeds from issuance of debt	583,578	2,469,662	3,053,240	-
Principal payments on long-term debt	(784,421)	(346,969)	(1,131,390)	-
Proceeds from the sale of capital assets	304,474	-	304,474	-
Interest paid and fiscal fees paid	(222,010)	(141,760)	(363,770)	-
Net cash provided by (used in) capital and related financing activities	<u>(3,829,835)</u>	<u>1,980,933</u>	<u>(1,848,902)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	404,300	2,858	407,158	-
Net cash provided by investing activities	<u>404,300</u>	<u>2,858</u>	<u>407,158</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(3,017,611)	2,842,604	(175,007)	(123,000)
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning balances	18,482,393	1,317,515	19,799,908	788,844
Ending balances	<u>\$ 15,464,782</u>	<u>\$ 4,160,119</u>	<u>\$ 19,624,901</u>	<u>\$ 665,844</u>
<b>CASH AND CASH EQUIVALENTS</b>				
Cash and investments - unrestricted	\$ 15,464,782	\$ 2,031,317	\$ 17,496,099	\$ 665,844
Cash and investments - restricted	-	2,128,802	2,128,802	-
Total cash and cash equivalents	<u>\$ 15,464,782</u>	<u>\$ 4,160,119</u>	<u>\$ 19,624,901</u>	<u>\$ 665,844</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, 2025**

	<u>Solid Waste Landfill</u>	<u>SportsPlex</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (2,907,097)	\$ 422,282	\$ (2,484,815)	\$ (3,052,720)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Disposal taxes and reimbursements	457,717	-	457,717	-
Depreciation	1,860,764	490,561	2,351,325	-
Landfill closure and post-closure care costs	401,436	-	401,436	-
Change in assets, deferred outflows of resources liabilities, and deferred inflows of resources:				
Decrease (increase) in:				
Accounts receivable	64,995	13,783	78,778	(4,910)
Due from other governments	(2,157)	-	(2,157)	-
Deferred outflows - pensions	244,939	-	244,939	-
Increase (decrease) in:				
Accounts and claims payable	490,264	289,642	779,906	(238,264)
Accrued payroll withholdings	(20,755)	17,637	(3,118)	-
Unearned revenue	-	(59,092)	(59,092)	-
Compensated absences payable	13,445	-	13,445	-
Net pension liability	(195,227)	-	(195,227)	-
Deferred inflows - pensions	(15,400)	-	(15,400)	-
Net cash provided by (used in) operating activities	<u>\$ 392,924</u>	<u>\$ 1,174,813</u>	<u>\$ 1,567,737</u>	<u>\$ (3,295,894)</u>

**ORANGE COUNTY, NORTH CAROLINA**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2025**

	<u>OPEB Trust Fund</u>	<u>Custodial Funds</u>
<b>ASSETS</b>		
Cash and investments - restricted	\$ 416,498	\$ 166,554
Total assets	<u>416,498</u>	<u>166,554</u>
<b>LIABILITIES</b>		
Accounts payable	-	2,335
Accrued liabilities	-	46,572
Total liabilities	<u>-</u>	<u>48,907</u>
<b>NET POSITION</b>		
Restricted for:		
Other postemployment benefits	416,498	-
Individuals, organizations and other governments	-	117,647
Total net position	<u>\$ 416,498</u>	<u>\$ 117,647</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, 2025**

	<b>OPEB Trust Fund</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Employer contributions	\$ 5,182,720	\$ -
Charges for services	-	27,942
Collections on behalf of inmates	-	281,252
Donations	-	6,476
Investment earnings	18,788	3,059
Total additions	5,201,508	318,729
<b>DEDUCTIONS</b>		
Water improvements	-	31,923
Benefit payments	5,182,720	-
Payments on behalf of inmates	-	281,252
Other	-	22,468
Total deductions	5,182,720	335,643
Change in fiduciary net position	18,788	(16,914)
<b>NET POSITION</b>		
Beginning balances	397,710	134,561
Ending balances	\$ 416,498	\$ 117,647

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

## **NOTES TO THE FINANCIAL STATEMENTS**

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# ORANGE COUNTY, NORTH CAROLINA

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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### 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  
601 Valley Forge Rd  
Hillsborough, North Carolina 27278

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

##### Discretely Presented Component Units (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

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### 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 is 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

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### 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

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### 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

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### 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

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### 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, 2025, of 2.1 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 8.11 years at June 30, 2025.

*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, 2025, the fair value of the funds was \$44.33 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

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### 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, 2024.

#### **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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Leases (Continued)

##### *Lessee (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

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Leases (Continued)

##### *Lessor (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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### L. Subscription-Based Information Technology Arrangements (Continued)

- 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.

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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. Capital Assets (Continued)

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.

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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Deferred Outflows/Inflows of Resources (Continued)

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 which are earned by the County but are not considered available for the liquidation of current expenditures. Additionally, deferred inflows of resources are reported for outstanding lien receivables which are not collected within 90 days of the County's fiscal year end.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. The County does not record any liability for the accumulated sick leave as amounts accumulated by employees are not more likely than not to be used for time off or otherwise paid, in accordance with GASB 101. For purposes of estimating the compensated absences liability, the County assumes leave is used on a last-in, first-out basis, meaning the most recently accrued leave is applied first.

#### 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.

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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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 \$1,075,671 as part of this settlement in fiscal year 2025. 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.

*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.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### T. Net Position/Fund Balances (Continued)

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### T. Net Position/Fund Balances (Continued)

*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. Only the County's General Fund may report positive unassigned fund balance. Any governmental fund with a fund deficit is classified as unassigned.

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 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

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### NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Deficit in fund balance.** The County's Representative Payee Fund and School District Fund report a deficit fund balance of \$4,225 and \$104,345, respectively. These deficits will be alleviated via the collection of revenues or General Fund appropriation, as necessary.

### 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, 2025, had a carrying amount of \$91,862,337 and a bank balance of \$92,693,452. Of the bank balance, \$500,000 was covered by federal depository insurance, and \$92,193,452 was covered by collateral held under the Pooling Method. The County's petty cash accounts, at June 30, 2025, totaled \$7,364. Total deposits as of June 30, 2025, are summarized as follows:

Cash and cash equivalents	\$ 107,756,910
Restricted cash and cash equivalents	68,763,138
Statement of Fiduciary Net Position	583,052
	<u>\$ 177,103,100</u>
Cash deposited with financial institution	\$ 91,862,337
Petty cash	7,364
NCCMT - Government Portfolio	84,816,901
STIF	416,498
	<u>\$ 177,103,100</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, 2025, consist of the following:

Investment Type	Measurement Method	Fair Value	Less than 6 months
NCCMT- Government Portfolio	Fair Value - Level 1	\$ 84,816,901	\$ 84,816,901
STIF	Fair Value - Level 2	416,498	416,498
Total Investments		<u>\$ 85,233,399</u>	<u>\$ 85,233,399</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.

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, 2025, 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%.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

**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, 2025.

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, 2025, as required by NCGS.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. RECEIVABLES

The County's receivable balances at June 30, 2025, consisted of the following:

	General	County Capital Improvements	School Capital Improvements
Receivables:			
Taxes	\$ 3,178,441	\$ -	\$ -
Notes	3,343	-	-
Accounts	6,263,970	-	-
Due from other governments	16,102,163	328,677	-
Lease	8,077,427	-	-
Less allowance for uncollectible	(5,509,519)	-	-
Net receivables	<u>\$ 28,115,825</u>	<u>\$ 328,677</u>	<u>\$ -</u>

	Nonmajor Governmental	Solid Waste Landfill	SportsPlex
Receivables:			
Taxes	\$ 2,451,612	\$ -	\$ -
Notes	1,065,657	-	-
Accounts	306,168	165,204	9,697
Due from other governments	1,507,815	106,656	-
Less allowance for uncollectible	-	-	-
Net receivables	<u>\$ 5,331,252</u>	<u>\$ 271,860</u>	<u>\$ 9,697</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, 2025, the value of the lease receivable is \$2,055,181. 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, 2025, was \$2,000,462, and the County recognized lease revenue of \$276,873 during the fiscal year. The lessee has one extension option for 60 months remaining.

The County has entered into a 120-month lease as lessor for the use of 501 & 503 W. Franklin Street, Chapel Hill, North Carolina. An initial lease receivable was recorded in the amount of \$6,262,357. The lessee is required to make monthly fixed payments of \$33,715. As of June 30, 2025, the value of the lease receivable is \$6,022,246. The lease has an interest rate of 2.6730%. The value of the deferred inflow of resources as of June 30, 2025, was \$6,016,009, and the County recognized lease revenue of \$343,772 during the fiscal year.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities:</b>					
Nondepreciable capital assets:					
Land	\$ 20,516,305	\$ 1,328,266	\$ -	\$ -	\$ 21,844,571
Intangible rights	1,424,098	-	-	-	1,424,098
Construction in progress	35,338,921	12,297,971	-	(31,875,601)	15,761,291
Total	57,279,324	13,626,237	-	(31,875,601)	39,029,960
Capital assets, being depreciated and amortized:					
Buildings and improvements	162,426,515	-	-	31,875,601	194,302,116
Other improvements	3,411,653	-	(3,411,653)	-	-
Automotive equipment	16,729,383	3,762,683	(2,163,152)	-	18,328,914
Other equipment	18,317,373	133,828	(27,420)	-	18,423,781
Right-to-use lease land	391,363	1,520	-	-	392,883
Right-to-use lease buildings	17,070,248	411,220	(10,010,380)	-	7,471,088
Subscription assets	3,733,243	550,606	(111,078)	-	4,172,771
Total	222,079,778	4,859,857	(15,723,683)	31,875,601	243,091,553
Less accumulated depreciation and amortization for:					
Buildings and improvements	62,907,620	3,260,944	-	-	66,168,564
Other improvements	2,473,447	-	(2,473,447)	-	-
Automotive equipment	12,576,332	2,519,919	(2,013,252)	-	13,082,999
Other equipment	13,992,197	253,151	(45,220)	-	14,200,128
Right-to-use lease land	148,959	46,541	-	-	195,500
Right-to-use lease buildings	7,329,349	1,287,706	(4,699,015)	-	3,918,040
Subscription assets	2,121,545	1,110,137	(111,078)	-	3,120,604
Total	101,549,449	8,478,398	(9,342,012)	-	100,685,835
Total capital assets, being depreciated and amortized, net	120,530,329	(3,618,541)	(6,381,671)	31,875,601	142,405,718
Governmental activities capital assets, net	\$ 177,809,653	\$ 10,007,696	\$ (6,381,671)	\$ -	\$ 181,435,678

Depreciation and amortization expense by function:

Community services	\$ 237,053
General government	2,340,661
Public safety	237,973
Human services	1,910,058
Support services	3,752,653
Total depreciation and amortization - governmental activities	\$ 8,478,398

## 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>
<b>Business-type Activities:</b>					
<i>Solid Waste Landfill:</i>					
Nondepreciable capital assets:					
Land	\$ 824,594	\$ -	\$ -	\$ -	\$ 824,594
Construction in progress	530,643	-	-	(530,643)	-
Total	<u>1,355,237</u>	<u>-</u>	<u>-</u>	<u>(530,643)</u>	<u>824,594</u>
Capital assets, being depreciated:					
Land improvements	7,422,587	-	-	-	7,422,587
Buildings	5,983,398	-	-	530,643	6,514,041
Equipment	14,349,250	3,711,456	(1,974,368)	-	16,086,338
Total	<u>27,755,235</u>	<u>3,711,456</u>	<u>(1,974,368)</u>	<u>530,643</u>	<u>30,022,966</u>
Less accumulated depreciation for:					
Land improvements	3,880,002	133,549	-	-	4,013,551
Buildings	2,562,183	163,499	-	-	2,725,682
Equipment	11,731,709	1,563,716	(1,974,368)	-	11,321,057
Total	<u>18,173,894</u>	<u>1,860,764</u>	<u>(1,974,368)</u>	<u>-</u>	<u>18,060,290</u>
Total capital assets, being depreciated, net	<u>9,581,341</u>	<u>1,850,692</u>	<u>-</u>	<u>530,643</u>	<u>11,962,676</u>
Solid waste landfill fund capital assets, net	<u>\$ 10,936,578</u>	<u>\$ 1,850,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,787,270</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	5,866,225	484,720	-	-	6,350,945
Equipment	653,393	5,841	-	-	659,234
Total	<u>6,519,618</u>	<u>490,561</u>	<u>-</u>	<u>-</u>	<u>7,010,179</u>
Total capital assets, being depreciated, net	<u>6,883,561</u>	<u>(490,561)</u>	<u>-</u>	<u>-</u>	<u>6,393,000</u>
SportsPlex fund capital assets, net	<u>\$ 7,678,027</u>	<u>\$ (490,561)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,187,466</u>

*Construction commitments* – The County has active construction projects in progress at June 30, 2025. The County has contractual commitments on these projects of approximately \$5.6 million.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT

*The County* – Long-term liability activity for the year ended June 30, 2025, is as follows:

	Beginning Balance	Additions	Repayments and Adjustments	Ending Balance	Due within One Year
<b>Governmental activities:</b>					
General obligation bonds -					
direct placement	\$ 107,345,000	\$ -	\$ (6,910,000)	\$ 100,435,000	\$ 6,910,000
Bond premiums	8,403,531	-	(630,406)	7,773,125	-
Total general obligation bonds	115,748,531	-	(7,540,406)	108,208,125	6,910,000
Installment notes - direct					
borrowing and direct placement	173,976,036	64,535,000	(18,444,652)	220,066,384	17,011,081
Note premiums	12,830,920	5,219,020	(922,222)	17,127,718	-
Total installment notes	186,806,956	69,754,020	(19,366,874)	237,194,102	17,011,081
Leases payable	10,093,530	396,881	(6,560,035)	3,930,376	1,070,672
Subscriptions payable	926,271	395,481	(811,100)	510,652	379,404
Net pension liability (LGERS)	43,560,868	4,269,312	-	47,830,180	-
Total pension liability (LEOSSA)	6,905,582	1,763,286	(590,861)	8,078,007	221,836
Compensated absences	5,431,042	5,289,366	(5,297,369)	5,423,039	3,253,523
Claims payable	267,750	928,606	(825,007)	371,349	371,349
Net OPEB liability	118,859,926	2,191,794	-	121,051,720	-
Governmental activities, long-term liabilities	\$ 488,600,456	\$ 84,988,746	\$ (40,991,652)	\$ 532,597,550	\$ 29,217,865
<b>Business-type activities:</b>					
<i>Solid Waste Landfill</i>					
Installment notes - direct					
borrowing and direct placement	\$ 5,588,543	\$ 540,000	\$ (784,421)	\$ 5,344,122	\$ 766,019
Note premiums	503,348	43,578	(38,668)	508,258	-
Total installment notes	6,091,891	583,578	(823,089)	5,852,380	766,019
Net pension liability (LGERS)	2,166,315	-	(195,227)	1,971,088	-
Post-closure care costs	6,906,444	401,436	-	7,307,880	665,241
Compensated absences	278,992	278,751	(265,306)	292,437	175,462
Total long-term liabilities	\$ 15,443,642	\$ 1,263,765	\$ (1,283,622)	\$ 15,423,785	\$ 1,606,722
<i>SportsPlex</i>					
Installment notes - direct					
borrowing and direct placement	\$ 3,431,693	\$ 2,285,000	\$ (346,969)	\$ 5,369,724	\$ 322,195
Note premiums	295,295	184,662	(23,416)	456,541	-
Total installment notes	\$ 3,726,988	\$ 2,469,662	\$ (370,385)	\$ 5,826,265	\$ 322,195

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.

The County has \$300 million in authorized and unissued General Obligation bonds pursuant to voter approval bond referendum on November 5, 2024.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2025, were as follows:

**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%.	\$ 1,880,000
\$21,000,000 Series 2017B school bonds, due in annual installments through February 2028 with interest ranging from 2.15 to 5.00%.	17,230,000
\$64,400,000 Series 2018 school bonds, due in annual installments through August 2038 with interest ranging from 2.65 to 5.00%.	50,080,000
\$20,060,000 Series 2020 school bonds, due in annual installments through August 2040 with interest ranging from 2.00 to 5.00%.	16,040,000
\$2,500,000 Series 2021 school bonds, due in annual installments through August 2041 with interest ranging from 2.00 to 5.00%.	2,125,000
\$14,540,000 Series 2022 school bonds, due in annual installments through February 2043 with interest ranging from 4.00 to 5.00%.	<u>13,080,000</u>
Total outstanding general obligation bonds	<u>\$ 100,435,000</u>

Of the amount serviced by the County's General Fund shown above, \$96,685,000 is considered to be debt related to the schools.

## NOTES TO FINANCIAL STATEMENTS

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### 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>
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	6,910,000	2,322,313	9,232,313
2031-2035	34,500,000	7,983,695	42,483,695
2036-2040	27,960,000	2,524,054	30,484,054
2041-2043	3,425,000	190,250	3,615,250
Total	<u>\$ 100,435,000</u>	<u>\$ 25,340,920</u>	<u>\$ 125,775,920</u>

As of June 30, 2025, 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, 2025, was \$1,551,917,127.

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## 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, 2025, were as follows:

**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%.	\$ 659,296
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%.	5,880,000
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%.	14,848,635
Direct placement - \$10,110,000 Series 2017 from Sterling Bank due in annual installments through June 2037 with interest at 2.83%.	4,876,000
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%.	3,015,000
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%.	8,280,000
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%.	15,509,453
Direct placement - \$39,663,000 Series 2020 limited obligation bonds due in annual installments through October 2040 with interest at 2.70%.	30,273,000
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%.	13,300,000
Direct placement - \$6,885,000 Series 2022A limited obligation bonds due in annual installments through February 2031 with interest at 2.13%.	5,224,000
Direct placement - \$32,483,000 Series 2022B limited obligation bonds due in annual installments through February 2043 with interest at 2.41%.	29,229,000
Direct placement - \$5,080,000 Series 2023A limited obligation bonds due in annual installments through February 2043 with interest at 3.73%.	4,393,000
Direct placement - \$9,218,000 Series 2023B limited obligation bonds due in annual installments through February 2043 with interest at 3.83%.	8,714,000
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%.	2,080,000
Direct placement - \$64,535,000 Series 2025 limited obligation bonds due in annual installments through October 2045 with interest ranging from 4.50 to 5.00%.	64,535,000
Total outstanding installment notes payable	<u><u>\$ 220,066,384</u></u>

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Installment Notes Payable (Continued)

Of the amount serviced by the County's General Fund shown above, \$97,416,390 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:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2026	\$ 17,011,081	\$ 7,850,900	\$ 24,861,981
2027	21,703,423	7,669,038	29,372,461
2028	17,014,422	6,844,508	23,858,930
2029	16,505,192	6,168,918	22,674,110
2030	15,236,192	5,540,183	20,776,375
2031-2035	60,567,074	19,513,104	80,080,178
2036-2040	45,987,000	9,541,843	55,528,843
2041-2045	23,492,000	2,667,368	26,159,368
2046	2,550,000	57,375	2,607,375
Total	<u>\$ 220,066,384</u>	<u>\$ 65,853,237</u>	<u>\$ 285,919,621</u>

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## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Installment Notes Payable (Continued)

**Business-type Activities:**

*Solid Waste Landfill:*

Direct placement - \$1,022,396 Series 2015 limited obligation bonds due in annual installments through April 2030 with interest ranging from 0.00 to 5.00%.	\$ 325,000
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%.	735,576
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%.	660,000
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%.	60,546
Direct placement - \$998,000 Series 2020 limited obligation bonds due in annual installments through October 2040 with interest ranging at 2.70%.	546,000
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%.	170,000
Direct placement - \$519,000 Series 2022A limited obligation bonds due in annual installments through February 2031 with interest at 2.13%	398,000
Direct placement - \$1,543,000 Series 2022B limited obligation bonds due in annual installments through February 2043 with interest at 2.41%	1,359,000
Direct placement - \$550,000 Series 2024A limited obligation bonds due in annual installments through June 2045 with interest at 4.63%.	550,000
Direct placement - \$540,000 Series 2025 limited obligation bonds due in annual installments through October 2037 with interest ranging from 4.50 to 5.00%.	540,000
Total outstanding installment notes payable	<u>\$ 5,344,122</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Installment Notes Payable (Continued)

##### Business-type Activities (Continued):

##### *SportsPlex:*

Direct placement - \$2,058,567 Series 2015 limited obligation bonds due in annual installments through April 2030 with interest ranging from 2.00 to 5.00%.	\$ 300,000
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%.	161,724
Direct borrowing - \$2,793,000 Series 2017 from Sterling Bank due in annual installments through June 2037 with interest at 2.83%.	1,673,000
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%.	335,000
Direct placement - \$70,000 Series 2020 limited obligation bonds due in annual installments through October 2027 with interest ranging at 2.70%.	32,000
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%.	490,000
Direct placement - \$105,000 Series 2022B limited obligation bonds due in annual installments through February 2043 with interest at 2.41%.	93,000
Direct placement - \$2,285,000 Series 2025 limited obligation bonds due in annual installments through October 2045 with interest ranging from 4.50 to 5.00%.	<u>2,285,000</u>
Total outstanding installment notes payable	<u><u>\$ 5,369,724</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,	<b>Business-type Activities</b>			
	<b>Solid Waste Landfill</b>		<b>SportsPlex</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 766,019	\$ 184,369	\$ 322,195	\$ 191,581
2027	940,983	154,528	512,529	198,114
2028	578,578	123,795	402,000	178,698
2029	466,808	103,713	390,000	162,517
2030	442,808	86,902	395,000	147,435
2031-2035	1,358,926	235,553	1,615,000	534,245
2036-2040	672,000	62,313	1,173,000	236,329
2041-2045	118,000	5,235	485,000	64,023
2046	-	-	75,000	1,687
Total	<u><u>\$ 5,344,122</u></u>	<u><u>\$ 956,408</u></u>	<u><u>\$ 5,369,724</u></u>	<u><u>\$ 1,714,629</u></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, 2025, the value of the lease liability is \$3,930,376. The County is required to make monthly fixed payments ranging from \$35,774 to \$860,460. The leases have interest rates ranging from 1.1380% to 2.8590%. The value of the right to use assets for the land and building leases as of June 30, 2025, was \$7,863,971 with accumulated amortization of \$4,113,542.

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

Fiscal Year	Principal	Interest	Payments
2026	\$ 1,070,672	\$ 78,555	\$ 1,149,227
2027	1,102,951	53,172	1,156,123
2028	1,131,224	27,040	1,158,264
2029	460,839	6,286	467,125
2030	164,690	1,144	165,834
	\$ 3,930,376	\$ 166,197	\$ 4,096,573

#### Lease Termination

The County had two lease agreements that required early termination during the current year. As a result, the related lease assets and liabilities were removed from the County's financial statements. The early termination resulted in the removal of \$5,369,250 in lease liabilities, \$9,528,312 in leased assets, and \$4,216,947 in accumulated amortization. The net impact of these adjustments was an overall difference of \$57,885 which was determined to be immaterial to the County's governmental activities with no significant effect on the County's financial position.

#### 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, 2025, the value of the subscription liability is \$510,652. The County is required to make annual fixed payments ranging from \$7,547 to \$201,843. The subscriptions have an interest rate ranging from 1.58% to 3.1770%. The value of the right-to-use assets as of June 30, 2025, are \$4,172,773 with accumulated amortization of \$3,120,606.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LONG-TERM DEBT (CONTINUED)

#### Subscriptions Payable (Continued)

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

Fiscal Year	Principal	Interest	Payments
2026	\$ 379,404	\$ 12,775	\$ 392,179
2027	116,942	3,597	120,539
2028	14,306	332	14,638
	\$ 510,652	\$ 16,704	\$ 527,356

#### Landfill Closure and Post-closure Care Costs

State and Federal laws and regulations require the County to place a final cover on its landfills when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites after closure. The County reported a liability of \$7,307,880 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, 2025, 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 \$2,478,617, 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 are eliminated at the government-wide level. The outstanding balances of \$100,000 and \$545, at June 30, 2025, were between the General Fund and the FEMA Recovery fund and the Spay/Neuter Fund, respectively, and were 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	\$ -	\$ 1,375,484	\$ 3,552,063	\$ 932,258	\$ 29,987,646	\$ 3,172,894	\$ 39,020,345
SportsPlex fund	316,000	-	-	-	-	-	316,000
Non-major governmental funds	833,818	39,920	3,365,249	24,760	-	-	4,263,747
Total transfers	<u>\$ 1,149,818</u>	<u>\$ 1,415,404</u>	<u>\$ 6,917,312</u>	<u>\$ 957,018</u>	<u>\$ 29,987,646</u>	<u>\$ 3,172,894</u>	<u>\$ 43,600,092</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 used 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 1, 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:

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Capital assets, net	\$ 181,435,678	\$ 19,974,736
Less:		
County related debt - bonds	(3,750,000)	-
County related debt - installment notes	(122,649,994)	(10,713,846)
Unamortized premium on County related debt	(10,877,353)	(964,799)
County related debt - leases and subscriptions	(4,441,028)	-
Capital related accounts payable	(3,447,077)	-
Add:		
Deferred loss on refunding bonds	2,074,676	-
Unexpended proceeds on County related debt	41,025,388	2,128,802
Net investment in capital assets	\$ 79,370,290	\$ 10,424,893

#### 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, 2025, there were \$1,884,942 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	\$ 78,358,190
Less:	
Nonspendable fund balance	(76,103)
Stabilization by state statute	(20,082,631)
Fund balance available for appropriation	\$ 58,199,456

## NOTES TO FINANCIAL STATEMENTS

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### 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](http://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

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### 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 2025 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 \$10,372,151 for the year ended June 30, 2025.

*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, 2025, the County reported a liability of \$49,801,268 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, 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 0.73873%, at June 30, 2024, which was an increase of 0.04831% from its proportion measured as of June 30, 2023.

## 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, 2025, the County recognized pension expense of \$15,347,615. The County reported deferred outflows of resources and deferred inflows of resources related to pensions, at June 30, 2025, from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 8,727,068	\$ 58,677
Net difference between projected and actual earnings on pension plan investments	6,770,453	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,869,881	292,609
County contributions subsequent to the measurement date	10,372,151	-
Total	\$ 27,739,553	\$ 351,286

County contributions made subsequent to the measurement date of \$10,372,151 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, 2026. 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:		
2026	\$	5,210,862
2027		10,431,826
2028		2,138,974
2029		(765,546)
Total	\$	17,016,116

**Actuarial Assumptions.** The total pension liability in the December 31, 2023 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, 2023 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, 2025, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
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:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
County's proportionate share of the net pension liability (asset)	\$ 88,249,307	\$ 49,801,268	\$ 18,172,470

**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, 2023, the date of the most recent actuarial valuation the Separation Allowance’s membership consisted of:

Retirees receiving benefits	21
Active plan members	100
Total	121

**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, 2023 valuation. The total pension liability in the December 31, 2023 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, including inflation at 2.50% and real wage growth at 0.75%
Discount rate	4.28 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 4.00% to 4.28% 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, 2023 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 \$422,180 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, 2025, of \$8,078,007. The total pension liability was measured as of December 31, 2024, based on a December 31, 2023 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2024, utilizing update procedures incorporating the actuarial assumptions. The County recognized pension expense of \$1,070,731 for the year ended June 30, 2025. The County reported deferred outflows of resources and deferred inflows of resources related to pensions, at June 30, 2025, from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Change in assumptions	\$ 302,592	\$ 635,623
Difference between expected and actual experience	1,472,795	-
County benefit payments made subsequent to the measurement date.	320,230	-
Total	\$ 2,095,617	\$ 635,623

## 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 \$320,230 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, 2026. 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:		
2026	\$	429,540
2027		169,210
2028		271,889
2029		228,065
2030		41,060
Total	\$	1,139,764

**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 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

	1% Decrease (3.28%)	Discount Rate (4.28%)	1% Increase (5.28%)
Total pension liability	\$ 8,702,039	\$ 8,078,007	\$ 7,511,927

**Changes in the Total Pension Liability.** The changes in the County's total pension liability for the year ended June 30, 2025, were as follows:

	Total Pension Liability
Balance at June 30, 2024	\$ 6,905,582
Service cost	259,330
Interest	267,780
Difference between expected and actual experience	1,236,176
Change of assumptions or other inputs	(168,681)
Contributions	(422,180)
Balance at June 30, 2025	\$ 8,078,007

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

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### 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](http://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 \$10,561 for the year ended June 30, 2025.

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

The County reported an asset of \$141,430 at June 30, 2025, for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, 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, 2024, the County's proportion was 1.22737%, which was an increase of 0.04563% from its proportion measured as of June 30, 2023.

## 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 \$19,161 for the year ended June 30, 2025. The County reported deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2025, from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,105	\$ 2,528
Net difference between projected and actual earnings on pension plan investments	54,618	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	12,321
County contributions subsequent to measurement date	10,561	-
Total	\$ 68,284	\$ 14,849

County contributions made subsequent to the measurement date of \$10,561 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, 2026. 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:		
2026	\$	16,865
2027		20,853
2028		4,959
2029		196
Total	\$	42,873

**Actuarial Assumptions.** The total pension liability in the December 31, 2023 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

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### 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, 2023 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 information above is based on 30-year expectations developed with the consulting actuary for the 2023 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 2.76%. 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:

	<b>1% Decrease (2.00%)</b>	<b>Discount Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
County's proportionate share of the net pension asset	\$ 93,710	\$ 141,430	\$ 181,626

**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, 2025, were \$1,700,712 which consisted of \$1,215,563 from the County and \$485,149 from the law enforcement officers.

## NOTES TO FINANCIAL STATEMENTS

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### 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 30 or more years of service with at least 15 of those years with the County; (2) employee with 27 or more years of service and three years of prior military service with at least 15 of those years with the County; or (3) members of the governing board who have a total of 16 years of service in office. To qualify as an “other retiree,” employees must meet one of the two following: (1) have 25 to 29 years of service with at least ten with the County or (2) have 20 or more years of qualified service with at least ten 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, 2024, the date of the latest actuarial valuation:

Active participants	1,037
Retirees and beneficiaries currently receiving benefits	<u>529</u>
Total	<u><u>1,566</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 \$4,998 per active employee for the year ended June 30, 2025. 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 \$5,182,720 for the year ended June 30, 2025.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2025:

<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 4.17 percent for the year ended June 30, 2025. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	5.20%
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	5.20%
Healthcare cost trend rates:	
Pre-Medicare and prescription drug	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034
Medicare and prescription drug	5.125% for 2024 decreasing to an ultimate rate of 4.50% by 2027

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2024 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, 2024 valuation.

## NOTES TO FINANCIAL STATEMENTS

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

#### A. County OPEB Plan (Continued)

##### Net OPEB Liability (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, 2025, 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 5.20 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 2025. Therefore, the long-term expected rate of return on OPEB plan investments was applied to projected benefit payments until 2025 to determine the net OPEB liability. For projected benefit payments of current plan members after 2026, the index rate of 20-year, tax-exempt general obligation municipal bonds with an average rating of AA or higher – which was 5.20 percent as determined by the Bond Buyer 20-year Bond GO Index Rate as of June 30, 2025 – was used. The discount rate of 5.20 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 5.20 percent was an increase from the discount rate of 5.20 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)

##### Net OPEB Liability (Continued)

**Mortality Assumptions.** Mortality rates were based on the Pub-2010 mortality tables, with **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 (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	<b>1% Decrease (4.20%)</b>	<b>Discount Rate (5.20%)</b>	<b>1% Increase (6.20%)</b>
Net OPEB liability	\$ 139,575,376	\$ 121,051,720	\$ 106,101,042

**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:

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
Net OPEB liability	\$ 104,247,471	\$ 121,051,720	\$ 142,143,158

**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, 2025, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net OPEB Liability
<b>Balances at June 30, 2024</b>	\$ 119,257,636	\$ 397,710	\$ 118,859,926
<b>Changes for the year:</b>			
Service cost	3,118,561	-	3,118,561
Interest	4,585,966	-	4,585,966
Differences between expected and actual experience	21,084,360	-	21,084,360
Assumption changes	(21,395,585)	-	(21,395,585)
Contributions	-	5,182,720	(5,182,720)
Net investment income	-	18,788	(18,788)
Benefit payments	(5,182,720)	(5,182,720)	-
<b>Net changes</b>	<b>2,210,582</b>	<b>18,788</b>	<b>2,191,794</b>
<b>Balances at June 30, 2025</b>	<b>\$ 121,468,218</b>	<b>\$ 416,498</b>	<b>\$ 121,051,720</b>

## NOTES TO FINANCIAL STATEMENTS

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

#### A. County OPEB Plan (Continued)

##### Net OPEB Liability (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 \$5,517,588 for the year ended June 30, 2025. The County reported deferred outflows of resources and deferred inflows of resources related to OPEB, at June 30, 2025, from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 22,686,721	\$ 8,408,465
Change in assumptions	2,132,400	35,466,272
Differences between earnings on plan investments	35,739	-
Total	\$ 24,854,860	\$ 43,874,737

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:	
2026	\$ (4,461,811)
2027	(8,288,089)
2028	(5,469,429)
2029	(752,623)
2030	(47,925)
Total	\$ (19,019,877)

## 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, 2025. 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:

	<b>Modified Accrual</b>	<b>Full Accrual</b>
<b>Deferred Outflows of Resources:</b>		
<i>Governmental activities:</i>		
Pension - LGERS	\$ -	\$ 26,687,135
Pension - LEOSSA	-	2,095,617
Pension - RODSPF	-	68,284
OPEB	-	24,854,860
Deferred loss on refunding bonds	-	2,074,676
Total governmental activities	\$ -	\$ 55,780,572
 <i>Business-type activities:</i>		
Pension - LGERS	\$ -	\$ 1,052,418
 <b>Deferred Inflows of Resources:</b>		
<i>Governmental activities:</i>		
<i>Unavailable revenue:</i>		
Property taxes receivable	\$ 2,569,409	\$ -
Prepaid property taxes	913,876	913,876
Leases	8,016,471	8,016,471
Pension - LGERS	-	337,382
Pension - LEOSSA	-	635,623
Pension - RODSPF	-	14,849
OPEB	-	43,874,737
Total governmental activities	\$ 11,499,756	\$ 53,792,938
 <i>Business-type activities:</i>		
Pension - LGERS	\$ -	\$ 13,904
Total business-type activities	\$ -	\$ 13,904

## NOTES TO FINANCIAL STATEMENTS

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### 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 \$226,008,955 any one occurrence, general, auto, professional, and employment practices liability coverage of \$2.5 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, 2025, the Finance Officer and Tax Collector were bonded for \$1,000,000 and \$250,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

The County records a liability for estimated claims incurred but not reported (IBNR) at the end of every year based on an analysis provided by third parties. The following table summarizes IBNR for the two-year period ended June 30, 2025:

	2025	2024
<b>Dental and health insurance:</b>		
Beginning balances:	\$ 876,929	\$ 1,157,671
Add:		
Claims incurred and changes in IBNR	17,836,380	16,517,400
Less:		
Claims paid	18,074,643	16,798,142
Ending balances	\$ 638,666	\$ 876,929
 <b>Workers compensation:</b>		
Beginning balances:	\$ 267,750	\$ 318,018
Add:		
Claims incurred and changes in IBNR	928,606	228,810
Less:		
Claims paid	825,007	279,078
Ending balances	\$ 371,349	\$ 267,750

## NOTES TO FINANCIAL STATEMENTS

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### 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 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15. RESTATEMENTS

**Correction of an Error in Previously Issued Financial Statements.** During the fiscal year 2025, the County discovered an error in the prior-year financial statements related to the recognition of sales and use tax refunds. In prior years, when the County received sales tax refund payments after year-end, the receipts were recorded as revenue, even though the related receivable and revenue had already been recognized previously. This resulted in duplicate revenue recognition and an overstatement of both revenues and receivables in the governmental funds and government-wide statements by \$4,610,217 as shown in column A below:

	June 30, 2024 As Previously Reported	<u>Error Correction (A)</u>	June 30, 2024 As Restated
Government-wide			
Governmental Activities	\$ (160,000,399)	\$ (4,610,217)	\$ (164,610,616)
Business-type Activities	19,722,415	-	19,722,415
Total Primary Government	<u>\$ (140,277,984)</u>	<u>\$ (4,610,217)</u>	<u>\$ (144,888,201)</u>
Governmental Funds			
General Fund	\$ 82,328,080	\$ (4,610,217)	\$ 77,717,863
Debt Service Fund	3,263,435	-	3,263,435
American Rescue Plan Act Fund	43,694	-	43,694
County Capital Improvements Fund	42,963,675	-	42,963,675
School Capital Improvements Fund	(3,406,437)	-	(3,406,437)
Nonmajor Governmental Fund	17,055,300	-	17,055,300
Total Governmental Funds	<u>\$ 142,247,747</u>	<u>\$ (4,610,217)</u>	<u>\$ 137,637,530</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 3,118,561	\$ 3,259,595	\$ 4,123,410	\$ 5,925,502
Interest on total OPEB liability	4,585,966	4,340,170	4,636,990	3,464,372
Difference between expected and actual experience	21,084,360	(116,538)	(16,634,969)	(709,451)
Changes of assumptions and other inputs	(21,395,585)	(5,083,782)	(410,845)	(34,822,029)
Benefit payments	<u>(5,182,720)</u>	<u>(4,064,731)</u>	<u>(3,529,472)</u>	<u>(3,000,312)</u>
Net change in total OPEB liability	2,210,582	(1,665,286)	(11,814,886)	(29,141,918)
Beginning balance	119,257,636	120,922,922	132,737,808	161,879,726
Ending balance (a)	<u>\$ 121,468,218</u>	<u>\$ 119,257,636</u>	<u>\$ 120,922,922</u>	<u>\$ 132,737,808</u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 5,182,720	\$ 4,064,731	\$ 3,529,472	\$ 3,000,312
Net investment income (loss)	18,788	15,975	18,702	(66,733)
Benefit payments	<u>(5,182,720)</u>	<u>(4,064,731)</u>	<u>(3,529,472)</u>	<u>(3,000,312)</u>
Net change in plan fiduciary net position	18,788	15,975	18,702	(66,733)
Beginning balance	397,710	381,735	363,033	429,766
Ending balance (b)	<u>416,498</u>	<u>397,710</u>	<u>381,735</u>	<u>363,033</u>
Net OPEB liability (a) - (b)	<u>\$ 121,051,720</u>	<u>\$ 118,859,926</u>	<u>\$ 120,541,187</u>	<u>\$ 132,374,775</u>
<b>RELATED RATIOS</b>				
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.3441%</u>	<u>0.3346%</u>	<u>0.3167%</u>	<u>0.2742%</u>
Covered payroll	<u>\$ 67,151,337</u>	<u>\$ 52,143,186</u>	<u>\$ 52,143,186</u>	<u>\$ 55,572,023</u>
Net OPEB liability as a percentage of covered payroll	<u>180.27%</u>	<u>227.95%</u>	<u>231.17%</u>	<u>238.20%</u>

**Notes to the Schedule:**

N/A - Information prior to the implementation of GASB Statement No. 75 does not exist.

2021	2020	2019	2018	2017	2016
\$ 5,517,347	\$ 3,759,792	\$ 3,546,801	\$ 3,733,643	\$ 4,183,701	N/A
3,009,011	3,703,143	3,694,759	3,398,954	3,039,332	N/A
23,633,990	(804,583)	(793,706)	574,520	-	N/A
(5,075,957)	26,272,770	6,841,423	(5,125,557)	(9,448,990)	N/A
(2,703,205)	(2,452,218)	(2,477,527)	(3,137,462)	(3,300,768)	N/A
24,381,186	30,478,904	10,811,750	(555,902)	(5,526,725)	N/A
137,498,540	107,019,636	96,207,886	96,763,788	102,290,513	N/A
<u>\$161,879,726</u>	<u>\$ 137,498,540</u>	<u>\$ 107,019,636</u>	<u>\$ 96,207,886</u>	<u>\$ 96,763,788</u>	<u>N/A</u>
\$ 2,703,205	\$ 2,452,218	\$ 2,477,527	\$ 3,137,462	\$ 3,550,768	N/A
121,570	7,255	17,163	23,856	9,922	N/A
(2,703,205)	(2,452,218)	(2,477,527)	(3,137,462)	(3,300,768)	N/A
121,570	7,255	17,163	23,856	259,922	N/A
308,196	300,941	283,778	259,922	-	N/A
429,766	308,196	300,941	283,778	259,922	N/A
<u>\$161,449,960</u>	<u>\$ 137,190,344</u>	<u>\$ 106,718,695</u>	<u>\$ 95,924,108</u>	<u>\$ 96,503,866</u>	<u>N/A</u>
0.2662%	0.2246%	0.2820%	0.2958%	0.2693%	N/A
<u>\$ 55,572,023</u>	<u>\$ 47,235,903</u>	<u>\$ 47,235,903</u>	<u>\$ 45,902,461</u>	<u>\$ 42,769,990</u>	<u>N/A</u>
290.52%	290.44%	225.93%	208.97%	225.63%	N/A

# ORANGE COUNTY, NORTH CAROLINA

## SCHEDULE OF COUNTY CONTRIBUTIONS OPEB RETIREMENT PLAN LAST TEN FISCAL YEARS

	2025	2024	2023	2022
Actuarially determined contribution	\$ 9,964,664	\$ 7,662,119	\$ 7,662,119	\$ 7,722,844
Contributions in relation to the actuarially determined contribution	5,182,720	4,064,731	3,529,472	3,000,312
Contribution deficiency	\$ 4,781,944	\$ 3,597,388	\$ 4,132,647	\$ 4,722,532
Covered payroll	\$ 67,151,337	\$ 52,143,186	\$ 52,143,186	\$ 55,572,023
Contributions as a percentage of covered payroll	7.72%	7.80%	6.77%	5.40%

**Notes to the Schedule:**

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 2024, decreasing to an ultimate rate of 4.50% by 2034.
Medicare and prescription drug	5.125% for 2024, decreasing to an ultimate rate of 4.50% by 2027.
Mortality	Rates based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 7,895,271	\$ 7,895,271	\$ 7,192,181	\$ 7,192,181	\$ 6,820,935	5,374,915
2,452,218	2,452,218	2,477,527	3,137,462	3,550,768	2,361,272
\$ 5,443,053	\$ 5,443,053	\$ 4,714,654	\$ 4,054,719	\$ 3,270,167	\$ 3,013,643
\$ 55,572,023	\$ 47,235,903	\$ 47,235,903	\$ 45,902,461	\$ 45,902,461	42,769,990
4.41%	5.19%	5.25%	6.84%	7.74%	5.52%

**ORANGE COUNTY, NORTH CAROLINA**

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

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	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expenses	<u>4.17%</u>	<u>4.18%</u>	<u>5.02%</u>	<u>-16.84%</u>

**Notes to the Schedule:**

N/A - Information prior to the implementation of GASB Statement No. 75 does not exist.

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<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>32.95%</u>	<u>2.41%</u>	<u>6.05%</u>	<u>0.70%</u>	<u>4.00%</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**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>TOTAL PENSION LIABILITY</b>				
Beginning balance	\$ 6,905,582	\$ 6,143,097	\$ 6,941,163	\$ 6,671,108
Service cost	259,330	190,528	268,960	286,606
Interest on the total pension liability	267,780	257,420	153,042	126,285
Difference between expected and actual experience	1,236,176	510,440	81,173	285,421
Changes of assumptions or other inputs	(168,681)	145,063	(1,022,641)	(172,578)
Benefit payments	(422,180)	(340,966)	(278,600)	(255,679)
Ending balance	<u>\$ 8,078,007</u>	<u>\$ 6,905,582</u>	<u>\$ 6,143,097</u>	<u>\$ 6,941,163</u>

**Notes to the Schedule:**

N/A - Information prior to the implementation of GASB Statement No. 73 does not exist.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 4,708,711	\$ 4,177,156	\$ 4,016,727	\$ 3,542,524	\$ 3,494,747	N/A
169,991	149,644	158,300	134,129	135,380	N/A
149,580	148,114	123,815	133,794	122,514	N/A
301,174	314,668	237,158	130,316	-	N/A
1,582,362	135,303	(161,804)	228,699	(84,160)	N/A
(240,710)	(216,174)	(197,040)	(152,735)	(125,957)	N/A
<u>\$ 6,671,108</u>	<u>\$ 4,708,711</u>	<u>\$ 4,177,156</u>	<u>\$ 4,016,727</u>	<u>\$ 3,542,524</u>	<u>N/A</u>

**ORANGE COUNTY, NORTH CAROLINA**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total pension liability	<u>\$ 8,078,007</u>	<u>\$ 6,905,582</u>	<u>\$ 6,143,097</u>	<u>\$ 6,941,163</u>
Covered-employee payroll	<u>\$ 8,346,676</u>	<u>\$ 6,577,939</u>	<u>\$ 6,103,450</u>	<u>\$ 6,397,063</u>
Total pension liability as a percentage of covered-employee payroll	<u>96.78%</u>	<u>104.98%</u>	<u>100.65%</u>	<u>108.51%</u>

**Notes to the Schedule:**

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.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<u>\$ 6,671,108</u>	<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>\$ 5,908,664</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>112.90%</u>	<u>87.19%</u>	<u>80.93%</u>	<u>78.96%</u>	<u>73.16%</u>	<u>83.39%</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
County's percentage of the net pension liability (asset)	<u>0.73873%</u>	<u>0.69042%</u>	<u>0.69283%</u>	<u>0.73797%</u>
County's proportion of the net pension liability (asset)	<u>\$ 49,801,268</u>	<u>\$ 45,727,183</u>	<u>\$ 39,085,506</u>	<u>\$ 11,317,478</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>
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>79.50%</u>	<u>84.66%</u>	<u>80.29%</u>	<u>23.63%</u>
Plan fiduciary net position as a percentage of the total pension liability (1)	<u>83.30%</u>	<u>82.49%</u>	<u>84.14%</u>	<u>95.51%</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.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<u>0.73815%</u>	<u>0.76207%</u>	<u>0.76253%</u>	<u>0.75814%</u>	<u>0.78464%</u>	<u>0.70825%</u>
<u>\$ 26,377,244</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>\$ 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>55.67%</u>	<u>45.24%</u>	<u>38.29%</u>	<u>26.20%</u>	<u>36.78%</u>	<u>7.35%</u>
<u>88.61%</u>	<u>91.30%</u>	<u>94.18%</u>	<u>91.47%</u>	<u>98.09%</u>	<u>99.07%</u>

**ORANGE COUNTY, NORTH CAROLINA**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 10,372,151	\$ 9,232,669	\$ 7,514,762	\$ 6,286,305
Contributions in relation to the contractually required contribution	<u>10,372,151</u>	<u>9,232,669</u>	<u>7,514,762</u>	<u>6,286,305</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 67,125,069</u>	<u>\$ 62,643,292</u>	<u>\$ 54,013,647</u>	<u>\$ 48,681,486</u>
Contributions as a percentage of covered payroll	<u>15.45%</u>	<u>14.74%</u>	<u>13.91%</u>	<u>12.91%</u>

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 5,549,552	\$ 4,264,529	\$ 3,588,591	\$ 3,841,938	\$ 3,525,190	\$ 3,104,810
5,549,552	4,264,529	3,588,591	3,841,938	3,525,190	3,104,810
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 47,890,328</u>	<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>11.59%</u>	<u>9.00%</u>	<u>7.80%</u>	<u>8.13%</u>	<u>7.97%</u>	<u>6.86%</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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
County's percentage of the net pension asset	<u>1.22737%</u>	<u>1.18174%</u>	<u>1.07341%</u>	<u>1.03322%</u>
County's proportion of the net pension asset	<u>\$ (141,430)</u>	<u>\$ (142,010)</u>	<u>\$ (142,119)</u>	<u>\$ (198,513)</u>
County's covered payroll	<u>\$ 107,360</u>	<u>\$ 98,543</u>	<u>\$ 96,573</u>	<u>\$ 95,450</u>
County's proportionate share of the net pension asset as a percentage of its covered payroll	<u>-131.73%</u>	<u>-144.11%</u>	<u>-147.16%</u>	<u>-207.98%</u>
Plan fiduciary net position as a percentage of the total pension asset (1)	<u>133.61%</u>	<u>135.74%</u>	<u>139.04%</u>	<u>156.53%</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.

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<u>1.08257%</u>	<u>1.01215%</u>	<u>1.12710%</u>	<u>1.12581%</u>	<u>1.15307%</u>	<u>1.09301%</u>
<u>\$ (248,103)</u>	<u>\$ (199,819)</u>	<u>\$ (186,682)</u>	<u>\$ (192,165)</u>	<u>\$ (215,578)</u>	<u>\$ (253,294)</u>
<u>\$ 83,580</u>	<u>\$ 82,394</u>	<u>\$ 83,374</u>	<u>\$ 78,416</u>	<u>\$ 76,112</u>	<u>\$ 74,594</u>
<u>-296.84%</u>	<u>-242.52%</u>	<u>-223.91%</u>	<u>-245.06%</u>	<u>-283.24%</u>	<u>-339.56%</u>
<u>153.31%</u>	<u>153.77%</u>	<u>160.17%</u>	<u>197.29%</u>	<u>193.88%</u>	<u>190.50%</u>

**ORANGE COUNTY, NORTH CAROLINA**

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

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	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 10,561	\$ 13,799	\$ 12,274	\$ 11,237
Contributions in relation to the contractually required contribution	10,561	13,799	12,274	11,237
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	<u>\$ 113,409</u>	<u>\$ 107,360</u>	<u>\$ 98,543</u>	<u>\$ 96,573</u>
Contributions as a percentage of covered payroll	<u>9.31%</u>	<u>12.85%</u>	<u>12.46%</u>	<u>11.64%</u>

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$ 9,819	\$ 8,528	\$ 6,519	\$ 6,229	\$ 6,103	\$ 4,573
9,819	8,528	6,519	6,229	6,103	4,573
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 95,450	\$ 83,580	\$ 82,394	\$ 83,374	\$ 78,416	\$ 76,112
10.29%	10.20%	7.91%	7.47%	7.78%	6.01%

## SUPPLEMENTARY INFORMATION

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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, 2025

	Budget		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Unrestricted intergovernmental	\$ 271,674	\$ 271,674	\$ 1,823,738	\$ 1,552,064
Miscellaneous	410,816	410,816	10,056	(400,760)
Total revenues	<u>682,490</u>	<u>682,490</u>	<u>1,833,794</u>	<u>1,151,304</u>
<b>EXPENDITURES</b>				
Current:				
General government	235,547	235,547	234,504	1,043
Debt service:				
Principal retirements	24,581,008	24,581,008	25,203,462	(622,454)
Interest and other charges	9,505,648	9,505,648	9,550,859	(45,211)
Total expenditures	<u>34,322,203</u>	<u>34,322,203</u>	<u>34,988,825</u>	<u>(666,622)</u>
Deficiency of revenues under expenditures	<u>(33,639,713)</u>	<u>(33,639,713)</u>	<u>(33,155,031)</u>	<u>484,682</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	31,390,000	31,390,000	29,987,646	(1,402,354)
Long-term debt issued	-	-	492,333	492,333
Fund balance to reserves	2,249,713	2,249,713	-	(2,249,713)
Total other financing sources, net	<u>33,639,713</u>	<u>33,639,713</u>	<u>30,479,979</u>	<u>(3,159,734)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(2,675,052)</u>	<u>\$ (2,675,052)</u>
<b>FUND BALANCE</b>				
Beginning balance			3,263,435	
Ending balance			<u>\$ 588,383</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, 2025

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>REVENUES</b>					
Sales taxes	\$ -	\$ 109,874	\$ -	\$ 109,874	\$ 109,874
Restricted intergovernmental:					
Federal	15,238,917	16,243,125	1,182,697	17,425,822	2,186,905
State	16,060,098	7,079,162	17,680	7,096,842	(8,963,256)
Other	-	1,029,402	1,088,777	2,118,179	2,118,179
Investment earnings	2,238,660	10,376,546	1,877,607	12,254,153	10,015,493
Miscellaneous	4,320,421	5,586,986	383,060	5,970,046	1,649,625
Total revenues	<u>37,858,096</u>	<u>40,425,095</u>	<u>4,549,821</u>	<u>44,974,916</u>	<u>7,116,820</u>
<b>EXPENDITURES</b>					
Current:					
Capital outlay	297,386,175	265,189,795	27,587,334	292,777,129	4,609,046
Debt service:					
Interest and other charges	-	4,449,401	-	4,449,401	(4,449,401)
Total expenditures	<u>297,386,175</u>	<u>269,639,196</u>	<u>27,587,334</u>	<u>297,226,530</u>	<u>159,645</u>
Deficiency of revenues under expenditures	<u>(259,528,079)</u>	<u>(229,214,101)</u>	<u>(23,037,513)</u>	<u>(252,251,614)</u>	<u>7,276,465</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issued	11,760,866	190,337,496	-	190,337,496	178,576,630
Premiums on bonds	2,000,000	31,837,114	-	31,837,114	29,837,114
Other long-term debt issued	220,446,272	171,808,920	16,565,422	188,374,342	(32,071,930)
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	26,461,884	36,814,912	1,415,404	38,230,316	11,768,432
Transfers to other funds	(2,362,880)	(6,833,375)	-	(6,833,375)	(4,470,495)
Appropriated fund balance	1,221,937	-	-	-	(1,221,937)
Total other financing sources, net	<u>259,528,079</u>	<u>272,177,776</u>	<u>17,980,826</u>	<u>290,158,602</u>	<u>30,630,523</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 42,963,675</u>	<u>(5,056,687)</u>	<u>\$ 37,906,988</u>	<u>\$ 37,906,988</u>
<b>FUND BALANCE</b>					
Beginning balance			<u>42,963,675</u>		
Ending balance			<u>\$ 37,906,988</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, 2025

	Project Authorization	Prior Years	Actual Current Year	Total	Variance Positive (Negative)
<b>REVENUES</b>					
Sales taxes	\$ 592,333	\$ 493,539	\$ -	\$ 493,539	\$ (98,794)
Unrestricted intergovernmental	-	581,128	-	581,128	581,128
Restricted intergovernmental:					
Lottery proceeds	138,383,658	2,959,057	-	2,959,057	(135,424,601)
Investment earnings	60,000	4,619,564	-	4,619,564	4,559,564
Miscellaneous	-	33,759	-	33,759	33,759
Total revenues	<u>139,035,991</u>	<u>8,687,047</u>	<u>-</u>	<u>8,687,047</u>	<u>(130,348,944)</u>
<b>EXPENDITURES</b>					
Current:					
Education:					
Orange County Schools	145,460,135	68,011,125	10,677,619	78,688,744	66,771,391
Chapel Hill-Carrboro City Schools	188,992,641	217,615,706	23,761,984	241,377,690	(52,385,049)
Other	1,624,561	3,531,891	817,752	4,349,643	(2,725,082)
Total expenditures	<u>336,077,337</u>	<u>289,158,722</u>	<u>35,257,355</u>	<u>324,416,077</u>	<u>11,661,260</u>
Deficiency of revenues under expenditures	<u>(197,041,346)</u>	<u>(280,471,675)</u>	<u>(35,257,355)</u>	<u>(315,729,030)</u>	<u>(118,687,684)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issued	-	125,530,873	-	125,530,873	125,530,873
Premiums on bonds	5,531,923	6,305,785	5,219,020	11,524,805	5,992,882
Other long-term debt issued	114,941,084	95,720,491	47,477,245	143,197,736	28,256,652
Transfers from other funds	76,568,339	60,330,774	6,917,312	67,248,086	(9,320,253)
Transfers to other funds	-	(10,822,685)	-	(10,822,685)	(10,822,685)
Total other financing sources, net	<u>197,041,346</u>	<u>277,065,238</u>	<u>59,613,577</u>	<u>336,678,815</u>	<u>139,637,469</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (3,406,437)</u>	<u>24,356,222</u>	<u>\$ 20,949,785</u>	<u>\$ 20,949,785</u>
<b>FUND BALANCE</b>					
Beginning balance			<u>(3,406,437)</u>		
Ending balance			<u>\$ 20,949,785</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, 2025

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 10,452,886	\$ 10,427,249	\$ (25,637)
Other operating revenue	285,000	420,147	135,147
Intergovernmental	-	15,000	15,000
Disposal taxes and reimbursements	341,000	414,905	73,905
Investment earnings	135,000	396,832	261,832
Total revenues	11,213,886	11,674,133	460,247
<b>EXPENDITURES</b>			
Operations	8,354,067	7,969,005	385,062
General and administrative	3,747,301	3,826,687	(79,386)
Total expenditures	12,101,368	11,795,692	305,676
Deficiency of revenues under expenditures	(887,482)	(121,559)	765,923
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to Solid Waste Capital Projects Fund	(1,958,470)	(1,958,470)	-
Appropriated fund balance	2,845,952	-	(2,845,952)
Total other financing sources (uses), net	887,482	(1,958,470)	(2,845,952)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing (uses)	\$ -	(2,080,029)	\$ (2,080,029)
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Solid Waste Fund reconciling items:			
Increase in deferred outflows - pensions		(244,939)	
Increase in compensated absences		(13,445)	
Increase in net pension liability		195,227	
Decrease in deferred inflows - pensions		15,400	
Depreciation expense		(1,860,764)	
Solid Waste Capital Projects Fund reconciling items:			
Gain on sale of capital assets		304,474	
Transfer from Solid Waste Fund		1,958,470	
Interest and other charges		(183,342)	
Change in net position - GAAP Basis		\$ (1,908,948)	

**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, 2025**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total	
<b>REVENUES</b>					
Investment earnings	\$ -	\$ 1,035	\$ 7,466	\$ 8,501	\$ 8,501
Insurance recovery	-	-	42,812	42,812	-
Total revenues	-	1,035	50,278	51,313	8,501
<b>EXPENDITURES</b>					
Capital expenditures	14,791,360	8,162,362	3,711,456	11,873,818	2,917,542
Debt service:					
Principal retirements	4,990,472	4,915,070	784,421	5,699,491	(709,019)
Interest and other charges	1,396,260	1,213,347	222,010	1,435,357	(39,097)
Total expenditures	21,178,092	14,290,779	4,717,887	19,008,666	2,169,426
Deficiency of revenues under expenditures	(21,178,092)	(14,289,744)	(4,667,609)	(18,957,353)	2,177,927
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	9,538,756	5,449,997	540,000	5,989,997	(3,548,759)
Proceeds from sale of assets	240,000	550,503	304,474	854,977	614,977
Transfer from Solid Waste Fund	11,399,336	9,332,403	1,958,470	11,290,873	(108,463)
Total other financing sources	21,178,092	15,332,903	2,802,944	18,135,847	(3,042,245)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ -	\$ 1,043,159	\$ (1,864,665)	\$ (821,506)	\$ (864,318)

# 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, 2025

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Charges for services	\$ 6,214,172	\$ 5,956,282	\$ (257,890)
Total revenues	6,214,172	5,956,282	(257,890)
<b>EXPENDITURES</b>			
Operations	3,490,849	2,299,256	1,191,593
General and administrative	1,629,325	2,007,301	(377,976)
Total expenditures	5,120,174	4,306,557	813,617
Excess of revenues over expenditures	1,093,998	1,649,725	555,727
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to other funds	(316,000)	(316,000)	-
Transfer to SportsPlex Capital Projects Fund	(799,669)	(799,669)	-
Appropriated fund balance	21,671	-	(21,671)
Other financing uses, net	(1,093,998)	(1,115,669)	(21,671)
Excess of revenues and other financing uses over expenditures	\$ -	534,056	\$ 534,056
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
SportsPlex Fund reconciling items:			
Depreciation expense		(490,561)	
SportsPlex Capital Projects Fund reconciling items:			
Transfer from SportsPlex Operating Fund		799,669	
Change in fund balance - Sportsplex Capital Projects Fund		(734,024)	
Interest and other charges		(118,344)	
Change in net position - GAAP Basis		\$ (9,204)	

**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, 2025**

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total	
<b>REVENUES</b>					
Investment earnings	\$ -	\$ 8,480	\$ 2,858	\$ 11,338	\$ 11,338
Total revenues	-	8,480	2,858	11,338	11,338
<b>EXPENDITURES</b>					
Community services	-	2,615,334	736,882	3,352,216	(3,352,216)
Capital expenditures	4,947,505	1,574,818	-	1,574,818	3,372,687
Debt service:					
Principal retirements	3,188,650	2,240,430	346,969	2,587,399	601,251
Interest and other charges	1,074,461	1,000,672	141,760	1,142,432	(67,971)
Total expenditures	9,210,616	7,431,254	1,225,611	8,656,865	553,751
Deficiency of revenues under expenditures	(9,210,616)	(7,422,774)	(1,222,753)	(8,645,527)	565,089
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	3,940,904	941,182	2,285,000	3,226,182	(714,722)
Premium on bonds	-	-	184,662	184,662	184,662
Transfers from SportsPlex Fund	4,762,712	3,542,498	799,669	4,342,167	(420,545)
Appropriated fund balance	507,000	-	-	-	(507,000)
Total other financing sources	9,210,616	4,483,680	3,269,331	7,753,011	(1,457,605)
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ -	\$ (2,939,094)	\$ 2,046,578	\$ (892,516)	\$ (892,516)

**ORANGE COUNTY, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Special Revenue Funds					
	Local Fire Districts	FEMA Recovery	Grant Supported	Grant Projects	Sheriff Forfeitures	Community Development
<b>ASSETS</b>						
Unrestricted cash and investments	\$ 919,725	\$ 3,095	\$ 90,199	\$ 1,927,110	\$ 1,241,346	\$ 573,318
Receivables:						
Taxes receivable, net	319,446	-	-	-	-	-
Due from other governments	-	169,935	386	301,869	-	96,190
Other receivables	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	1,000,000
Total assets	<u>1,239,171</u>	<u>173,030</u>	<u>90,585</u>	<u>2,228,979</u>	<u>1,241,346</u>	<u>1,669,508</u>
<b>LIABILITIES</b>						
Accounts payable	-	-	-	22,081	-	140,198
Due to other funds	-	100,000	-	-	-	-
Accrued payroll and other liabilities	-	169	-	17,405	-	65,212
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>100,169</u>	<u>-</u>	<u>39,486</u>	<u>-</u>	<u>205,410</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues - property taxes receivables	211,103	-	-	-	-	-
Total deferred inflows of resources	<u>211,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted:						
Stabilization by State Statute	-	-	-	-	-	-
Public safety	1,028,068	72,861	-	-	1,241,346	-
Human services	-	-	90,585	2,189,493	-	464,098
Community services	-	-	-	-	-	1,000,000
Committed:						
Human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Assigned:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,028,068</u>	<u>72,861</u>	<u>90,585</u>	<u>2,189,493</u>	<u>1,241,346</u>	<u>1,464,098</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,239,171</u>	<u>\$ 173,030</u>	<u>\$ 90,585</u>	<u>\$ 2,228,979</u>	<u>\$ 1,241,346</u>	<u>\$ 1,669,508</u>

<b>Special Revenue Funds</b>					
<b>Section 8 Housing</b>	<b>Article 46 Sales Tax</b>	<b>Emergency Telephone System</b>	<b>Visitors Bureau</b>	<b>Spay/Neuter</b>	<b>DSS Client Services</b>
\$ 468,591	\$ 7,012	\$ 701,259	\$ 824,167	\$ 545	\$ 679,951
-	1,649,628	-	-	-	-
231	-	35,700	-	-	-
-	-	-	231,527	-	73,632
-	-	-	-	-	-
<u>468,822</u>	<u>1,656,640</u>	<u>736,959</u>	<u>1,055,694</u>	<u>545</u>	<u>753,583</u>
1,106	34,031	20,951	71,737	-	1,046
-	-	-	-	545	-
33,865	20,584	2,999	53,831	-	-
75,312	-	-	-	-	-
<u>110,283</u>	<u>54,615</u>	<u>23,950</u>	<u>125,568</u>	<u>545</u>	<u>1,046</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
358,539	-	713,009	-	-	-
-	-	-	930,126	-	-
-	-	-	-	-	752,537
-	1,602,025	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>358,539</u>	<u>1,602,025</u>	<u>713,009</u>	<u>930,126</u>	<u>-</u>	<u>752,537</u>
<u>\$ 468,822</u>	<u>\$ 1,656,640</u>	<u>\$ 736,959</u>	<u>\$ 1,055,694</u>	<u>\$ 545</u>	<u>\$ 753,583</u>

(Continued)

**ORANGE COUNTY, NORTH CAROLINA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2025**

	Special Revenue Funds				
	Recreation Subdivision	Inspections	Small Business Loans	Library Development	Mental Health Insurance
<b>ASSETS</b>					
Unrestricted cash and investments	\$ 683,559	\$ 197,325	\$ 352,689	\$ 91,992	\$ 390,214
Receivables:					
Taxes receivable, net	-	-	-	-	-
Due from other governments	-	-	-	-	-
Other receivables	-	-	-	-	-
Notes receivable	-	-	65,657	-	-
Total assets	<u>683,559</u>	<u>197,325</u>	<u>418,346</u>	<u>91,992</u>	<u>390,214</u>
<b>LIABILITIES</b>					
Accounts payable	-	1,863	61	-	2,070
Due to other funds	-	-	-	-	-
Accrued payroll and other liabilities	-	75,128	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>76,991</u>	<u>61</u>	<u>-</u>	<u>2,070</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues - property taxes receivables	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	65,657	-	-
Restricted:					
Stabilization by State Statute	-	-	-	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	388,144
Community services	683,559	120,334	352,628	91,992	-
Committed:					
Human services	-	-	-	-	-
Education	-	-	-	-	-
Assigned:					
Capital projects	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>683,559</u>	<u>120,334</u>	<u>418,285</u>	<u>91,992</u>	<u>388,144</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 683,559</u>	<u>\$ 197,325</u>	<u>\$ 418,346</u>	<u>\$ 91,992</u>	<u>\$ 390,214</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
\$ 44,338	\$ 2,738,587	\$ 10,071	\$ 59,784	\$ 320,515	\$ 125,764	\$ 205,248	\$ 12,656,404
-	-	-	482,538	-	-	-	2,451,612
-	903,504	-	-	-	-	-	1,507,815
119	-	-	-	890	-	-	306,168
-	-	-	-	-	-	-	1,065,657
<u>44,457</u>	<u>3,642,091</u>	<u>10,071</u>	<u>542,322</u>	<u>321,405</u>	<u>125,764</u>	<u>205,248</u>	<u>17,987,656</u>
4,208	596	-	307,864	-	-	-	607,812
-	-	-	-	-	-	-	100,545
44,474	18,843	-	-	-	-	-	332,510
-	-	-	-	289,961	-	-	365,273
<u>48,682</u>	<u>19,439</u>	<u>-</u>	<u>307,864</u>	<u>289,961</u>	<u>-</u>	<u>-</u>	<u>1,406,140</u>
-	-	-	338,803	-	-	-	549,906
-	-	-	338,803	-	-	-	549,906
-	-	-	-	-	-	-	65,657
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	3,055,284
-	3,622,652	-	-	-	-	-	7,113,511
-	-	10,071	-	31,444	-	-	3,220,154
-	-	-	-	-	-	-	752,537
-	-	-	-	-	-	-	1,602,025
-	-	-	-	-	125,764	205,248	331,012
(4,225)	-	-	(104,345)	-	-	-	(108,570)
<u>(4,225)</u>	<u>3,622,652</u>	<u>10,071</u>	<u>(104,345)</u>	<u>31,444</u>	<u>125,764</u>	<u>205,248</u>	<u>16,031,610</u>
<u>\$ 44,457</u>	<u>\$ 3,642,091</u>	<u>\$ 10,071</u>	<u>\$ 542,322</u>	<u>\$ 321,405</u>	<u>\$ 125,764</u>	<u>\$ 205,248</u>	<u>\$ 17,987,656</u>

**ORANGE COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Special Revenue Funds</b>					
	<b>Local Fire Districts</b>	<b>FEMA Recovery</b>	<b>Grant Supported</b>	<b>Grant Projects</b>	<b>Sheriff Forfeitures</b>	<b>Community Development</b>
<b>REVENUES</b>						
Property taxes	\$ 9,473,140	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	1,061,810	-	532,988
Restricted intergovernmental	-	621,723	-	1,248,175	87,875	602,374
Charges for services	-	-	-	-	-	-
Investment earnings	23,731	-	-	-	24,247	10,455
License and permits	-	-	-	-	-	-
Miscellaneous	-	-	-	151,832	-	17,197
Total revenues	<u>9,496,871</u>	<u>621,723</u>	<u>-</u>	<u>2,461,817</u>	<u>112,122</u>	<u>1,163,014</u>
<b>EXPENDITURES</b>						
Current:						
Community services	-	-	-	78,722	-	-
General government	-	-	-	30,394	-	-
Public safety	9,444,887	-	-	1,061,410	35,022	-
Human services	-	-	415	890,043	-	2,180,687
Education	-	-	-	-	-	-
Debt service:						
Principal retirements	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Total expenditures	<u>9,444,887</u>	<u>-</u>	<u>415</u>	<u>2,060,569</u>	<u>35,022</u>	<u>2,180,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51,984</u>	<u>621,723</u>	<u>(415)</u>	<u>401,248</u>	<u>77,100</u>	<u>(1,017,673)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers from other funds	-	-	-	31,655	-	463,381
Transfers to other funds	-	-	-	-	-	-
Other financing sources (uses), net	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,655</u>	<u>-</u>	<u>463,381</u>
Net change in fund balances	<u>51,984</u>	<u>621,723</u>	<u>(415)</u>	<u>432,903</u>	<u>77,100</u>	<u>(554,292)</u>
<b>FUND BALANCES</b>						
Beginning 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>
Ending balances	<u>\$ 1,028,068</u>	<u>\$ 72,861</u>	<u>\$ 90,585</u>	<u>\$ 2,189,493</u>	<u>\$ 1,241,346</u>	<u>\$ 1,464,098</u>

<b>Special Revenue Funds</b>					
<b>Section 8 Housing</b>	<b>Article 46 Sales Tax</b>	<b>Emergency Telephone System</b>	<b>Visitors Bureau</b>	<b>Spay/Neuter</b>	<b>DSS Client Services</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	5,932,474	-	-	-	-
-	-	-	2,222,376	-	-
-	9,700	-	581,855	-	-
8,242,621	-	-	94,480	-	73,632
-	-	428,404	123,634	-	-
891	55,217	16,608	19,933	-	14,745
-	-	-	-	-	-
-	-	-	-	-	14,488
<u>8,243,512</u>	<u>5,997,391</u>	<u>445,012</u>	<u>3,042,278</u>	<u>-</u>	<u>102,865</u>
-	2,455,065	-	2,414,239	-	-
-	-	-	599,722	-	-
-	-	577,239	-	-	-
8,600,593	-	-	-	-	66,447
-	-	-	-	-	-
-	614,668	-	-	-	-
-	304,145	-	-	-	-
<u>8,600,593</u>	<u>3,373,878</u>	<u>577,239</u>	<u>3,013,961</u>	<u>-</u>	<u>66,447</u>
<u>(357,081)</u>	<u>2,623,513</u>	<u>(132,227)</u>	<u>28,317</u>	<u>-</u>	<u>36,418</u>
-	-	-	-	2,605	-
-	(3,474,749)	-	(224,000)	-	-
<u>-</u>	<u>(3,474,749)</u>	<u>-</u>	<u>(224,000)</u>	<u>2,605</u>	<u>-</u>
<u>(357,081)</u>	<u>(851,236)</u>	<u>(132,227)</u>	<u>(195,683)</u>	<u>2,605</u>	<u>36,418</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>
<u>\$ 358,539</u>	<u>\$ 1,602,025</u>	<u>\$ 713,009</u>	<u>\$ 930,126</u>	<u>\$ -</u>	<u>\$ 752,537</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, 2025**

	<b>Special Revenue Funds</b>				
	<b>Recreation</b>		<b>Small</b>	<b>Library</b>	<b>Mental</b>
	<b>Subdivision</b>		<b>Inspections</b>	<b>Business</b>	<b>Development</b>
			<b>Loans</b>		<b>Insurance</b>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-
Charges for services	-	34,745	-	-	-
Investment earnings	13,943	-	7,043	672	8,376
License and permits	-	1,224,788	-	-	-
Miscellaneous	27,272	14,811	-	-	-
Total revenues	<u>41,215</u>	<u>1,274,344</u>	<u>7,043</u>	<u>672</u>	<u>8,376</u>
<b>EXPENDITURES</b>					
Current:					
Community services	-	1,654,037	-	-	-
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	20,972
Education	-	-	-	-	-
Debt service:					
Principal retirements	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Total expenditures	<u>-</u>	<u>1,654,037</u>	<u>-</u>	<u>-</u>	<u>20,972</u>
Excess (deficiency) of revenues over (under) expenditures	<u>41,215</u>	<u>(379,693)</u>	<u>7,043</u>	<u>672</u>	<u>(12,596)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	-	459,377	-	-	-
Transfers to other funds	-	-	-	-	-
Other financing sources (uses), net	<u>-</u>	<u>459,377</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>41,215</u>	<u>79,684</u>	<u>7,043</u>	<u>672</u>	<u>(12,596)</u>
<b>FUND BALANCES</b>					
Beginning balances	642,344	40,650	411,242	91,320	400,740
Ending balances	<u>\$ 683,559</u>	<u>\$ 120,334</u>	<u>\$ 418,285</u>	<u>\$ 91,992</u>	<u>\$ 388,144</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
\$ -	\$ -	\$ -	\$ 28,598,302	\$ -	\$ -	\$ -	\$ 38,071,442
-	-	-	-	-	-	-	5,932,474
-	-	-	-	-	-	-	2,222,376
-	-	-	-	-	-	-	2,186,353
-	1,075,671	-	-	-	-	-	12,046,551
-	-	-	-	-	-	-	586,783
-	42,343	153	-	-	2,620	15,028	256,005
-	-	13,000	-	-	-	-	1,237,788
-	-	-	-	-	-	-	225,600
-	1,118,014	13,153	28,598,302	-	2,620	15,028	62,765,372
-	-	9,000	-	-	-	-	6,611,063
-	-	-	-	569	-	-	630,685
-	424,017	-	-	-	-	-	11,542,575
107,262	314,476	-	-	-	-	-	12,180,895
-	-	-	28,598,302	-	-	-	28,598,302
-	-	-	-	-	-	-	614,668
-	-	-	-	-	-	-	304,145
107,262	738,493	9,000	28,598,302	569	-	-	60,482,333
(107,262)	379,521	4,153	-	(569)	2,620	15,028	2,283,039
-	-	-	-	-	-	-	957,018
-	-	-	-	-	-	(564,998)	(4,263,747)
-	-	-	-	-	-	(564,998)	(3,306,729)
(107,262)	379,521	4,153	-	(569)	2,620	(549,970)	(1,023,690)
103,037	3,243,131	5,918	(104,345)	32,013	123,144	755,218	17,055,300
\$ (4,225)	\$ 3,622,652	\$ 10,071	\$ (104,345)	\$ 31,444	\$ 125,764	\$ 205,248	\$ 16,031,610

**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, 2025**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Revenues</b>				
<b>Ad valorem taxes:</b>				
Property taxes	\$ 202,234,924	\$ 202,369,256	\$ 205,656,793	\$ 3,287,537
Tax penalties and interest	721,678	721,678	733,699	12,021
Gross receipts tax	115,000	115,000	98,157	(16,843)
Total ad valorem taxes	<u>203,071,602</u>	<u>203,205,934</u>	<u>206,488,649</u>	<u>3,282,715</u>
<b>Sales tax:</b>				
Local option sales tax	<u>44,139,012</u>	<u>44,139,012</u>	<u>43,717,384</u>	<u>(421,628)</u>
<b>Intergovernmental revenues:</b>				
Animal tax	-	-	20	20
Beer and wine tax	233,960	233,960	219,893	(14,067)
Federal and State grants	18,959,789	19,325,718	17,482,641	(1,843,077)
Local grants	1,076,349	1,361,496	1,533,947	172,451
ABC Board law enforcement distribution	935,898	970,898	904,438	(66,460)
Total intergovernmental revenues	<u>21,205,996</u>	<u>21,892,072</u>	<u>20,140,939</u>	<u>(1,751,133)</u>
<b>Charges for services:</b>				
Register of Deeds	1,967,000	1,967,000	2,002,537	35,537
Collection fees	439,000	439,000	450,003	11,003
Inspection fees	609,000	609,000	1,288,049	679,049
Health service fees	1,880,747	1,880,747	1,787,721	(93,026)
Recreation fees	659,216	679,216	778,869	99,653
Aging fees	146,800	184,829	166,021	(18,808)
EMS fees	5,241,000	5,241,000	6,264,638	1,023,638
Sheriff and court charges	2,598,125	2,628,125	1,246,298	(1,381,827)
Other charges	172,707	187,707	189,606	1,899
Total charges for services	<u>13,713,595</u>	<u>13,816,624</u>	<u>14,173,742</u>	<u>357,118</u>
<b>Investment earnings and interest income</b>	<u>1,800,000</u>	<u>2,280,000</u>	<u>2,408,722</u>	<u>128,722</u>
<b>Licenses, permits and fees:</b>				
Privilege licenses	12,000	12,000	12,270	270
Franchise fees	262,200	262,200	196,636	(65,564)
Total licenses, permits and fees	<u>274,200</u>	<u>274,200</u>	<u>208,906</u>	<u>(65,294)</u>
<b>Miscellaneous revenues:</b>				
Donations	96,000	174,640	110,189	(64,451)
Rent	309,080	309,080	577,298	268,218
Other	1,636,791	10,268,537	2,149,934	(8,118,603)
Total miscellaneous revenues	<u>2,041,871</u>	<u>10,752,257</u>	<u>2,837,421</u>	<u>(7,914,836)</u>
<b>Total revenues</b>	<u>286,246,276</u>	<u>296,360,099</u>	<u>289,975,763</u>	<u>(6,384,336)</u>

*(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, 2025**

Expenditures	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Current:</b>				
<b>Community Services:</b>				
Animal services	\$ 3,085,869	\$ 3,140,651	\$ 3,126,451	\$ 14,200
Cooperative extension	545,267	460,071	457,943	2,128
Solid Waste Management	1,845,454	1,742,675	1,515,272	227,403
Department of environment, agriculture, parks and recreation	5,067,682	5,191,819	5,064,608	127,211
Orange public transportation	2,991,486	3,292,742	2,998,145	294,597
Planning and inspections	2,358,287	2,348,083	2,230,207	117,876
Municipal recreation	125,108	125,108	125,108	-
Non-departmental	69,996	521,146	327,301	193,845
Total	16,089,149	16,822,295	15,845,035	977,260
<b>General Government:</b>				
Board of county commissioners	903,769	947,021	885,124	61,897
Board of elections	1,119,967	1,222,986	1,174,909	48,077
County attorney's office	900,452	956,377	938,886	17,491
County manager's office	2,096,831	2,613,773	2,437,045	176,728
Register of deeds	1,296,853	1,310,331	1,305,397	4,934
Tax administration	5,107,519	5,598,911	5,372,704	226,207
Outside Agencies	899,439	899,439	803,769	95,670
Non-departmental	375,000	375,000	234,397	140,603
Total	12,699,830	13,923,838	13,152,231	771,607
<b>Public Safety:</b>				
Courts	252,163	296,793	80,926	215,867
Emergency services	17,604,347	17,111,975	16,482,652	629,323
Sheriff	21,181,133	21,659,650	21,438,724	220,926
Criminal justice	1,373,278	1,569,210	1,542,719	26,491
Non-departmental	519,658	579,658	584,472	(4,814)
Total	40,930,579	41,217,286	40,129,493	1,087,793
<b>Human Services:</b>				
Child support services	1,527,147	1,394,989	1,322,726	72,263
Department of social services	26,507,027	25,675,947	22,442,000	3,233,947
Department of aging	2,830,401	3,047,573	2,980,208	67,365
Health department	13,061,653	13,433,682	12,881,228	552,454
Housing, human rights, and community development	3,569,356	3,973,938	3,487,767	486,171
Library services	3,490,734	3,293,051	3,260,361	32,690
Library municipal	622,023	622,023	622,023	-
OPC area program	894,682	894,682	671,012	223,670
Non-departmental	520,004	500,004	320,106	179,898
Total	53,023,027	52,835,889	47,987,431	4,848,458

*(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, 2025**

	Budget		Actual	Variance With Final Budget
	Original	Final		
<b>Expenditures (Continued)</b>				
<b>Education:</b>				
Current expenditures	\$ 108,090,282	\$ 108,090,282	\$ 108,090,282	\$ -
Fair funding	4,004,666	4,048,943	4,011,865	37,078
Durham Tech (Orange campus)	1,020,363	1,020,363	1,020,363	-
Total	<u>113,115,311</u>	<u>113,159,588</u>	<u>113,122,510</u>	<u>37,078</u>
<b>Support Services:</b>				
Asset management services	6,659,873	6,981,379	7,043,273	(61,894)
Community relations	476,124	523,512	511,911	11,601
Finance and administrative services	3,040,772	11,582,484	2,977,022	8,605,462
Human resources	3,552,231	3,805,415	3,870,132	(64,717)
Information technologies	5,888,700	5,969,456	5,193,019	776,437
Non-departmental	(557,560)	274,421	436,359	(161,938)
Total	<u>19,060,140</u>	<u>29,136,667</u>	<u>20,031,716</u>	<u>9,104,951</u>
<b>Debt Service:</b>				
Principal	50,000	1,510,000	2,017,253	(507,253)
Interest	-	40,000	97,038	(57,038)
Total	<u>50,000</u>	<u>1,550,000</u>	<u>2,114,291</u>	<u>(564,291)</u>
Total expenditures	<u>254,968,036</u>	<u>268,645,563</u>	<u>252,382,707</u>	<u>16,262,856</u>
Excess of revenues over expenditures	31,278,240	27,714,536	37,593,056	9,878,520
<b>Other financing sources (uses)</b>				
Issuance of leases	192,340	1,692,340	396,881	(1,295,459)
Issuance of subscriptions	-	-	395,481	395,481
Sale of capital assets	50,000	50,000	125,436	75,436
Transfers in	1,136,039	1,279,818	1,149,818	(130,000)
Transfers out	(39,756,619)	(40,078,222)	(39,020,345)	1,057,877
Appropriated fund balance	7,100,000	9,341,528	-	(9,341,528)
Total other financing uses, net	<u>(31,278,240)</u>	<u>(27,714,536)</u>	<u>(36,952,729)</u>	<u>(9,238,193)</u>
Net change in fund balances	-	-	640,327	640,327
<b>Fund balance, beginning of year, as previously reported</b>	<u>82,328,080</u>	<u>82,328,080</u>	<u>82,328,080</u>	<u>-</u>
Restatement for error correction (Note 15)	(4,610,217)	(4,610,217)	(4,610,217)	-
<b>Fund balance, beginning of year, as restated</b>	<u>77,717,863</u>	<u>77,717,863</u>	<u>77,717,863</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 77,717,863</u>	<u>\$ 77,717,863</u>	<u>\$ 78,358,190</u>	<u>\$ 640,327</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Taxes	\$ 9,355,837	\$ 9,473,140	\$ 117,303
Investment earnings	6,550	23,731	17,181
Total revenues	<u>9,362,387</u>	<u>9,496,871</u>	<u>134,484</u>
 <b>EXPENDITURES</b>			
Current:			
Public safety	<u>9,444,887</u>	<u>9,444,887</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	(82,500)	51,984	134,484
 <b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	82,500	-	(82,500)
Net change in fund balance	<u>\$ -</u>	<u>51,984</u>	<u>\$ 51,984</u>
 <b>FUND BALANCE</b>			
Beginning balance		976,084	
Ending balance		<u>\$ 1,028,068</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 4,750,000	\$ 621,723	\$ (4,128,277)
<b>EXPENDITURES</b>			
Current:			
General government	95,108	-	95,108
Public safety	4,486,484	-	4,486,484
Human services	168,408	-	168,408
Total expenditures	<u>4,750,000</u>	<u>-</u>	<u>4,750,000</u>
Excess of revenues over expenditures	<u>-</u>	<u>621,723</u>	<u>621,723</u>
Net change in fund balance	<u>\$ -</u>	<u>621,723</u>	<u>\$ 621,723</u>
<b>FUND BALANCE</b>			
Beginning balance		(548,862)	
Ending balance		<u>\$ 72,861</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Human services	<u>-</u>	<u>415</u>	<u>(415)</u>
Deficiency of revenues under expenditures	<u>-</u>	<u>(415)</u>	<u>(415)</u>
Net change in fund balance	<u>\$ -</u>	<u>(415)</u>	<u>\$ (415)</u>
<b>FUND BALANCE</b>			
Beginning balance		91,000	
Ending balance		<u>\$ 90,585</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, 2025**

	<b>Project Authorization</b>	<b>Prior Year</b>	<b>Actual Current Year</b>	<b>Total</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>					
Unrestricted intergovernmental	\$ -	\$ 413,109	\$ 1,061,810	\$ 1,474,919	\$ 1,474,919
Restricted intergovernmental	20,735,641	15,373,942	1,248,175	16,622,117	(4,113,524)
Miscellaneous	1,694,328	1,235,018	151,832	1,386,850	(307,478)
Total revenues	<u>22,429,969</u>	<u>17,022,069</u>	<u>2,461,817</u>	<u>19,483,886</u>	<u>(2,946,083)</u>
<b>EXPENDITURES</b>					
Current:					
Community services	2,368,029	1,275,286	78,722	1,354,008	1,014,021
General government	366,681	307,190	30,394	337,584	29,097
Public safety	12,540,973	6,605,579	1,061,410	7,666,989	4,873,984
Human services	8,064,703	8,686,891	890,043	9,576,934	(1,512,231)
Support services	293,247	231,967	-	231,967	61,280
Total expenditures	<u>23,633,633</u>	<u>17,106,913</u>	<u>2,060,569</u>	<u>19,167,482</u>	<u>4,466,151</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,203,664)</u>	<u>(84,844)</u>	<u>401,248</u>	<u>316,404</u>	<u>1,520,068</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	1,329,159	1,693,224	31,655	1,724,879	395,720
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>1,203,664</u>	<u>1,841,434</u>	<u>31,655</u>	<u>1,873,089</u>	<u>669,425</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,756,590</u>	432,903	<u>\$ 2,189,493</u>	<u>\$ 2,189,493</u>
<b>FUND BALANCE</b>					
Beginning balance			1,756,590		
Ending balance			<u>\$ 2,189,493</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 2,570,314	\$ 87,875	\$ (2,482,439)
Investment earnings	80,252	24,247	(56,005)
Total revenues	<u>2,650,566</u>	<u>112,122</u>	<u>(2,538,444)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	2,638,615	35,022	2,603,593
Total expenditures	<u>2,638,615</u>	<u>35,022</u>	<u>2,603,593</u>
Excess of revenues over expenditures	<u>11,951</u>	<u>77,100</u>	<u>65,149</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
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>	<u>77,100</u>	<u>\$ 77,100</u>
<b>FUND BALANCE</b>			
Beginning balance		1,164,246	
Ending balance		<u>\$ 1,241,346</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, 2025**

	<b>Project Authorization</b>	<b>Prior Year</b>	<b>Actual Current Year</b>	<b>Total</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>					
Unrestricted intergovernmental:					
Town of Chapel Hill	\$ 2,889,975	\$ 2,468,823	\$ 350,685	\$ 2,819,508	\$ (70,467)
Town of Carrboro	1,101,070	830,902	126,541	957,443	(143,627)
Town of Hillsborough	414,325	349,199	55,762	404,961	(9,364)
Restricted intergovernmental:					
HOME	17,433,660	13,196,516	210,993	13,407,509	(4,026,151)
CDBG	3,955,860	4,445,150	-	4,445,150	489,290
HOPE	2,794,285	2,058,703	-	2,058,703	(735,582)
Other	5,267,193	4,303,626	391,381	4,695,007	(572,186)
Charges for services	542,072	1,196,920	-	1,196,920	654,848
Investment earnings	1,000	28,355	10,455	38,810	37,810
Miscellaneous	34,896	174,190	17,197	191,387	156,491
Total revenues	<u>34,434,336</u>	<u>29,052,384</u>	<u>1,163,014</u>	<u>30,215,398</u>	<u>(4,218,938)</u>
<b>EXPENDITURES</b>					
Current:					
Human services					
HOME	20,934,967	18,168,141	497,479	18,665,620	2,269,347
Homelessness Partnership	6,661,320	5,208,930	1,294,851	6,503,781	157,539
Housing Rehab	3,996,001	3,869,888	388,357	4,258,245	(262,244)
Mitigation/housing displacement	8,724,928	8,864,799	-	8,864,799	(139,871)
Affordable Housing	990,653	937,212	-	937,212	53,441
Other programs	5,265,548	3,336,471	-	3,336,471	1,929,077
Total expenditures	<u>46,573,417</u>	<u>40,385,441</u>	<u>2,180,687</u>	<u>42,566,128</u>	<u>4,007,289</u>
Deficiency of revenues under expenditures	<u>(12,139,081)</u>	<u>(11,333,057)</u>	<u>(1,017,673)</u>	<u>(12,350,730)</u>	<u>(211,649)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	14,080	14,330	-	14,330	250
Transfers from other funds	14,217,117	13,570,895	463,381	14,034,276	(182,841)
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>12,139,081</u>	<u>13,351,447</u>	<u>463,381</u>	<u>13,814,828</u>	<u>1,675,747</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,018,390</u>	<u>(554,292)</u>	<u>\$ 1,464,098</u>	<u>\$ 1,464,098</u>
<b>FUND BALANCE</b>					
Beginning balance			<u>2,018,390</u>		
Ending balance			<u>\$ 1,464,098</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, 2025

	Final Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 8,597,896	\$ 8,242,621	\$ (355,275)
Investment earnings	8,500	891	(7,609)
Total revenues	8,606,396	8,243,512	(362,884)
<b>EXPENDITURES</b>			
Current:			
Human services	8,618,131	8,600,593	17,538
Total expenditures	8,618,131	8,600,593	17,538
Deficiency of revenues under expenditures	(11,735)	(357,081)	(345,346)
<b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	11,735	-	(11,735)
Total other financing sources	11,735	-	(11,735)
Net change in fund balance	\$ -	(357,081)	\$ (357,081)
<b>FUND BALANCE</b>			
Beginning balance		715,620	
Ending balance		\$ 358,539	

# 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, 2025

	Project Authorization	Prior Year	Actual Current Year	Total	Variance Positive (Negative)
<b>REVENUES</b>					
Sales taxes	\$ 55,054,508	\$ 49,079,326	\$ 5,932,474	\$ 55,011,800	\$ (42,708)
Unrestricted Intergovernmental	1,017,700	1,000,000	9,700	1,009,700	(8,000)
Investment earnings	338,500	325,876	55,217	381,093	42,593
Miscellaneous	56,913	1,179,824	-	1,179,824	1,122,911
Total revenues	<u>56,467,621</u>	<u>51,585,026</u>	<u>5,997,391</u>	<u>57,582,417</u>	<u>1,114,796</u>
<b>EXPENDITURES</b>					
Current:					
Community services	19,791,050	15,204,633	2,455,065	17,659,698	2,131,352
Education	19,778,028	19,778,998	-	19,778,998	(970)
Debt service:					
Principal	6,652,349	6,418,031	614,668	7,032,699	(380,350)
Interest	1,700,340	2,541,152	304,145	2,845,297	(1,144,957)
Total expenditures	<u>47,921,767</u>	<u>43,942,814</u>	<u>3,373,878</u>	<u>47,316,692</u>	<u>605,075</u>
Excess of revenues over expenditures	<u>8,545,854</u>	<u>7,642,212</u>	<u>2,623,513</u>	<u>10,265,725</u>	<u>1,719,871</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers to other funds	(8,545,854)	(5,523,934)	(3,474,749)	(8,998,683)	(452,829)
Closed out project revenue	-	334,983	-	334,983	334,983
Total other financing uses, net	<u>(8,545,854)</u>	<u>(5,188,951)</u>	<u>(3,474,749)</u>	<u>(8,663,700)</u>	<u>(117,846)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 2,453,261</u>	<u>(851,236)</u>	<u>\$ 1,602,025</u>	<u>\$ 1,602,025</u>
<b>FUND BALANCE</b>					
Beginning balance			<u>2,453,261</u>		
Ending balance			<u>\$ 1,602,025</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 851,715	\$ 428,404	\$ (423,311)
Investment earnings	-	16,608	16,608
Total revenues	<u>851,715</u>	<u>445,012</u>	<u>(406,703)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety:			
Equipment and maintenance	1,494,467	418,072	1,076,395
Training	36,895	16,471	20,424
Contract services	88,612	80,757	7,855
Supplies	135,659	61,939	73,720
Total expenditures	<u>1,755,633</u>	<u>577,239</u>	<u>1,178,394</u>
Deficiency of revenues under expenditures	<u>(903,918)</u>	<u>(132,227)</u>	<u>771,691</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	903,918	-	(903,918)
Total other financing sources	<u>903,918</u>	<u>-</u>	<u>(903,918)</u>
Net change in fund balance	<u>\$ -</u>	<u>(132,227)</u>	<u>\$ (132,227)</u>
<b>FUND BALANCE</b>			
Beginning balance		845,236	
Ending balance		<u>\$ 713,009</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Unrestricted intergovernmental	\$ 581,855	\$ 581,855	\$ -
Restricted intergovernmental	104,480	94,480	(10,000)
Charges for services	129,350	123,634	(5,716)
Investment earnings	-	19,933	19,933
Miscellaneous	2,239,200	2,222,376	(16,824)
Total revenues	<u>3,054,885</u>	<u>3,042,278</u>	<u>(12,607)</u>
<b>EXPENDITURES</b>			
Current:			
Community services	2,908,295	2,414,239	494,056
General government	687,589	599,722	87,867
Total expenditures	<u>3,595,884</u>	<u>3,013,961</u>	<u>581,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(540,999)</u>	<u>28,317</u>	<u>569,316</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	(224,000)	(224,000)	-
Appropriated fund balance	764,999	-	(764,999)
Total other financing sources (uses), net	<u>540,999</u>	<u>(224,000)</u>	<u>(764,999)</u>
Net change in fund balance	<u>\$ -</u>	<u>(195,683)</u>	<u>\$ (195,683)</u>
<b>FUND BALANCE</b>			
Beginning balance		1,125,809	
Ending balance		<u>\$ 930,126</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Unrestricted intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current:			
Community services:			
Animal shelter	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	-	2,605	2,605
Total other financing sources	<u>-</u>	<u>2,605</u>	<u>2,605</u>
Net change in fund balance	<u>\$ -</u>	2,605	<u>\$ 2,605</u>
<b>FUND BALANCE</b>			
Beginning balance		(2,605)	
Ending balance		<u>\$ -</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, 2025**

	<u>Project Authorization</u>	<u>Prior Year</u>	<u>Actual Current Year</u>	<u>Total</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>					
Charges for services	\$ 23,346	\$ 23,346	\$ -	\$ 23,346	\$ -
Restricted intergovernmental	1,344,086	1,551,206	73,632	1,624,838	280,752
Investment earnings	29,221	49,990	14,745	64,735	35,514
Miscellaneous	589,074	471,384	14,488	485,872	(103,202)
Total revenues	<u>1,985,727</u>	<u>2,095,926</u>	<u>102,865</u>	<u>2,198,791</u>	<u>213,064</u>
<b>EXPENDITURES</b>					
Current:					
Human services:					
Adoption enhancement	<u>2,155,405</u>	<u>1,466,293</u>	<u>66,447</u>	<u>1,532,740</u>	<u>622,665</u>
Excess (deficiency) of revenues over (under) expenditures	(169,678)	629,633	36,418	666,051	835,729
<b>OTHER FINANCING SOURCES (USES)</b>					
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>\$ 716,119</u>	36,418	<u>\$ 752,537</u>	<u>\$ 752,537</u>
<b>FUND BALANCE</b>					
Beginning balance			716,119		
Ending balance			<u>\$ 752,537</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 13,943	\$ 13,943
Miscellaneous	10,500	27,272	16,772
Total revenues	<u>10,500</u>	<u>41,215</u>	<u>30,715</u>
<b>EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	10,500	41,215	30,715
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers to other funds	<u>(10,500)</u>	<u>-</u>	<u>10,500</u>
Net change in fund balance	<u>\$ -</u>	<u>41,215</u>	<u>\$ 41,215</u>
<b>FUND BALANCE</b>			
Beginning balance		642,344	
Ending balance		<u>\$ 683,559</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
License and permits	\$ 1,354,990	\$ 1,224,788	\$ (130,202)
Charges for services	21,400	34,745	13,345
Miscellaneous	5,450	14,811	9,361
Total revenues	<u>1,381,840</u>	<u>1,274,344</u>	<u>(107,496)</u>
<b>EXPENDITURES</b>			
Current:			
Community services	1,841,217	1,654,037	187,180
Total expenditures	<u>1,841,217</u>	<u>1,654,037</u>	<u>187,180</u>
Deficiency of revenues under expenditures	(459,377)	(379,693)	79,684
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	459,377	459,377	-
Net change in fund balance	<u>\$ -</u>	79,684	<u>\$ 79,684</u>
<b>FUND BALANCE</b>			
Beginning balance		40,650	
Ending balance		<u>\$ 120,334</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 279,583	\$ -	\$ (279,583)
Investment earnings	-	7,043	7,043
Total revenues	<u>279,583</u>	<u>7,043</u>	<u>(272,540)</u>
<b>EXPENDITURES</b>			
Current:			
Community services	<u>279,583</u>	-	<u>279,583</u>
Net change in fund balance	<u>\$ -</u>	7,043	<u>\$ 7,043</u>
<b>FUND BALANCE</b>			
Beginning balance		411,242	
Ending balance		<u>\$ 418,285</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 672	\$ 672
<b>EXPENDITURES</b>			
Current:			
Community services	-	-	-
Net change in fund balance	<u>\$ -</u>	672	<u>\$ 672</u>
<b>FUND BALANCE</b>			
Beginning balance		91,320	
Ending balance		<u>\$ 91,992</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings	\$ 23,454	\$ 8,376	\$ (15,078)
<b>EXPENDITURES</b>			
Current:			
Human services	23,454	20,972	2,482
Net change in fund balance	<u>\$ -</u>	<u>(12,596)</u>	<u>\$ (12,596)</u>
<b>FUND BALANCE</b>			
Beginning balance		400,740	
Ending balance		<u>\$ 388,144</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, 2025**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Miscellaneous	<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ (260,000)</u>
<b>EXPENDITURES</b>			
Current:			
Human services	<u>260,000</u>	<u>107,262</u>	<u>152,738</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>(107,262)</u></u>	<u><u>\$ (107,262)</u></u>
<b>FUND BALANCE</b>			
Beginning balance		103,037	
Ending balance		<u><u>\$ (4,225)</u></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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 153	\$ 153
License and permits	10,000	13,000	3,000
Total revenues	<u>10,000</u>	<u>13,153</u>	<u>3,153</u>
<b>EXPENDITURES</b>			
Current:			
Community services	<u>11,000</u>	<u>9,000</u>	<u>2,000</u>
Excess (deficiency) of revenues over (under) expenditures	(1,000)	4,153	5,153
<b>OTHER FINANCING SOURCE (USES)</b>			
Appropriated fund balance	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,153</u>	<u>\$ 4,153</u>
<b>FUND BALANCE</b>			
Beginning balance		5,918	
Ending balance		<u>\$ 10,071</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, 2025**

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	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Property taxes	\$ 28,919,218	\$ 28,598,302	\$ (320,916)
<b>EXPENDITURES</b>			
Current:			
Education	<u>28,919,218</u>	<u>28,598,302</u>	<u>320,916</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE</b>			
Beginning balance		(104,345)	
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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Miscellaneous	\$ 90,000	\$ -	\$ (90,000)
<b>EXPENDITURES</b>			
Current:			
General government	90,000	569	89,431
Total expenditures	<u>90,000</u>	<u>569</u>	<u>89,431</u>
Net change in fund balance	<u>\$ -</u>	<u>(569)</u>	<u>\$ (569)</u>
<b>FUND BALANCE</b>			
Beginning balance		32,013	
Ending balance		<u>\$ 31,444</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 3,634,798	\$ 1,075,671	\$ (2,559,127)
Investment earnings	-	42,343	42,343
	<u>3,634,798</u>	<u>1,118,014</u>	<u>(2,516,784)</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	649,987	424,017	225,970
Public health	856,210	314,476	541,734
Total expenditures	<u>1,506,197</u>	<u>738,493</u>	<u>767,704</u>
Excess of revenues over expenditures	2,128,601	379,521	(1,749,080)
<b>OTHER FINANCING SOURCES (USES)</b>			
Appropriated fund balance	<u>(2,128,601)</u>	-	<u>2,128,601</u>
Net change in fund balance	<u>\$ -</u>	379,521	<u>\$ 379,521</u>
<b>FUND BALANCE</b>			
Beginning balance		3,243,131	
Ending balance		<u>\$ 3,622,652</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, 2025**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>REVENUES</b>			
Charges for services	\$ 14,872,653	\$ 14,886,560	\$ 13,907
Total revenues	<u>14,872,653</u>	<u>14,886,560</u>	<u>13,907</u>
<b>EXPENDITURES</b>			
Operations	18,334,171	18,074,644	259,527
General and administrative	111,376	102,900	8,476
Total expenditures	<u>18,445,547</u>	<u>18,177,544</u>	<u>268,003</u>
Deficiency of revenues under expenditures	(3,572,894)	(3,290,984)	281,910
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers from other funds	3,172,894	3,172,894	-
Appropriated fund balance	400,000	-	(400,000)
Total other financing sources	<u>3,572,894</u>	<u>3,172,894</u>	<u>(400,000)</u>
Deficiency of revenues and other financing sources under expenditures	<u>\$ -</u>	(118,090)	<u>\$ (118,090)</u>
<b>Reconciliation from budgetary basis (modified accrual) to full accrual:</b>			
Decrease in claims payable		238,264	
Change in net position - GAAP Basis		<u>\$ 120,174</u>	

**ORANGE COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
JUNE 30, 2025**

	<b>Cooperative Extension 4-H Fund</b>	<b>American Stone No Fault Well Repair Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>ASSETS</b>				
Cash and investments - restricted	\$ 70,360	\$ 82,757	\$ 13,437	\$ 166,554
Total assets	<u>70,360</u>	<u>82,757</u>	<u>13,437</u>	<u>166,554</u>
<b>LIABILITIES</b>				
Accounts payable	2,335	-	-	2,335
Accrued liabilities	<u>35,171</u>	<u>-</u>	<u>11,401</u>	<u>46,572</u>
Total liabilities	<u>37,506</u>	<u>-</u>	<u>11,401</u>	<u>48,907</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations and other governments	<u>32,854</u>	<u>82,757</u>	<u>2,036</u>	<u>117,647</u>
Total net position	<u>\$ 32,854</u>	<u>\$ 82,757</u>	<u>\$ 2,036</u>	<u>\$ 117,647</u>

**ORANGE COUNTY, NORTH CAROLINA**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
CUSTODIAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Cooperative Extension 4-H Fund</b>	<b>American Stone No Fault Well Repair Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>ADDITIONS</b>				
Charges for services	\$ 12,942	\$ 15,000	\$ -	\$ 27,942
Collections on behalf of inmates	-	-	281,252	281,252
Donations	6,476	-	-	6,476
Investment earnings	1,272	1,787	-	3,059
<b>Total additions</b>	<b>20,690</b>	<b>16,787</b>	<b>281,252</b>	<b>318,729</b>
<b>DEDUCTIONS</b>				
Water improvements	-	31,923	-	31,923
Payments on behalf of inmates	-	-	281,252	281,252
Culture and recreation	22,468	-	-	22,468
<b>Total deductions</b>	<b>22,468</b>	<b>31,923</b>	<b>281,252</b>	<b>335,643</b>
<b>Net change in fiduciary net position</b>	<b>(1,778)</b>	<b>(15,136)</b>	<b>-</b>	<b>(16,914)</b>
<b>NET POSITION</b>				
Beginning balance	34,632	97,893	2,036	134,561
Ending balance	\$ 32,854	\$ 82,757	\$ 2,036	\$ 117,647

# ORANGE COUNTY, NORTH CAROLINA

## SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2025

Fiscal Year	Uncollected Balance July 1, 2024	Additions	Collections and Credits	Uncollected Balance June 30, 2025
2024-2025	\$ -	\$ 204,708,914	\$ 203,093,722	\$ 1,615,192
2023-2024	1,006,343	-	505,289	501,054
2022-2023	497,542	-	185,505	312,037
2021-2022	320,695	-	105,003	215,692
2020-2021	232,260	-	74,122	158,138
2019-2020	239,340	-	73,560	165,780
2018-2019	142,079	-	56,230	85,849
2017-2018	79,669	-	36,662	43,007
All-prior	130,916	-	49,224	81,692
	\$ 2,648,844	\$ 204,708,914	\$ 204,179,317	3,178,441
				Less: allowance for uncollectible accounts - General Fund (891,839)
				Ad valorem taxes receivable - net \$ 2,286,602
				<u>Reconciliation to revenues:</u>
				Ad valorem taxes - General Fund \$ 204,390,310
				Reconciling items:
				Interest and penalties 733,699
				Miscellaneous adjustments (944,692)
				Total collections and credits \$ 204,179,317

# ORANGE COUNTY, NORTH CAROLINA

## ANALYSIS OF CURRENT TAX LEVY COUNTY-WIDE LEVY FOR THE YEAR ENDED JUNE 30, 2025

	County-wide			Total Levy	
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Original levy:				
Property taxed at current rate	\$ 23,708,145,298	0.8630	\$ 204,577,586	\$ 189,405,787	\$ 15,171,799
Late listing penalties	-		123,525	123,525	-
Lien advertisement	-		7,803	7,803	-
Total	23,708,145,298		204,708,914	189,537,115	15,171,799
Releases	-	0.8310	-	-	-
Total property valuation	\$ 23,708,145,298				
Net levy			204,708,914	189,537,115	15,171,799
Uncollected taxes at June 30, 2025			(1,615,192)	(1,598,418)	(16,774)
Current year's taxes collected			\$ 203,093,722	\$ 187,938,697	\$ 15,155,025
Current levy collection percentage			99.21%	99.16%	99.89%

# STATISTICAL SECTION

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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

	2025	2024	2023	2022
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 79,370,290	\$ 72,992,094	\$ 68,828,030	\$ 64,787,858
Restricted for:				
Stabilization by State statute	20,082,631	28,683,743	23,530,505	21,373,361
Various other programs	13,708,935	13,749,926	10,022,351	6,871,946
Unrestricted	(299,825,853)	(275,426,162)	(247,859,007)	(255,080,848)
Total governmental activities net position	<u>\$ (186,663,997)</u>	<u>\$ (160,000,399)</u>	<u>\$ (145,478,121)</u>	<u>\$ (162,047,683)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 10,595,706	\$ 10,545,893	\$ 10,017,187	\$ 9,728,045
Unrestricted	7,208,557	9,176,522	10,344,007	7,989,721
Total business-type activities net position	<u>\$ 17,804,263</u>	<u>\$ 19,722,415</u>	<u>\$ 20,361,194</u>	<u>\$ 17,717,766</u>
<b>TOTAL - PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 89,965,996	\$ 83,537,987	\$ 78,845,217	\$ 74,515,903
Restricted for:				
Stabilization by State statute	20,082,631	28,683,743	23,530,505	21,373,361
Various other programs	13,708,935	13,749,926	10,022,351	6,871,946
Unrestricted	(292,617,296)	(266,249,640)	(237,515,000)	(247,091,127)
Total primary government net position	<u>\$ (168,859,734)</u>	<u>\$ (140,277,984)</u>	<u>\$ (125,116,927)</u>	<u>\$ (144,329,917)</u>

**Notes to the Schedule:**

In accordance with North Carolina law, total liabilities of the County include approximately \$194 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)				
2021	2020	2019	2018	2017	2016
\$ 36,420,704	\$ 32,355,004	\$ 29,752,938	\$ 30,229,146	\$ 29,924,257	\$ 23,190,053
15,881,733	17,838,399	16,392,707	14,222,179	12,264,244	13,693,038
5,931,817	47,732,061	67,909,157	37,517,431	17,264,973	23,225,509
(240,453,014)	(249,861,109)	(212,549,798)	(155,693,774)	(133,115,016)	(79,859,843)
<u>\$ (182,218,760)</u>	<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>
\$ 7,740,664	\$ 7,331,915	\$ 9,391,992	\$ 10,361,313	\$ 6,883,243	\$ 7,462,618
6,994,389	9,857,968	7,007,056	6,165,732	5,058,871	3,322,472
<u>\$ 14,735,053</u>	<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>
\$ 44,161,368	\$ 39,686,919	\$ 39,144,930	\$ 40,590,459	\$ 36,807,500	\$ 30,652,671
15,881,733	17,838,399	16,392,707	14,222,179	12,264,244	13,693,038
5,931,817	47,732,061	67,909,157	37,517,431	17,264,973	23,225,509
(233,458,625)	(240,003,141)	(205,542,742)	(149,528,042)	(128,056,145)	(76,537,371)
<u>\$ (167,483,707)</u>	<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>

# ORANGE COUNTY, NORTH CAROLINA

## Changes in Net Position Last Ten Fiscal Years

	2025	2024	2023	2022
<b>EXPENSES</b>				
<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	\$ 21,294,627	\$ 20,948,090	\$ 20,734,639	\$ 18,018,607
General Government	37,954,737	23,295,527	25,398,164	15,219,514
Public safety	51,358,448	52,709,153	45,887,225	41,248,675
Human services	62,557,978	61,979,579	58,984,570	57,651,056
Education	176,978,167	176,496,597	144,538,477	132,090,386
Support services	24,328,473	26,562,067	17,145,499	19,876,747
Interest on long-term debt	8,582,930	8,673,654	8,728,060	9,301,115
Total expenses - governmental activities	383,055,360	370,664,667	321,416,634	293,406,100
<i>Business-type activities:</i>				
Landfill	13,937,835	12,100,727	9,651,419	10,272,510
SportsPlex	5,652,344	6,016,031	4,260,509	4,067,041
Efland Sewer (1)	-	-	-	-
Total expenses - business-type activities	19,590,179	18,116,758	13,911,928	14,339,551
<b>Total expenses - primary government</b>	<b>402,645,539</b>	<b>388,781,425</b>	<b>335,328,562</b>	<b>307,745,651</b>
<b>REVENUES</b>				
<i>Governmental activities:</i>				
Program revenues:				
Charges for services	16,207,719	14,628,720	15,220,028	14,984,721
Operating grants and contributions	27,031,370	35,699,034	34,103,111	31,355,542
Capital grants and contributions	-	-	-	1,129,817
General revenues:				
Property taxes	244,799,340	231,086,320	221,142,931	213,946,408
Other taxes	51,872,234	50,997,895	51,254,512	44,737,788
Other revenues	20,775,316	22,700,992	15,147,692	9,261,726
Total revenues - governmental activities	360,685,979	355,112,961	336,868,274	315,416,002
<i>Business-type activities:</i>				
Program revenues:				
Charges for services	16,803,678	16,591,686	15,771,149	15,173,330
Operating grants and contributions	15,000	-	-	9,787
Capital grants and contributions	-	-	-	-
General revenues:				
Other revenues	1,169,349	1,044,293	784,207	701,197
Special item (1)	-	-	-	-
Total revenues - business-type activities	17,988,027	17,635,979	16,555,356	15,884,314
<b>Total revenues - primary government</b>	<b>378,674,006</b>	<b>372,748,940</b>	<b>353,423,630</b>	<b>331,300,316</b>

(2) 2021	2020	2019	2018	2017	2016
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
\$ 14,484,271	\$ 16,617,090	\$ 15,902,720	\$ 15,223,280	\$ 14,528,306	\$ 11,798,260
22,774,275	20,030,815	15,382,288	16,685,804	17,268,682	22,439,461
41,376,196	36,883,247	33,718,408	32,247,386	29,634,987	28,476,942
56,271,330	48,406,126	44,580,536	43,371,252	45,058,561	45,512,630
155,464,500	156,765,760	132,364,089	106,689,649	97,196,824	86,255,010
16,301,136	19,391,577	19,455,503	12,733,446	14,579,007	11,344,246
14,275,755	7,641,254	6,954,179	5,707,204	3,311,756	3,933,332
<u>320,947,463</u>	<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>
11,222,179	10,820,274	10,783,737	9,566,421	10,197,990	9,812,564
3,204,250	3,105,279	3,739,404	3,608,084	3,354,734	3,420,624
470	87,564	327,665	443,049	399,818	430,846
<u>14,426,899</u>	<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>335,374,362</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>
12,647,084	15,099,534	15,827,035	15,719,203	16,424,044	15,778,566
31,345,445	28,714,814	24,223,044	24,212,789	26,044,125	26,418,629
454,718	1,256,036	1,157,514	1,620,344	1,000,233	1,059,278
201,379,367	171,493,308	165,411,715	160,185,898	155,565,259	153,059,233
37,498,124	33,073,561	33,541,804	32,377,997	29,522,796	27,712,231
6,894,256	2,130,474	3,553,143	218,178	618,793	267,113
<u>290,218,994</u>	<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>
13,764,050	14,077,939	14,259,849	13,482,011	11,861,307	11,719,530
6,319	3,681	30,570	200,448	-	-
-	164,560	305,882	138,915	261,713	162,555
344,748	-	-	-	-	-
(1,697,694)	-	-	-	-	-
<u>12,417,423</u>	<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>302,636,417</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>

# ORANGE COUNTY, NORTH CAROLINA

## Changes in Net Position Last Ten Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>TRANSFERS</b>				
Governmental activities	\$ 316,000	\$ 158,000	\$ -	\$ (790,000)
Business-type activities	(316,000)	(158,000)	-	790,000
<b>NET CHANGE IN NET POSITION</b>				
Governmental activities	(22,053,381)	(14,522,278)	15,451,640	21,219,902
Business-type activities	(1,918,152)	(638,779)	2,643,428	2,334,763
<b>NET POSITION</b>				
Beginning balances, as previously reported	(140,277,984)	(125,116,927)	(144,329,917)	(167,483,707)
Prior period adjustments	(4,610,217)	-	1,117,922	(403,875)
Beginning balances, as restated	<u>(144,888,201)</u>	<u>(125,116,927)</u>	<u>(143,211,995)</u>	<u>(167,887,582)</u>
Ending balances	<u>\$ (168,859,734)</u>	<u>\$ (140,277,984)</u>	<u>\$ (125,116,927)</u>	<u>\$ (144,332,917)</u>

**Notes to the Schedule:**

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

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

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

(2) 2021	2020	2019	2018	2017	2016
\$ 445,354 (445,354)	\$ (2,293) 2,293	\$ (126,510) 126,510	\$ (1,739,866) 1,739,866	\$ (1,568,349) 1,568,349	\$ (1,834,548) 1,834,548
(30,283,115) (2,454,830)	(53,970,435) 235,356	(24,769,978) (127,995)	(63,478) 1,943,686	6,028,778 (261,173)	12,700,621 (415,014)
(135,831,027) 1,085,265 (134,745,762)	(82,095,948) - (82,095,948)	(57,197,975) - (57,197,975)	(4,372,786) (54,705,397) (59,078,183)	(8,966,153) (1,174,238) (10,140,391)	(24,736,234) 3,484,474 (21,251,760)
<u>\$ (167,483,707)</u>	<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>

# ORANGE COUNTY, NORTH CAROLINA

## Fund Balances - Governmental Funds Last Ten Fiscal Years

	2025	2024	2023	2022
<b>GENERAL FUND</b>				
Non-spendable:				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Inventories	72,760	48,545	11,804	73,171
Other	3,343	5,545	34,817	5,543
Restricted for:				
Stabilization for State statute	20,082,631	27,100,798	21,845,304	20,244,134
Committed:				
Health Benefits	8,293,841	8,293,841	8,293,841	7,543,841
Assigned:				
Subsequent year expenditures	7,056,130	7,100,000	7,000,000	14,608,880
Unassigned	42,849,485	39,779,351	43,222,499	38,870,823
Total General Fund	78,358,190	82,328,080	80,408,265	81,346,392
<b>ALL OTHER GOVERNMENTAL FUNDS (1)</b>				
Non-spendable:				
Notes receivable	65,657	99,148	166,141	1,250,517
Restricted for:				
Stabilization for State Statute	-	1,582,945	1,685,201	1,129,227
Education	20,949,785	-	25,532,325	28,765,551
Human services	7,292,067	7,372,202	4,174,296	2,688,612
Governing and management	N/A	N/A	N/A	N/A
Public safety	3,055,284	2,985,566	2,647,162	2,300,661
Community services	3,220,154	3,250,148	3,058,774	1,684,160
Capital projects	37,906,988	42,963,675	51,970,719	56,911,631
Committed				
Human services	752,537	716,119	664,225	778,927
Education	1,602,025	870,316	3,236,244	4,099,582
Debt Service	588,383	3,263,435	6,746,061	-
Community services	-	-	-	-
Governing and management	N/A	N/A	N/A	N/A
Assigned:				
Human services	-	-	-	134,125
Community services				
Community and environment	N/A	N/A	N/A	N/A
General services	N/A	N/A	N/A	N/A
Capital projects	331,012	878,362	2,038,746	-
Unassigned	(108,570)	(4,062,249)	(747,785)	(1,383,455)
Total All Other Government Funds	75,655,322	59,919,667	101,172,109	98,359,538
Total Government Funds	\$ 154,013,512	\$ 142,247,747	\$ 181,580,374	\$ 179,705,930

**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

2021	2020	2019	2018	2017	2016
\$ 579,291	\$ 300,192	\$ 3,001	\$ 3,001	\$ 3,001	\$ 3,001
9,645	9,645	12,428	16,973	7,329	13,668
10,818	136,000	136,000	136,000	136,000	-
14,858,782	16,205,850	15,007,391	12,576,115	10,739,850	12,151,274
7,543,841	7,543,841	7,543,841	7,543,841	7,543,841	7,543,841
14,757,382	8,268,603	7,808,006	8,820,099	9,769,060	13,880,592
38,357,267	35,479,220	35,697,519	34,439,230	34,527,855	30,873,811
<u>76,117,026</u>	<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>
1,332,130	-	-	-	-	-
1,022,951	1,632,549	1,385,316	1,646,064	1,524,394	1,541,764
16,587,053	43,324,451	63,291,434	26,763,497	4,330,808	10,266,810
2,224,961	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
2,503,052	2,871,984	2,774,848	2,755,925	2,017,706	1,590,761
955,701	1,148,324	1,279,385	3,716,198	3,419,193	3,160,345
27,099,316	45,206,350	19,695,260	25,144,847	28,485,737	23,780,620
756,432	169,777	143,902	125,878	81,079	35,122
2,933,874	1,140,095	1,140,095	-	-	-
-	-	-	-	-	-
-	2,710,240	1,928,742	-	-	-
N/A	N/A	N/A	N/A	N/A	N/A
95,080	3,396,354	2,724,748	166,439	141,597	228,063
	44,724	50,448	64,006	62,771	67,294
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
134,023	134,004	4,569,498	148,396	146,913	146,144
(3,367,130)	(722,240)	-	-	-	-
<u>52,277,443</u>	<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>\$ 128,394,469</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>

# ORANGE COUNTY, NORTH CAROLINA

## Changes in Fund Balances - Governmental Funds Last Ten Fiscal Years

	2025	2024	2023	2022
<b>REVENUES</b>				
Property taxes	\$ 244,560,091	\$ 231,107,018	\$ 221,545,909	\$ 213,925,307
Other taxes	51,872,234	50,997,895	51,254,512	43,075,944
Intergovernmental revenues	38,793,900	46,921,847	41,429,318	38,037,018
Charges for services	14,760,525	13,261,368	14,979,933	14,698,427
Investment earnings	4,677,198	6,445,674	5,032,160	231,204
Other revenues	4,902,831	7,230,641	3,027,909	5,094,731
Total revenues	359,566,779	355,964,443	337,269,741	315,062,631
<b>EXPENDITURES</b>				
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	22,456,098	21,960,386	19,395,402	16,244,058
General government	14,017,420	16,393,038	14,020,145	11,330,701
Public safety	51,702,177	50,943,554	42,262,631	36,226,038
Human services	60,438,460	58,939,310	55,255,877	53,559,345
Education	176,978,167	176,496,597	144,538,477	131,985,386
Support services	20,038,640	22,458,559	12,862,406	12,578,233
Capital outlay	27,587,334	23,243,440	18,063,762	14,940,246
Debt Service:				
Principal	27,835,383	31,966,108	31,869,264	32,887,437
Interest and other charges	9,952,042	10,446,980	10,764,716	11,401,340
Total expenditures	411,005,721	412,847,972	349,032,680	321,152,784
Excess (deficiency) of revenues over (under) expenditures	(51,438,942)	(56,883,529)	(11,762,939)	(6,090,153)
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	64,535,000	11,330,000	15,865,109	56,474,149
Issuance of leases	396,881	8,454,537	-	-
Issuance of subscriptions	395,481	-	-	-
Premiums on long-term debt issued	5,219,020	736,050	-	1,621,526
Payments to escrow agent - refunding	-	-	-	-
Proceeds from sale of capital assets	125,436	55,720	564,499	95,939
Transfers from other funds	40,427,198	42,717,915	59,785,762	8,882,396
Transfers to other funds	(43,284,092)	(45,743,320)	(62,577,987)	(9,672,396)
Other financing sources (uses), net	67,814,924	17,550,902	13,637,383	57,401,614
Net change in fund balances	\$ 16,375,982	\$ (39,332,627)	\$ 1,874,444	\$ 51,311,461
Debt service as a percentage of non-capital expenditures	9.19%	10.27%	12.21%	14.32%

**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

(1) 2021	2020	2019	2018	2017	2016
\$ 201,160,334	\$ 171,125,831	\$ 165,291,673	\$ 160,164,100	\$ 155,630,633	\$ 153,539,268
36,530,714	33,073,561	33,541,804	31,012,534	29,522,796	27,712,231
37,665,928	28,132,049	25,116,465	25,618,064	26,454,930	27,002,678
12,355,060	12,335,681	12,946,473	12,974,619	12,015,197	10,787,145
292,024	2,103,470	3,553,143	1,392,733	618,793	267,113
2,685,552	3,596,504	3,144,655	2,974,653	5,013,275	5,412,883
<u>290,689,612</u>	<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>
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
14,049,012	15,585,690	15,298,049	14,659,707	14,186,060	11,980,673
15,426,594	10,170,359	9,898,414	9,692,463	8,209,934	9,369,732
39,118,307	34,041,147	31,710,007	30,746,216	29,093,813	28,396,838
55,152,414	45,950,432	43,665,611	43,022,683	44,427,224	46,194,177
155,464,500	151,003,467	127,320,635	98,899,949	97,196,824	86,255,010
12,535,964	15,178,951	12,626,572	12,974,342	13,929,639	11,661,104
26,148,205	24,745,320	14,141,956	12,375,007	5,538,992	7,580,903
23,777,135	22,239,544	21,929,818	21,164,194	19,830,716	20,049,781
12,092,055	10,024,425	9,300,600	7,373,100	6,854,627	6,867,259
<u>353,764,186</u>	<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>(63,074,574)</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>
22,525,555	88,616,970	77,160,000	62,125,757	9,354,561	6,655,158
-	-	-	-	-	-
-	-	-	-	-	-
3,472,402	7,291,635	6,586,231	7,865,143	-	-
(7,136,379)	(14,549,364)	-	(30,091,068)	-	-
1,422	27,004	12,963	190,910	95,016	32,167
16,659,872	17,613,046	5,964,008	8,228,700	9,706,368	8,280,750
<u>(13,749,518)</u>	<u>(16,705,339)</u>	<u>(8,717,038)</u>	<u>(10,498,836)</u>	<u>(11,274,717)</u>	<u>(10,115,298)</u>
<u>21,773,354</u>	<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>\$ (41,301,220)</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>10.95%</u>	<u>10.41%</u>	<u>11.28%</u>	<u>11.52%</u>	<u>11.33%</u>	<u>11.79%</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
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
2025	20,663,526,391	2,224,043,539	428,558,631	86,592,786

**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.

**Table 5**

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<b>Net Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Market Value</b>	<b>Assessed Value as a Percent of Actual Value</b>
\$ 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	71.97%
23,316,128,561	0.8629	36,177,080,777	64.45%

# ORANGE COUNTY, NORTH CAROLINA

## Direct and Overlapping Property Tax Rates Last Ten Fiscal Years

	2025	2024	2023	2022
<b>County Direct Rates</b>				
Orange County (1)	\$ 0.086290	\$ 0.083530	\$ 0.083120	\$ 0.081870
Total general direct rate	0.086290	0.083530	0.083120	0.081870
Fire Districts (2)	0.180383	0.130380	0.094121	0.088733
Total direct rate	\$ 0.266673	\$ 0.213910	\$ 0.177241	\$ 0.170603
 Chapel Hill-Carrboro School District	 0.1980	 0.1980	 0.1830	 0.1830
 Municipality rates:				
Chapel Hill	0.5920	0.5720	0.5220	0.5140
Carrboro	0.6044	0.6044	0.6044	0.6044
Hillsborough	0.6070	0.5870	0.5870	0.5870
Mebane	0.3700	0.37	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**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 0.086790	\$ 0.086790	\$ 0.085040	\$ 0.083770	\$ 0.087800	\$ 0.087800
0.086790	0.086790	0.085040	0.083770	0.087800	0.087800
0.091666	0.090828	0.087540	0.071220	0.060300	0.062300
<u>\$ 0.178456</u>	<u>\$ 0.177618</u>	<u>\$ 0.172580</u>	<u>\$ 0.154990</u>	<u>\$ 0.148100</u>	<u>\$ 0.150100</u>
0.2018	0.2018	0.2018	0.2018	0.2084	0.2084
0.5440	0.5440	0.5280	0.5080	0.5240	0.5240
0.5944	0.5944	0.5944	0.5894	0.5894	0.5894
0.6200	0.6200	0.6200	0.6200	0.6800	0.6800
0.4700	0.4700	0.4700	0.4700	0.4900	0.4900

# ORANGE COUNTY, NORTH CAROLINA

## Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	Type of Business	2025		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Carolinas LLC	Public Utility	\$ 215,868,421	1	0.93%
Thermo Fish Scientific	Manufacturing	156,860,793	2	0.67%
NR Edge Apartments Property	Apartment/Retail	111,079,512	3	0.48%
Chapel Hill Foundation Real Estate Holdings Inc	Apartment/Retail	111,042,700	4	0.48%
Mre Propco LP	Industrial	85,057,500	5	0.36%
BIR Chapel Hill LLC	Apartment/Retail	80,124,700	6	0.34%
83 ChartleyNC Owner LLC	Apartment Rental	79,278,502	7	0.34%
Piedmont Electric Member Corp	Public Utility	77,142,270	8	0.33%
Northwestern Mutual Life Insurance Co	Apartment Rental	68,912,285	9	0.30%
Townhouse Apartments LLC	Apartment Rental	68,284,199	10	0.29%
Corium LLC	Insurance Provider			
East 54 Office Retail LLC	Office/Retail			
ACC GF III Chapel Ridge/Chapel View LLC	Condos			
Madison University Mall Properties	Retail			
Public Service Co of NC INC	Public Utility			
Europa Center LLC	Hotel			
Granville Towers LLC	Apartments Rental			
Total		<b><u>\$ 1,053,650,882</u></b>		<b><u>3.89%</u></b>

2016		
Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$ 118,667,657	1	0.60%
56,085,377	2	0.29%
38,876,622	3	0.20%
35,388,300	4	0.18%
35,239,900	5	0.18%
35,037,316	6	0.18%
32,792,795	7	0.17%
31,580,462	8	0.16%
28,444,066	9	0.14%
27,428,717	10	0.14%
<b>\$ 439,541,212</b>		<b>2.24%</b>

# ORANGE COUNTY, NORTH CAROLINA

## Property Tax Levies and Collections Last Ten Fiscal Years

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Tax Year	Year Ended June 30	(1) Current Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
			Amount	% Collected	
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%	1,360,875
2023	2024	192,242,699	191,110,361	99.41%	943,294
2024	2025	204,708,913	203,093,722	99.21%	1,041,802

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.

**Table 8**

<b>Total Collections to Date</b>		<b>(2) Delinquent Taxes Receivable</b>	<b>(3) % of Receivable to Adjusted Tax Levy</b>
<b>Amount</b>	<b>% Collected</b>		
\$ 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	0.64%
191,110,361	99.41%	1,132,338	0.59%
203,093,722	99.21%	1,615,191	0.79%

# 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
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
2025	100,435,000	220,066,384	4,441,028	-	24,900,843

**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
\$ 9,799,916	\$ -	\$ 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%
10,712,911	965,733	361,521,899	2,396	1.00%	2.91%

# ORANGE COUNTY, NORTH CAROLINA

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

Fiscal Year	General Debt Outstanding			
	General Obligation Bonds	Installment Loans	State Revolving loan	Premiums
2016	\$ 68,355,000	\$ 122,631,057	\$ 2,679,597	\$ 14,118,757
2017	59,280,000	118,995,610	2,533,957	9,995,850
2018	50,430,000	117,955,775	2,388,317	7,382,845
2019	71,185,000	111,568,633	2,242,677	13,049,290
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	116,815,000	181,052,504	-	22,304,552
2025	100,435,000	220,066,384	-	24,900,843

**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.

	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
312,981,718	3.22%	1.68%	2,168
310,244,578	3.15%	1.64%	2,117
348,365,312	3.49%	1.79%	2,343
319,524,108	3.20%	1.46%	2,144
320,172,056	2.87%	1.40%	2,128
345,402,227	2.78%	1.48%	2,289

# ORANGE COUNTY, NORTH CAROLINA

## Legal Debt Margin Information Last Ten Fiscal Years

	2025	2024	2023	2022
Assessed value of property	\$ 23,316,128,561	\$ 23,019,330,145	\$ 22,421,502,597	\$ 21,944,533,529
Debt limit (1)	\$ 1,865,290,285	\$ 1,841,546,412	\$ 1,793,720,208	\$ 1,755,562,682
Amount of debt applicable to limit:				
Gross debt	313,373,158	290,340,353	297,219,555	311,215,072
Legal debt margin	\$ 1,551,917,127	\$ 1,551,206,059	\$ 1,496,500,653	\$ 1,444,347,610
Total net debt applicable to limit as a percentage of debt limit	16.80%	15.77%	16.57%	17.73%

**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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>\$ 19,449,954,413</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>
\$ 1,555,996,353	\$ 1,516,519,327	\$ 1,494,529,087	\$ 1,466,472,070	\$ 1,361,961,527	\$ 1,342,254,591
<u>295,399,529</u>	<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>\$ 1,260,596,824</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>18.98%</u>	<u>19.26%</u>	<u>16.07%</u>	<u>12.62%</u>	<u>12.54%</u>	<u>13.47%</u>

## ORANGE COUNTY, NORTH CAROLINA

### Direct and Overlapping Debt - Governmental Activities June 30, 2025

<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	\$ 12,854,000 (2)	100%	\$ 12,854,000
Town of Chapel Hill	135,804,046	100%	135,804,046
Town of Hillsborough	1,904,611	100%	1,904,611
City of Durham	396,376,939	3%	11,891,308
Town of Mebane	<u>6,895,000</u>	30%	<u>2,068,500</u>
Overlapping debt	553,834,596		164,522,465
Orange County Direct debt	<u>313,373,158</u>		<u>313,373,158</u>
Total direct and overlapping debt	<u>\$ 867,207,754</u>		<u>\$ 477,895,623</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, 2024.

## 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
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
2025	150,913	12,424,716	82,330	36.20	18,943	3.6%	4,811

**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	2025			2016		
	Employees	Rank	Percentage of Total County Employment*	Employees	Rank	Percentage of Total County Employment
UNC-Health Care	18,055	1	46.22%	12,095	2	0
UNC Chapel Hill	13,938	2	35.68%	18,335	1	25.00%
Chapel Hill-Carrboro City Schools	1,859	3	4.76%	2,000	3	2.73%
Orange County Government	1,435	4	3.67%	992	5	1.35%
Orange County Schools	1,143	5	2.93%	1,100	4	1.50%
Town of Chapel Hill	735	6	1.88%	700	6	0.95%
Industrial Connections & Solutions ABB (formerly G.E.)	721	7	1.85%	502	7	0.68%
AKG of America	400	8	1.02%	N/A	N/A	N/A
Wegmans	396	9	1.01%	N/A	N/A	N/A
Medline	379	10	0.97%			
Sports Endeavors, Inc.	N/A	N/A	N/A	382	8	0.52%
Walmart	N/A	N/A	N/A	322	10	0.44%

**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	2025	2024	2023	2022	2021
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	137.00	132.00	146.75	141.00	141.00
General Government	82.80	87.20	81.63	78.66	76.63
Human Services	376.00	357.00	409.21	379.61	380.11
Support Services	69.40	68.40	74.70	74.70	74.70
Public Safety	315.80	300.20	346.50	304.50	303.50
Solid Waste	63.60	62.20	66.68	62.43	62.43
<b>Total Full-time Equivalents</b>	<u>1,044.60</u>	<u>1,007.00</u>	<u>1,125.46</u>	<u>1,040.89</u>	<u>1,038.36</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.

2020	2019	2018	2017	2016
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A
161.40	161.40	153.20	145.00	132.80
104.43	104.43	93.23	98.83	100.43
358.01	358.01	364.60	356.23	341.76
73.90	73.90	75.90	77.10	74.30
288.60	288.60	236.10	285.98	269.58
65.48	65.48	64.75	65.85	62.65
<u>1,051.82</u>	<u>1,051.82</u>	<u>987.78</u>	<u>1,028.99</u>	<u>981.52</u>

## ORANGE COUNTY, NORTH CAROLINA

### Operating Indicators by Function Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022
<b>Governing and Management:</b>				
Number of animals sheltered	2,984	2,860	2,344	2,136
Number of rabies investigations	94	100	101	117
Employment applications received	4,778	6,285	4,974	5,037
<b>General Services:</b>				
Incoming Calls to Technology Help Desk	8843	9031	9,670	12,021
Real Estate documents processed	14,819	5,287	17,363	23,644
Vital records recorded and issued	27,423	10,261	27,860	25,470
<b>Community and Environment:</b>				
Building permits issued	792	720	800	981
Building, plumbing, mechanical, and electrical inspections completed	11,940	9,810	12,646	16,450
<b>Human Services:</b>				
Households receiving food stamps	5,068	5,162	5,933	6,344
Individuals receiving food stamps	9,440	9,580	10,925	11,823
Number of Medicaid cases	21,091	20,435	21,939	19,130
Number of families receiving daycare subsidies	569	572	616	625
Total number of dental patient visits	5198	5003	3,804	6,002
Family planning clients served	602	579	560	522
<b>Public Safety:</b>				
Requests for EMS service	19,727	24,750	26,064	25,926
Number of fire inspections	932	1,086	899	1,215
Average number of non-federal inmates per month	100	79	N/A	49
<b>Culture and Recreation:</b>				
Library materials circulated at the Orange County Library	512,031	428,158	378,025	399,680
Number of reference volumes at the Orange County Library	2,098	2,145	2,128	2,127
<b>Education:</b>				
Average daily membership (NCDPI planning numbers)	18,943	19,077	19,465	20,461
County current expense appropriation per pupil (\$)	5,877	5,396	4,808	4,367

**Notes to the Schedule:**

Source: Orange County Finance and Administrative Services Department

<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
2,113	2,051	3,058	2,966	2,934	3,162
77	90	112	121	72	86
4,234	5,310	6,793	6,453	7,519	8,891
10,159	9,901	10,351	10,842	10,696	12,416
27,110	20,138	16,357	18,740	20,558	19,969
21,502	22,255	2,339	20,945	22,164	20,297
1,055	937	1,045	986	891	890
13,807	16,149	17,443	18,477	16,616	17,000
6,140	N/A	N/A	N/A	N/A	N/A
11,058	14,459	14,478	9,880	11,492	10,640
	13,597	12,033	13,066	12,867	12,496
715	667	792	721	750	710
4,445	6,927	7,215	6,840	6,924	6,949
792	646	772	829	1,026	1,032
21,348	19,144	18,306	17,227	16,908	16,607
1,181	1,147	511	350	366	308
37	57	75	75	76	76
195,771	353,766	434,993	463,348	427,632	450,372
2,102	2,131	2,725	2,813	2,672	2,897
19,491	20,409	20,398	20,232	19,959	20,040
4,365	4,352	4,165	3,991	3,868	3,698

## ORANGE COUNTY, NORTH CAROLINA

### Capital Asset Statistics by Function Last Ten Fiscal Years

Function/Program	2025	2024	2023	2022
Human Services:				
Public health occupied square footage	31,433	31,433	31,433	31,433
Social services occupied square footage	48,545	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	152	133	133	147
Number of emergency services vehicles	45	40	38	40
Number of animal control vehicles	8	7	7	8
Detention capacity	144	140	140	140
Cultural and Recreational:				
Libraries - branches	2	2	2	2
Volume of library books	121,853	110,155	107,691	108,375
Education:				
Number of schools	33	33	33	33

2021	2020	2019	2018	2017	2016
31,433	31,433	31,433	31,433	31,433	31,433
47,232	55,437	55,437	55,437	55,437	55,437
2,057	5,198	5,198	5,198	5,198	5,198
15	15	15	15	15	15
153	143	143	152	143	143
45	39	39	39	34	34
8	7	7	6	6	6
129	129	129	129	129	129
2	3	3	3	3	3
107,556	112,054	112,054	111,682	114,580	114,580
33	30	30	30	30	30

## **COMPLIANCE SECTION**

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# 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  
Hillsborough, 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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 27, 2026. 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 2025-001, 2025-002, and 2025-003 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

### **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  
January 27, 2026



# 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  
Hillsborough, 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, 2025. 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, 2025.

### **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); 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 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*, the Uniform Guidance, and the State Single Audit Implementation Act, 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, and the State Single Audit Implementation Act, 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.

*Mauldin & Jenkins, PLLC*

Raleigh, North Carolina  
January 27, 2026



# 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, 2025. 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, 2025.

## **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*, the Uniform Guidance, and the State Single Audit Implementation Act, 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, and the State Single Audit Implementation Act, 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.

*Mauldin & Jenkins, PLLC*

Raleigh, North Carolina  
January 27, 2026

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title	State/Pass-through Grantor's Number	Federal Assistance Listing Number	Federal Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipient
<b>Federal Awards:</b>						
<b>U. S. Department of Agriculture:</b>						
<u>Direct Programs:</u>						
<u>Natural Resources Conservation Service:</u>						
Soil And Water Conservation	None	10.902	\$ 25,051	\$ -	\$ -	\$ -
<u>Division of Social Services:</u>						
<u>Supplemental Nutrition Assistance Program Cluster:</u>						
SNAP Administration	DSSR016-076	10.561	1,753,731	9,749	1,743,982	-
SNAP Fraud Administration	DSSR016-076	10.561	71,242	-	71,242	-
SNAP E&T and Dependent Care	DSSR016-076	10.561	428,590	-	428,590	-
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<b>2,253,563</b>	<b>9,749</b>	<b>2,243,814</b>	<b>-</b>
<b>Total U. S. Department of Agriculture</b>			<b>2,278,614</b>	<b>9,749</b>	<b>2,243,814</b>	<b>-</b>
<b>Institute of Museum and Library Services:</b>						
<u>Passed-Through State Library of NC</u>						
Library Services & Technology Act (LSTA)	None	45.310	3,422	-	-	-
<b>Total Institute of Museum and Library Services</b>			<b>3,422</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>U. S. Department of Housing and Urban Development:</b>						
<u>Direct Programs:</u>						
<u>Office of Fair Housing and Equal Opportunity</u>						
Cooperative Fair Housing Assistance Program	None	14.401	3,826	-	-	-
<u>Office of Community Planning and Development:</u>						
Emergency Solutions Grant Program	None	14.231	1,952	-	202	-
Home Investment Partnership Program	None	14.239	108,834	-	388,629	-
Continuum of Care Program: Rapid Rehousing	None	14.267	290,936	-	22,294	-
Continuum of Care Program: Planning	None	14.267	16,218	-	-	-
Continuum of Care Program	None	14.267	109,632	-	87,229	-
<u>Housing Voucher Cluster:</u>						
Housing Choice Vouchers	NC104	14.871	8,243,512	-	357,082	-
<b>Total Housing Voucher Cluster</b>			<b>8,243,512</b>	<b>-</b>	<b>357,082</b>	<b>-</b>
<b>Total U. S. Department of Housing and Urban Development</b>			<b>8,774,910</b>	<b>-</b>	<b>855,436</b>	<b>-</b>
<b>U. S. Department of Labor:</b>						
<u>Workforce Innovation and Opportunity Act:</u>						
Workforce Innovation and Opportunity Act (WIOA)	None	17.259	246,438	-	-	-
<b>Total Workforce Innovation and Opportunity Act Cluster</b>			<b>246,438</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total U. S. Department of Labor</b>			<b>246,438</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>U. S. Department of Transportation:</b>						
<u>Direct Programs:</u>						
<u>Federal Transit Administration</u>						
<u>Passed-through NC Department of Transportation</u>						
Surface Transportation Block Grant Program	Section 133(b)(3)(7)	20.932	215,501	-	53,875	-
Formula Grants for Rural Areas and Tribal Transit Program (5311 Admin)	24/25-CT-056	20.509	156,618	9,789	-	-
Formula Grants for Rural Areas and Tribal Transit Program (5311 Operating)	24-RO-056	20.509	-	10,732	-	-
<u>Federal Transit Cluster:</u>						
Grants for Buses and Bus Facilities Program (5339(b))	22-39-056	20.526	487,894	-	-	-
Urbanized Area Formula Program; Section 5307 CARES	21-CS-056A	20.507	52,685	-	-	-
<b>Total Federal Transit Cluster</b>			<b>540,579</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Highway Safety Cluster:</u>						
Governor's Highway Safety Program	PT-24-06-05 NC-2024-041-01, NC-2024-041-02, NC-2025-028-02	20.600	27,518	-	-	-
Urbanized Area Formula Program; Section 5307		20.600	193,347	-	-	-
<b>Total Highway Safety Cluster</b>			<b>220,865</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Transit Services Programs Cluster:</u>						
Enhanced Mobility of Seniors and Individuals with Disabilities	None	20.513	80,697	-	-	-
<b>Total Transit Services Programs Cluster</b>			<b>80,697</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total U. S. Department of Transportation</b>			<b>1,214,260</b>	<b>20,521</b>	<b>53,875</b>	<b>-</b>
<b>U. S. Department of Health and Human Services:</b>						
<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	9,679	569	1,139	-
Family Caregiver Support, Title III, Part E - ARPA	DAAS 12-07	93.052	66,718	4,448	-	-
Family Caregiver Support, Title III, Part E - ARPA	DAAS 12-07	93.052	21,947	7,316	-	-
MIPPA	None	93.071	4,317	-	-	-
<u>Aging Cluster:</u>						
Nutrition Services Incentive Program	DAAS-734	93.053	14,281	-	-	-
HCCBG - Access In Home Support Services	DAAS-732	93.044	276,008	36,570	36,535	-
HCCBG - In Home Support - ARPA	DAAS-732	93.044	201,111	35,490	-	-
HCCBG - In Home Support	DAAS-735	93.045	-	134,456	14,940	-
Special Programs for the Aging - Title III Part C- Nutrition, ARPA	DAAS 19-09	93.045	195,447	11,497	22,994	-
<b>Total Aging Cluster</b>			<b>789,508</b>	<b>230,346</b>	<b>75,608</b>	<b>-</b>
<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	52,828	10,021	42,807	-
MAC	DSSR016-076	93.778	91,781	-	91,781	-
Medical Assistance - Administration	DSSR016-076	93.778	2,941,955	218,669	1,041,695	-
State County Special Assistance	DSSR016-076	93.778	121	-	121	-
Medical Transport Admin	DSSR016-076	93.778	11,155	-	4,701	-
<b>Total Medicaid Cluster</b>			<b>3,097,840</b>	<b>228,690</b>	<b>1,181,105</b>	<b>-</b>
<u>Division of Public Health:</u>						
Public Health Emergency Preparedness	2B32680 20G0054001	93.069	35,648	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	2B22720 20G0065001	93.116	50	-	-	-
Immunization Cooperation Agreements	2B06310 20G0093002	93.268	61,803	-	-	-
Refugee and Entrant Assistance Targeted Assistance Grants	2B08100 20G0122001	93.566	3,540	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	2B03100 20G0167001	93.898	4,875	-	-	-
Public Health Infrastructure- FNDL Capability	2B05G 23 20G0216002	93.967	12,335	-	-	-
Public Health Infrastructure- Local Workforce Development	2B05G LH 20G0216001	93.967	106,008	-	-	-
HIV Prevention Activities Health Department Based	2B04300 20G0174001	93.940	28,652	-	-	-
Family Planning Services	2B25900 20G0079002	93.217	101,176	-	-	-
Maternal and Child Health Services Block Grant	2B25735 20G0185001	93.994	113,789	-	-	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	2B04631 20G0182001	93.977	100	-	-	-
Preventive Health and Health Services Block Grant	2B15503 20G0184002	93.991	30,741	-	-	-
TANF - Temporary Assistance for Needy Families	2B25151 20G0119003	93.558	10,194	-	-	-
National Environment Health Association FDA	FAIN - U2FFD007358	93.103	20,300	-	-	-
<b>Total Division of Public Health</b>			<b>529,211</b>	<b>-</b>	<b>-</b>	<b>-</b>

ORANGE COUNTY, NORTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/Program Title	State/Pass-through Grantor's Number	Federal Assistance Listing Number	Federal Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipient
<b>Federal Awards (Continued):</b>						
<b>U. S. Department of Health and Human Services (Continued):</b>						
Passed-through N. C. Department of Health and Human Services Regional Office						
<u>Administration of Children and Families</u>						
<u>Division of Social Services:</u>						
Child Care Development Fund-Administration	DSSR016-076	93.596	\$ 279,233	\$ -	\$ -	\$ -
<u>Social Services Block Grant</u>						
Social Services Block Grant - Other Service and Training	DSSR016-076	93.667	338,013	-	112,671	-
Social Services Block Grant - In Home Services	DSSR016-076	93.667	100,481	-	14,354	-
Social Services Block Grant - In Home Services over 60	DSSR016-076	93.667	20,574	-	2,939	-
Social Services Block Grant - Adult Protective Services	DSSR016-076	93.667	5,866	-	-	-
Social Services Block Grant - Adult Daycare over 60	DSSR016-076	93.667	32,747	11,769	6,359	-
CPS TANF to SSBG	2301NCSOSR	93.667	92,402	-	-	-
<b>Total Social Services Block Grant</b>			<b>869,316</b>	<b>11,769</b>	<b>136,323</b>	<b>-</b>
<u>Temporary Assistance for Needy Families:</u>						
<u>Administration:</u>						
TANF- Work First Admin	DSSR016-076	93.558	158,735	-	294,973	-
TANF- Work First Service	DSSR016-076	93.558	787,678	-	1,414,809	-
<b>Total Temporary Assistance for Needy Families</b>			<b>946,413</b>	<b>-</b>	<b>1,709,782</b>	<b>-</b>
<u>Foster Care and Adoption Cluster (Note 4):</u>						
<u>Administration:</u>						
IV-E CPS	DSSR016-076	93.658	200,303	109,142	91,160	-
IV-E Foster Care	DSSR016-076	93.658	981,041	-	770,486	-
IV-E Foster Care - Benefit Payments	DSSR016-076	93.658	201,825	71,235	47,696	-
Pre Training CWS	DSSR016-076	93.658	21,784	-	7,595	-
IV-E Adoption /Off Trn	DSSR016-076	93.659	30,214	-	30,214	-
IV-E Optional Adoption Trn 5	DSSR016-076	93.659	6,269	-	6,269	-
<b>Total Foster Care and Adoption Cluster</b>			<b>1,441,416</b>	<b>180,377</b>	<b>953,420</b>	<b>-</b>
Child Support Enforcement	DSSR016-076	93.563	1,439,826	(593)	742,354	-
Family Preservation	DSSR016-076	93.556	28,431	-	-	-
Refugee Assistance Admin	DSSR016-076	93.566	254	-	-	-
Refugee and Entrant Assistance - Cash and Medical Payments	DSSR016-076	93.566	6,908	-	-	-
Low Income Home Energy Administration	DSSR016-076	93.568	88,033	-	-	-
Low Income Home Energy Assistance	DSSR016-076	93.568	(1,883)	-	-	-
Permanency Planning - Service & Admin	DSSR016-076	93.645	47,088	-	-	-
Independent Living - LINKS	DSSR016-076	93.674	15,666	1,837	-	-
Children's Health Insurance Program - NC Health Choice	DSSR016-076	93.767	413,155	132,502	-	-
<b>Total Division of Social Services</b>			<b>2,037,478</b>	<b>133,746</b>	<b>742,354</b>	<b>-</b>
Passed-through NC Integrated Care for Kids						
Integrated Care for Kids Model	None	93.378	38,867	-	-	-
<b>Total U.S. Department of Health and Human Services</b>			<b>9,750,049</b>	<b>784,928</b>	<b>4,798,592</b>	<b>-</b>
<b>U. S. Department of Homeland Security:</b>						
Passed-through N. C. Department of Public Safety						
<u>Division of Emergency Management</u>						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	None	97.036	621,723	-	-	-
Emergency Management Performance Grant	None	97.042	612	-	-	-
<b>Total U.S. Department of Homeland Security</b>			<b>622,335</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>U. S. Department of Treasury:</b>						
<u>Direct Awards:</u>						
COVID-19 Coronavirus State and Local Fiscal recovery Funds	SLT-3458-P&E	21.027	294,753	-	-	-
Passed through N.C. Arts Commission						
<b>Total U.S. Department of Treasury</b>	None	21.027	<b>4,887</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Federal awards</b>			<b>23,189,668</b>	<b>815,198</b>	<b>7,951,717</b>	<b>-</b>
<b>State Awards:</b>						
<b>N. C. Department of Health and Human Services:</b>						
<u>Division of Social Services:</u>						
<u>Administration:</u>						
State Child Welfare /CPS/CSLD			-	172,407	-	-
Smart Start			-	23,500	-	-
Emergency Placement Fund			-	38,396	-	-
HCCBG			-	171,289	-	-
<u>Direct Benefit Payments:</u>						
F/C at risk maximization			-	3,834	630	-
Extended FC/Max Non IV-E			-	13,927	-	-
Foster Care Kinship			-	28,419	28,419	-
SFHF Maximization			-	33,308	31,091	-
State Foster Care			-	46,768	46,015	-
Work First Non Reimbursable			-	-	1,248,541	-
Links/Chafee/Non reimbursable links			-	-	12,512	-
County Funded Programs			-	-	5,902,878	-
Non Allocated County Cost			-	-	306,003	-
<b>Total Division of Social Services</b>			<b>-</b>	<b>531,848</b>	<b>7,576,089</b>	<b>-</b>

**ORANGE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

Federal Grantor/Program Title	State/Pass-through Grantor's Number	Federal Assistance Listing Number	Federal Expenditures	State Expenditures	Local Expenditures	Provided to Subrecipient
<b>State Awards (Continued):</b>						
<b><u>N. C. Department of Health and Human Services (Continued):</u></b>						
<b><u>Division of Mental Health:</u></b>						
Police and Mental Health Collaborations for Diversion Program		Contract #45257	\$ -	\$ 440,823	\$ -	\$ -
Mobile Crisis Pilot Crisis Assistance (CARE Team)			-	441,281	-	-
<b><u>Passed-through N. C. Department of Health and Human Services Regional Office</u></b>						
State Appropriation - Fans			-	2,150	-	-
State Appropriation - Senior Center-GP			-	16,650	5,550	-
<b>Total N. C. Department of Health and Human Services Regional Office</b>			<b>-</b>	<b>18,800</b>	<b>5,550</b>	<b>-</b>
<b><u>Division of Public Health:</u></b>						
<b><u>Other Receipts/State Supported Expenditures</u></b>						
Food and Lodging Fees			-	46,314	-	-
General Communicable Disease Control			-	3,708	-	-
Communicable Disease Pandemic Recovery			-	128,100	-	-
Aid-to-Counties (PH Capacity Building)			-	105,921	-	-
Breast and Cervical Cancer Program			-	14,625	-	-
Child Health			-	1,614	-	-
Child Fatality Case Reporting			-	1,935	-	-
Healthy Community Activities			-	3,785	-	-
Family Planning - State			-	57,534	-	-
Maternal Health - State			-	24,955	-	-
Minority Diabetes Prevention Program - State			-	18,081	-	-
HIV/STD State			-	2,844	-	-
TPPI-Adolescent Parenting Program			-	87,231	-	-
Tuberculosis Control			-	14,771	-	-
ARPA TSF Public Health Services			-	100,000	-	-
Total Division of Public Health			-	611,418	-	-
<b>Total N. C. Department of Health and Human Services</b>			<b>-</b>	<b>2,044,170</b>	<b>7,581,639</b>	<b>-</b>
<b><u>N. C. Department of Transportation:</u></b>						
Rural Operating Assistance Program		DOT-16CL	-	230,440	-	-
<b>Total N. C. Department of Natural and Cultural Resources</b>			<b>-</b>	<b>230,440</b>	<b>-</b>	<b>-</b>
<b><u>N. C. Department of Natural and Cultural Resources:</u></b>						
<b><u>Division of State Library:</u></b>						
State Arts Grant			-	94,480	-	-
Digital Champions Grant			-	29,400	-	-
State Aid to Public Libraries			-	132,994	-	-
<b>Total N. C. Department of Natural and Cultural Resources</b>			<b>-</b>	<b>256,874</b>	<b>-</b>	<b>-</b>
<b><u>N. C. Department of Public Safety</u></b>						
Juvenile Crime Prevention Council			-	356,180	-	354,096
Local Reentry Council Grant			-	150,593	14,359	-
Hazardous Material Emergency Preparedness			-	25,000	-	-
911 Radio Boards			-	91,639	-	-
Capacity Building Competitive Grant			-	327,063	-	-
<b>Total N. C. Department of Crime Control and Public Safety</b>			<b>-</b>	<b>950,475</b>	<b>14,359</b>	<b>354,096</b>
<b><u>N. C. Housing Trust Fund</u></b>						
<b><u>Passed-through North Carolina Housing Finance Agency</u></b>						
Urgent Repair Grant			-	60,000	192,952	-
<b>Total N.C. Housing Trust Fund</b>			<b>-</b>	<b>60,000</b>	<b>192,952</b>	<b>-</b>
<b><u>N. C. Department of Military and Veteran Affairs</u></b>						
County Veteran's Office			-	18,289	-	-
<b><u>N. C. Department of Public Instruction:</u></b>						
Public School Capital Building Fund - Lottery Proceeds			-	1,552,063	-	-
<b><u>N.C. Department of Insurance</u></b>						
<b><u>SHIIP Funds</u></b>						
Total State awards			-	10,882	-	-
			-	5,123,193	7,788,950	354,096
<b><u>Other Financial Assistance:</u></b>						
NC Department of Justice			-	738,495	-	147,995
Opioid Settlement Fund			-	-	-	-
<b>Total Federal and State Awards</b>			<b>\$ 23,189,668</b>	<b>\$ 6,676,886</b>	<b>\$ 15,740,667</b>	<b>\$ 502,091</b>

# ORANGE COUNTY, NORTH CAROLINA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2025

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### **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, 2025. 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 for Federal Awards* (Uniform Guidance) 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

### **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.

# ORANGE COUNTY, NORTH CAROLINA

## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS FOR THE YEAR ENDED JUNE 30, 2025

**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.

	<b>AL#</b>	<b>Federal</b>	<b>State</b>
AFDC Payments and Penalties	93.560	\$ (248)	\$ (68)
Adoption Assistance	93.659	952,721	240,774
Foster Care 0 Title IV - E	93.658	201,825	71,235
Temporary Assistance for Needy Families	93.558	233,780	-
State/County Special Assistance program	N/A	-	386,618
Child Welfare Services Adoption	N/A	-	64,877
Supplemental Nutrition Assistance Program	10.551	20,497,639	-
Special Supplemental Nutrition Program for WIC	10.557	1,436,697	-
Children's Health Insurance Program	93.767	(122)	(39)
Medical Assistance Program	93.778	(89,836,237)	54,455,937

**NOTE 6. JUVENILE CRIME PREVENTION COUNCIL REIMBURSED THE FOLLOWING SUBRECIPIENTS AS REPORTED ON THE SEFSA**

Volunteers for Youth - JCPC	\$ 180,689
Rein Supp Network - JCPC	52,000
Exchange Club's Family Center in Alamance - JCPC	51,538
Dispute Settlement Center - JCPC	53,100
Wrenn/Haven House - JCPC	16,769
	<u>\$ 354,096</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, 2025

### 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:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Cluster
93.558	Temporary Assistance for Needy Families (TANF)
93.563	Child Support Enforcement
14.871	Section 8 Housing Choice Vouchers

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? No



**ORANGE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES**

**2025-001 Accounting for Lease Activity**

**Criteria:** GASB Statement No. 87, *Leases*, requires governments to recognize lease assets and liabilities at the commencement of the lease term. Lessees must record a lease liability and a corresponding right-to-use asset for all applicable leases. Lessors must recognize a lease receivable and a deferred inflow of resources. Additionally, governments are required to record additions, modifications, and new leases each reporting year to ensure complete and accurate financial reporting.

**Condition:** During the audit, we noted that the County did not record the current year lease activity required under GASB 87. A new material lessor lease executed during the fiscal year was not recorded in the County's financial statements, as well as the current year additions for lessee leases were not recorded. As a result, both lessee and lessor lease activity for the fiscal year was incomplete in the accounting records.

**Cause:** The County did not have adequate procedures to record new or modified leases in accordance with GASB 87 requirements into their accounting records.

**Effect:** Failure to record the required lease activity resulted in incomplete financial reporting. Lease assets, lease liabilities, lease receivables, and deferred inflows related to leases were understated. Adjustments totaling approximately \$7.3M were required to properly state the County's financial statements in accordance with generally accepted accounting principles.

**Recommendation:** We recommend the County implement the necessary controls and procedures over lease reporting to ensure that all lease activity during the fiscal year is recorded appropriately within the accounting records. The County should provide staff training on GASB 87 requirements to ensure complete and accurate reporting in future periods.

**Auditee's Response:** The County concurs with this finding and has implemented a formal GASB 87 lease reporting process to ensure all new, modified, and terminated leases are identified and recorded timely. Finance has established a Countywide lease inventory maintained in a central repository, with each department required to submit executed lease agreements and amendments to Finance upon execution and prior to commencement. Finance will perform a monthly review of accounts, contracts, and purchasing activity to identify potential leases, update the lease schedule, and record additions/modifications in the general ledger. A quarter-end reconciliation of lease activity (right-to-use assets, lease liabilities/receivables, and deferred inflows) to the supporting lease schedule will be completed and reviewed by the Finance Officer/CFO designee. Finance has updated the County's Accounting Policies and Procedures Manual, provided targeted training to staff responsible for contracts and accounting entries, and will incorporate lease activity verification into the annual financial close checklist to support complete and accurate reporting in future periods.

**ORANGE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)**

**2025-002 Reporting of Accounts Payable and Related Balances**

**Criteria:** Generally accepted accounting principles (GAAP) require governments to recognize expenditures and related liabilities in the period in which the underlying goods or services are received, regardless of when the invoice is processed or paid. The County's internal control policies also require that all known accounts payable be accrued at year-end to ensure accurate cutoff and proper period reporting.

**Condition:** During our search for unrecorded liabilities, we identified multiple vendor invoices relating to goods and services received prior to year-end that were not accrued to the appropriate fiscal year. These invoices were instead recognized in the subsequent fiscal year when processed, resulting in a misstatement of accounts payable and expenditures.

**Cause:** The County did not have adequate procedures in place to ensure all invoices received after year-end were properly reviewed and accrued where necessary.

**Effect:** The failure to accrue these invoices resulted in an understatement of accounts payable and expenditures in the current fiscal year. Material audit adjustments totaling approximately \$700,000 across the Sportsplex fund, the County Capital Improvements fund, and the Community Development fund were required to be made to properly state the financial statements in accordance with GAAP.

**Recommendation:** We recommend the County strengthen its year-end financial reporting procedures by enhancing the review process during the search for unrecorded liabilities and providing staff training on cutoff requirements and accrual accounting.

**Auditee's Response:** The County concurs with this finding and is strengthening year-end cutoff procedures to ensure accounts payable and related expenditures are recorded in the proper period in accordance with GAAP. Finance has implemented an enhanced search-for-unrecorded-liabilities process that includes (1) a standardized year-end accrual checklist by fund, (2) a post-year-end invoice log capturing invoice date, service period, receiving documentation, and fund/department, and (3) defined review and approval thresholds for accrual entries. Departments have been reminded of required timelines for submitting invoices and receiving documentation, and Finance will conduct follow-up with departments for outstanding large-dollar items and capital project costs. A supervisory review of accruals and subsequent disbursements will be performed before closing the books, and Finance will provide refresher training on accrual accounting and cutoff requirements. These controls will be monitored during the close to reduce the risk of unrecorded liabilities and ensure accurate financial statement presentation.

**ORANGE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SECTION II**  
**FINANCIAL STATEMENT FINDINGS AND RESPONSES (CONTINUED)**

**2025-003 Prior Period Adjustment**

**Criteria:** Generally accepted accounting principles (GAAP) require governments to recognize revenues in the period in which they are measurable and available for governmental funds. The Governmental Accounting Standards Board (GASB) require that amounts received after year-end that related to prior-year receivables be recorded as reductions of those receivables, not as current-year revenue

**Condition:** During our audit, we noted that the County recorded sales and use tax refund receipts after year-end as revenue, despite the related receivable and revenue having already been recognized in the prior fiscal year. This resulted in duplicate recognition of revenue in the governmental funds and government-wide statements.

**Cause:** The County did not have proper procedures in place which resulted in an error in the year-end financial reporting process, wherein collection related to prior-year receivables were recorded as new revenue.

**Effect:** The error caused an overstatement of revenue and accounts receivables in previously issued financial statements. A prior period adjustment was required to correct the misstatement. The County restated beginning balances as follows:

- Governmental Activities beginning net position was decreased by \$4,610,217.
- Governmental Funds (General Fund) beginning fund balance was decreased by \$4,610,217

**Recommendation:** We recommend the County strengthen its year-end closing procedures to ensure that post-year-end receipts are reviewed to determine whether they relate to prior-year receivables and recorded appropriately. This will help prevent duplicate revenue recognition in future periods.

**Auditee's Response:** The County concurs with this finding and has updated its year-end closing and revenue recognition procedures to ensure that receipts received after year-end are evaluated to determine whether they relate to prior-year receivables and are recorded appropriately. Finance will reconcile sales and use tax activity to supporting documentation and remittance detail and will document the treatment of post-year-end receipts as reductions of receivables when applicable. In addition, to support compliance with statutory requirements and proper financial statement presentation, the County will revise and document its methodology for the "Restricted by State Statute" fund balance classification to ensure restricted amounts are accurately identified and reported at year-end. These steps have been incorporated into the annual close checklist and will be subject to supervisory review to help prevent recurrence and ensure compliance with GAAP and applicable state statute requirements.

**ORANGE COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**SECTION III**  
**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

**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, 2025

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### **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.

**Current Status:** Corrected.

### **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.

**Current Status:** Corrected.

### **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.

**Current Status:** Corrected.

# ORANGE COUNTY, NORTH CAROLINA

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS FOR THE YEAR ENDED JUNE 30, 2025

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### **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 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.

**Current Status:** Corrected.

### **2024-005 Significant Deficiency over Reporting**

**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.

**Current Status:** Corrected.

## **FY 2025 Compliance Audit / Year Ended June 30, 2025**

This Corrective Action Plan has been prepared to address the audit findings reported in the Schedule of Findings and Questioned Costs for the year ended June 30, 2025. The CAP describes the corrective actions Orange County will take to remediate each finding, strengthen internal controls, and reduce the risk of recurrence. For each finding, the County identifies the root cause, corrective actions, responsible parties, implementation milestones, monitoring activities, and a proposed completion date.

Name of contact person: Gary Donaldson, Chief Financial Officer

### **Finding 2025-001 Accounting for Lease Activity**

Type: Financial Statement Finding

Name of contact person: Gary Donaldson, Chief Financial Officer

#### **Summary / Root Cause**

Procedures and controls were not sufficiently formalized to identify, evaluate, and record all new/modified lease activity Countywide in accordance with GASB 87.

#### **Corrective Actions**

##### **Governance & Countywide Lease Inventory**

- Designate Finance as the Countywide GASB 87 program owner and establish a formal lease reporting protocol applicable to all departments.
- Maintain a centralized lease inventory (lessor and lessee) in a controlled repository with required data fields (counterparty, term, payments, commencement date, modifications/terminations, classification, and accounting treatment).
- Require departments to submit executed lease agreements, amendments, and termination notices to Finance upon execution and prior to commencement; include this requirement in contract routing and procurement checklists.

##### **Identification & Review Controls**

- Implement a monthly contract and purchasing activity review to identify potential leases (e.g., equipment, facilities, embedded leases) and confirm whether GASB 87 applies.
- Establish a standardized intake form and supporting documentation requirements for all lease-related submissions (agreement, payment schedule, options, and any incentives).
- Document the GASB 87 assessment (lease vs. non-lease, short-term exemption, and other determinations) and retain in the repository for audit support.

## **Accounting Entries & Reconciliations**

- Record additions, modifications, and terminations in the general ledger timely using standardized journal entry templates and supporting schedules.
- Perform a quarter-end reconciliation of right-to-use assets, lease liabilities/receivables, and deferred inflows/outflows to the lease schedule; investigate and resolve variances.
- Incorporate lease activity verification into the annual financial close checklist, including year-end completeness and cutoff testing.

## **Training & Communication**

- Provide targeted training on GASB 87 requirements to Finance staff and department contract liaisons (including how to identify leases and required submission timelines).
- Publish quick-reference guidance and FAQs for departments and include lease reporting expectations in onboarding for staff involved in purchasing/contracting.

## **Monitoring & Reporting**

- Require supervisory review (CFO or designee) of quarter-end reconciliations and year-end lease disclosures for completeness and accuracy.
- Track compliance metrics (timeliness of submissions, completeness of data fields, and reconciliation exceptions) and report issues to department leadership.

## **Responsible Parties**

- CFO/Finance Officer (oversight and approvals)
- Accounting Manager / Financial Reporting Lead (lease inventory, entries, reconciliations)
- Department Contract Liaisons (timely submission of agreements and amendments)

## **Implementation Timeline & Milestones**

### **Immediate (0–30 days)**

- Issue Countywide lease reporting protocol and intake form; identify departmental lease liaisons.
- Stand up the centralized lease repository and baseline inventory format.

### **Short-term (31–90 days)**

- Complete initial Countywide lease inventory refresh and validate key fields.
- Deliver initial training to Finance and departmental liaisons; begin monthly identification review.

### **Mid-term (3–6 months)**

- Complete first quarter-end reconciliation cycle and implement corrective refinements.
- Integrate lease verification steps into the annual close checklist and document retention plan.

### **Ongoing (after 6 months)**

- Quarterly reconciliations and annual controls testing as part of close; continuous training as staff changes occur.

## **Monitoring, Documentation, and Evidence of Completion**

- Countywide lease reporting protocol and intake form
- Central lease inventory/schedule with supporting agreements
- Monthly review documentation and quarter-end reconciliation sign-offs
- Training materials and attendance logs

## **Proposed Completion Date**

June 30, 2026 (controls fully operating through FY 2026 close)

## **Finding 2025-002 Reporting of Accounts Payable and Related Balances**

Type: Financial Statement Finding

Name of contact person: Gary Donaldson, Chief Financial Officer

### **Summary / Root Cause**

Year-end cutoff procedures did not consistently capture invoices and receiving documentation for goods/services received prior to year-end but processed after year-end, resulting in unrecorded liabilities.

### **Corrective Actions**

#### **Enhanced Search-for-Unrecorded-Liabilities Process**

- Adopt a standardized year-end accrual checklist by fund and department, aligned with GAAP cutoff requirements.
- Implement a post-year-end invoice log capturing invoice date, service/receiving period, receiving documentation, funding source, and accrual decision.
- Define materiality thresholds and required approvals for accrual entries, including higher scrutiny for capital project and large-dollar items.

#### **Departmental Submission & Cutoff Requirements**

- Reinforce invoice and receiving documentation submission deadlines to departments; include reminders at quarter-end and year-end.
- Require departments to certify completeness of year-end invoices/receipts for their cost centers and capital projects.
- Establish escalation procedures for late or incomplete submissions and track repeat exceptions.

#### **Supervisory Review & Reconciliation**

- Perform supervisory review of accrual entries and subsequent disbursements to validate cutoff (look-back testing).
- Reconcile accrued liabilities to supporting logs and receiving documentation; investigate variances and document resolution.

- Add fund-specific review steps for high-risk areas (e.g., Sportsplex, Capital Improvements, Community Development).

### **Training & Continuous Improvement**

- Provide refresher training for Finance and departments on accrual accounting, cutoff, and documentation standards.
- Conduct a post-close lessons-learned review to refine the checklist, thresholds, and documentation expectations.

### **Responsible Parties**

- CFO/Finance Officer (oversight and approvals)
- Accounting Manager / AP Supervisor (checklist execution and log maintenance)
- Department Finance Liaisons / Project Managers (timely submissions and certifications)

### **Implementation Timeline & Milestones**

#### **Immediate (0–30 days)**

- Finalize standardized accrual checklist and invoice log template; communicate year-end deadlines and expectations.

#### **Short-term (31–90 days)**

- Train Finance and departmental staff; implement quarterly mini-cutoff reviews to practice the process before year-end.

#### **Year-end close (FY 2026)**

- Execute enhanced unrecorded-liabilities procedures; complete supervisory review and look-back testing prior to final close.

#### **Ongoing**

- Monitor compliance metrics (late invoices, missing receiving docs) and provide targeted follow-up/training.

### **Monitoring, Documentation, and Evidence of Completion**

- Year-end accrual checklist and completed invoice log by fund
- Department certifications and supporting receiving documentation
- Supervisory review sign-offs and look-back testing results
- Training materials and attendance logs

### **Proposed Completion Date**

June 30, 2026 (implemented and validated through FY 2026 close)

## **Finding 2025-003 Prior Period Adjustment**

Type: Financial Statement Finding

Name of contact person: Gary Donaldson, Chief Financial Officer

### **Summary / Root Cause**

Controls did not consistently evaluate post-year-end receipts to determine whether they related to prior-year receivables, resulting in duplicate revenue recognition and an error in restricted fund balance methodology.

### **Corrective Actions**

#### **Revenue Recognition & Receivables Control**

- Update written year-end closing procedures requiring evaluation of post-year-end receipts for linkage to prior-year receivables.
- Reconcile sales and use tax activity to remittance detail and supporting documentation; document the treatment of post-year-end receipts as reductions of receivables when applicable.
- Implement a standardized review worksheet that ties receivable roll-forward to cash collections, adjustments/refunds, and general ledger postings.

#### **Supervisory Review & Documentation**

- Require supervisory review of the sales tax roll-forward, post-year-end receipt testing, and related journal entries before finalizing year-end revenue.
- Retain support for each material post-year-end receipt and the rationale for its accounting treatment in the close file repository.

#### **Restricted Fund Balance Methodology**

- Revise and document the methodology for the “Restricted by State Statute” classification, including the required calculations, data sources, and review steps.
- Perform a year-end cross-check to ensure restricted amounts are accurately identified, supported, and reported consistently between governmental funds and government-wide statements.

#### **Training & Quality Assurance**

- Provide training to Finance staff on GAAP revenue recognition, receivables accounting, and GASB guidance relevant to post-year-end receipts.
- Include this control in the annual close quality review and incorporate periodic spot checks during the fiscal year for large/complex revenue streams.

#### **Responsible Parties**

- CFO/Finance Officer (oversight)
- Financial Reporting Manager / Revenue Accountant (reconciliations and documentation)
- Accounting Manager (review and close checklist integration)

## **Implementation Timeline & Milestones**

### **Immediate (0–30 days)**

- Finalize updated procedures and review worksheets; incorporate into the annual close checklist.

### **Short-term (31–90 days)**

- Train staff; complete a pilot reconciliation using recent months to validate the roll-forward template.

### **Mid-term (3–6 months)**

- Document and implement revised Restricted by State Statute methodology; establish supervisory review cadence.

### **Year-end close (FY 2026)**

- Execute procedures and retain support; complete supervisory approvals prior to issuance of financial statements.

## **Monitoring, Documentation, and Evidence of Completion**

- Updated year-end closing procedures and completed review worksheets
- Sales tax reconciliation package (remittance detail, receivable roll-forward, JE support)
- Restricted by State Statute methodology memo and supporting calculations
- Supervisory sign-offs and training logs

## **Proposed Completion Date**

June 30, 2026 (implemented and validated through FY 2026 close)