



DURHAM
COUNTY

**County of Durham,
North Carolina**

Annual Comprehensive Financial Report

2024

For the year ended
June 30, 2024

County of Durham,
North Carolina



Annual Comprehensive Financial Report

for the fiscal year ended June 30, 2024

Crystally Wright
Interim Chief Financial Officer

Prepared by
the Durham County Finance Department

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Introductory Section

Annual Comprehensive Financial Report
for the year ended June 30, 2024





Letter of Transmittal

April 16, 2025

Residents of Durham County
The Honorable Chair and Members of the Board of County Commissioners
Durham County
Durham, North Carolina

State law requires that all general-purpose local governments publish within four months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards (GAAS) by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Durham County for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of Durham 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 Durham 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 Durham County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Durham County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements are 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.

Durham County's financial statements have been audited by Cherry Bekaert LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Durham County for the fiscal year ended June 30, 2024, are free of material misstatements. The independent 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 concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that Durham County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, 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 North Carolina state law for state funds. Information related to this single audit, including the schedule of financial assistance, findings and questioned costs, and the independent auditors' report on the internal control structure and compliance with applicable laws and regulations, are presented in a separate document.

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 the MD&A and should be read in conjunction with it. Durham County's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

Durham County, incorporated in 1881, is located in the piedmont part of the state and considered to be one of the top growth areas in the state and country. Durham County currently occupies a land area of 299 square miles and serves a population of 336,892. Durham County is empowered to levy a property tax on both real and personal properties located within its boundaries.

Durham County has operated under the commissioner-manager form of government since 1930. Policy-making and legislative authority are vested in a governing board consisting of the chair, vice chair and three other members. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager (county manager), attorney, and tax administrator. The county manager is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for hiring the heads of the various departments. Effective with the 2004 election, the board members currently serve four-year terms. The chair and the vice chair of the board are voted upon by the board in their first meeting which is in December after being sworn into office.

Durham County provides a full range of services, including sheriff and fire protection, emergency medical, human services (public health and social services), elections, register of deeds, animal control, youth home, criminal justice, and cultural and recreational. Funding is provided for the educational services of Durham Public Schools and Durham Technical Community College. Funding is provided for the cultural and recreational services of the North Carolina Museum of Life and Science. Also, the County funds services in conjunction with the City of Durham through interlocal agreements, including economic and physical development, emergency communications, environmental engineering, and inspections. Solid waste services are provided through contracting with a private company. Mental health services that include substance abuse and developmental disabilities are provided through a contract with a Managed Care Organization (MCO), Alliance Behavioral Healthcare, Inc. In accordance with standards of the Governmental Accounting Standards Board (GASB) defining the governmental reporting entity, this report includes all funds and component units (except as noted below) that are controlled by or dependent upon the County's governing body. Component units are legally separate entities for which Durham County is financially accountable. The Durham County Board of Alcoholic Beverage Control (ABC Board) is a discretely presented component unit of Durham County. The ABC Board is presented as a proprietary fund in its own financial statement. Additional information on the ABC Board can be found in Note A.1 in the notes to the financial statements. The Durham County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt for private businesses for economic development purposes. The Authority is governed by a seven member board, all of whom are appointed by the County Commissioners. The County Commissioners can remove any board member of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the financial statements. The Authority does not issue separate financial statements. Other governmental type entities within the County that have substantial autonomy and separate governmental characteristics are the Durham Public School Administrative Unit, Durham Technical Community College, Raleigh-Durham Airport Authority, the Special Airport District of Durham and Wake Counties, Central Pines Regional Council, GoTriangle, Durham and Wake Counties Research and Production Service District and Advisory Committee, Durham Convention and Visitors Bureau, and Alliance Behavioral Healthcare, Inc. These entities have not met the established criteria for inclusion in the reporting entity and are excluded from this report.

The annual budget serves as the foundation for Durham County's financial planning and control. All agencies of Durham County are required to submit requests for appropriation to the county manager on or before March 15th of each year. The county manager uses these requests as the starting point for developing a proposed budget. The county manager then presents this proposed budget to the commissioners for review prior to May 31 of each year. The board is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30, the close of Durham County's fiscal year. The adopted budget is prepared by fund, function (e.g., public safety), and department (e.g., sheriff). However, the appropriations are formally budgeted and approved on a functional basis. Budget-to-actual comparisons are provided for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. For other major funds and nonmajor governmental funds with appropriated annual budgets, this comparison is presented in the other supplementary section of this report.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County of Durham operates.

Local Economy

Economic Development

Durham County's economic activity continues to be robust, reflected by a continually growing population (it is estimated that approximately 100 people move daily to the Durham-Raleigh CMSA), a well-educated workforce (54.7% have a bachelor's degree or higher locally, 20% higher than the national average), and the highest average private sector wages in the entire State (\$90,727).

The local economy is heavily influenced by life sciences, manufacturing, higher education and associated research, technology, and increasingly, clean energy. In Spring 2024, Jones Lang Lasalle (JLL) named the Research Triangle the nation's "top biomanufacturing hub." It was also announced that the Durham-Chapel Hill MSA ranked eighth nationally in utility patents per capita, and in 2023, Duke University (located in Durham County) ranked 29th in the world for number of patents.

Durham County's government also recently helped recruit two significant projects to Durham County:

- Science Corporation, a clinical-stage medical technology company and a leader in the field of brain-computer interfaces, which will invest \$65 million dollars and create 50 new jobs;
- The world headquarters of Ionna, a clean energy, technology, and electric vehicle charging company founded by eight of the world's largest automakers, including BMW, GM, and Honda. The company will invest \$10,500,000 and create 203 jobs to build out a national EV charging network with over 30,000 locations.

Durham County is home to the famous Research Triangle Park, formed in 1959 by business leaders, government officials, and leaders from Duke University (Durham), North Carolina State University (Raleigh), and the University of North Carolina at Chapel Hill. The Research Triangle Park (RTP) consists of 7,000 acres of land, of which 80% is within Durham County. RTP is the longest-operating research park in the country. RTP is also the nation's largest and most successful research and development-oriented business park. There are more than 375 tenant companies and organizations located in RTP that represent some of the world's largest and most prestigious corporate and government organizations in scientific and technological research.

Businesses in RTP employ approximately 60,000 full-time employees. In addition, RTP's first live, work, and play development is under way in Hub RTP, a \$1.5 billion, 100-acre project that will bring office space, retail experiences, lab space, hotel rooms, apartment units, and 16 acres of greenspace. This includes a 220,000 square foot office and life science space developed by Longfellow Real Estate Partners, a 1,200-unit multi-family complex developed by Mid-American Apartments, a 125,000 square foot mixed-use building developed by White Point Partners, and a 283,000 SF luxury Renaissance Hotel with 254 keys.

Additionally, The Research Triangle Foundation is advancing a rezoning initiative and land covenant updates to permit greater density and land utilization in the park, such as mixed use campuses and housing.

Research and Development

The local economy is heavily impacted by research and development within the life sciences, manufacturing, technology, and clean energy industries. Durham County is home to some of the most impactful and significant life sciences companies in the world, and the Durham-Chapel Hill MSA recently was ranked eighth nationally in utility patents per capita.

Durham County is home to Duke University, the 7th best university in the United States according to U.S. News & World Reports. The University, alongside Duke Health, is the largest employer in Durham and the second-largest private employer in North Carolina. Some key research and development figures regarding Duke include:

- In 2023, Duke University ranked 29th in the world for total number of patents.
- In 2023, Duke University's School of Medicine received more than \$551M from the National Institutes of Health (NIH), the largest funder of biomedical research in the world, ranking seventh nationally. Duke has ranked in the top ten in such funding nationally in 20 of the last 23 years.
- In FY 2023-2024, Duke University surpassed \$1.5 billion in total research expenditures.
- In FY 2023-2024, Duke University faculty received 3,320 awards, 101 honors and awards, and authored or co-authored 11,810 research publications. This equates to \$1.33 billion in research funding, with more than \$863 million coming from federal sponsors.

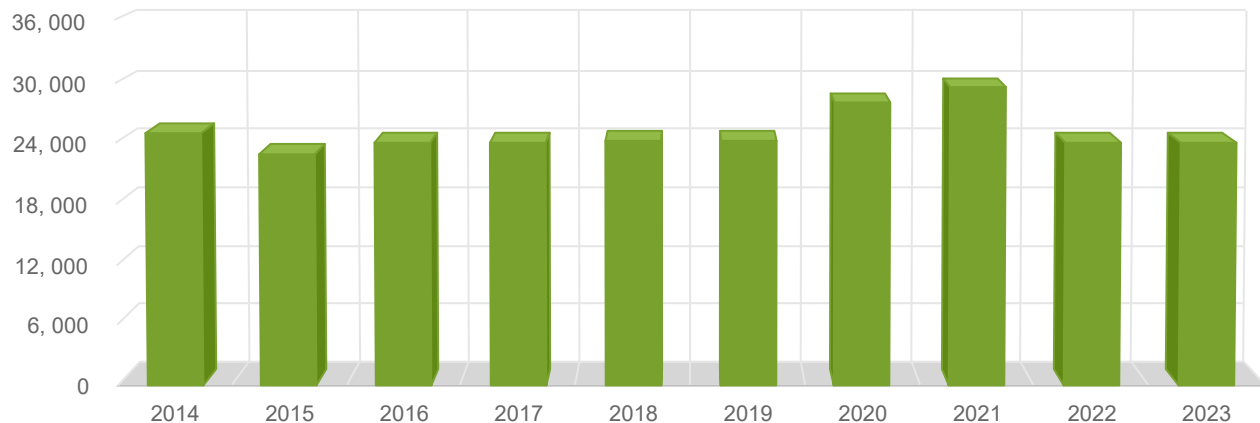
Durham County is also home to the North Carolina Central University (NCCU), which is in the process of making significant investments in campus facilities and infrastructure. NCCU announced a gift of \$9.4 million from technology and networking hardware company Cisco System Inc., the company's largest gift to any HBCU. The gift, awarded over two years, provides equipment, technical services and cybersecurity tools to North Carolina Central University to enhance the University's ongoing campus network upgrade. This upgrade will create new infrastructure that will allow NCCU to adapt their own-site learning model to meet the changing needs of current and future students.

The historically black university in Durham brought in \$42.2 million in sponsored research funding during the 2023-24 academic year. The university also received grants from nonprofits, medical clinics, public health departments, and faith-based organizations. NCCU is also home to the Julius L. Chambers Biomedical and Biotechnology Research Institute (JLC-BBRI) and the Biomanufacturing Research Institute and Technology Enterprise (BRITE).

Health Care

The City of Durham is called the City of Medicine because of its vibrant healthcare industry, which includes more than 1,200 medical- and health-related companies that are in Durham County. There is a wide spectrum of major medical centers in the area, including Duke University Medical Center. In 2024, US News & World Report ranked Duke University School of Nursing #3 "best graduate nursing school" and #1 "best nursing school for Nurse Practitioner: Family." Duke NC is on the Best Hospitals Honor Roll. It is nationally ranked in 11 adult and 9 pediatric specialties and rated high performing in 1 adult specialty and 19 procedures and conditions. US News & World Report "Best Regional Hospitals" ranked Duke #1 as "Best Hospitals in Raleigh-Durham, NC." Duke is a world-class academic and health care system that educates future clinical and scientific leaders while transforming medicine locally and globally through innovative medical research. The result is that Durham County has four times the national average of physicians, three times the national average of nurses, and nearly one third of all workers in the labor force work in a health or medical-related industry.

Manufacturing



Source: Employment Security Commission (ESC)

Durham County has enjoyed a modest manufacturing environment over the years. The manufacturing sector experienced a slight decrease in employment from 24,139 in 2022 to 24,106 in 2023, which is a loss of 33 (.14 percent) manufacturing jobs. Despite decreases in per capita income and rising unemployment, the local economy has managed to remain stable, supported by an increase in retail sales. (see pages xviii - xx).

Telecommunications

Durham's telecommunications infrastructure is among the most advanced in the nation, providing high-speed multimedia transmission. Durham County enjoys superior broadband connectivity delivered by multiple service providers. According to the 2020 County Broadband Statistics report compiled by BroadbandNow Research, 99.2% of Durham County residents have access to wired broadband services of at least 100 Mbps.

Quality of Life

Durham County Government continues to be a leader in innovation among communities! This year, Durham County received eleven NACo (National Association of Counties) Achievement Awards – the most ever for the County and the fourth straight year with multiple honors for the work done by staff. Durham County Stormwater and Erosion Control Division of the Engineering and Environmental Services Department was honored with Best in Category honors in County Resiliency: Infrastructure, Energy, and Sustainability for its Go Online with GIS and Web-Based Systems entry. Durham County also maintained its top 10 status in the Digital Counties Survey with an 8th place ranking among the country's counties with a population of 250,000 - 499,999.

Durham County continues to attract major corporate entities in both life science and clean energy much to the envy of other communities. This year, our life sciences manufacturing base grew with the news that Science Corporation is investing \$65M and creating more than 50 new jobs. The 57,000 square foot expansion and program investment at its facility will support semiconductor manufacturing for new, cutting-edge technologies, including for a groundbreaking visual prosthesis.

We remain a prime location for clean technology and electric vehicle infrastructure. During the year, Ionna, a joint venture of major global automakers, announced its plans to open a premier world headquarters in Durham County. The \$10.5 million project will create 203 jobs over a five-year period. Ionna includes BMW, General Motors, Honda, Hyundai, Kia, Mercedes-Benz, and Stellantis.

Accolades highlighting Durham's outstanding quality of life continue to pour in from the national media: Best counties to live in NC - Durham #4; a Top 10 City Where Black Americans Fare Best Economically by SmartAsset; "dynamic and diverse," Durham, continues to be on the list of Best Places to Live in 2024 by Livability; #4 on WalletHub's Best Place to Start a Business; a Top 10 places to start a STEM business; DPAC's 2023-2024 Season set new attendance records; NC Central University honored as 2024 Fulbright HBCU leader for global excellence, and Duke University Hospital ranked top hospital in NC, one of the best in the nation.

Our reputation as the South's Tastiest Town, granted by Southern Living is maintained as residents and visitors enjoy our diversity of food options. The food truck phenomenon is growing so much so that there is now a permanent location in downtown Durham called, "the Can Opener" Durham's First Food Truck Park. It boasts long standing foodie favorites including Gussy's, Chick-N-Que, Bulkogi, Queen Eggxpress, and Andia's Ice Cream. Not to worry, our many world class restaurants, led by James Beard award-winning chefs and everything in between continue to thrive!

Baseball fans know that Durham is home to the legendary Durham Bulls Baseball Team. The Bulls are one of the more well-known minor league teams chiefly due to the classic movie "Bull Durham". And this year, a musical by the same name debuted. As Ron Shelton, the writer and director of "Bull Durham" the movie, adapted the screenplay for the musical, and we all hope it will reach Broadway! Durham Memorial Stadium hosts a variety of classic sports including Shaw University Football and soccer games, the National Association of Intercollegiate Athletics (NAIA) Football Championship, North Carolina Senior Football Games, local club soccer, the Carolina Flyers ultimate frisbee team, and more. Finally, as the home of two championship-winning college teams, Duke Blue Devils (five-time NCAA Division I basketball champions) and the North Carolina Central University Eagles (HBCU National Champions in football and Women's tennis), Durham is the perfect community for avid sports enthusiasts!

Major Employers

Listed below are the largest business and institutional employers in Durham County.

Company or Institution

| | |
|------------------------------------|---|
| Aisin North Carolina Corp | Harris Teeter LLC |
| Alliance Behavioral Healthcare | International Business Machines (IBM) |
| Amazoncom Services Inc | Intervet Inc |
| Biogen Idec US Limited Partnership | IQVIA Rds Inc |
| Cisco Systems Inc | KBI Biopharma Inc |
| City of Durham | Labcorp |
| Credit Suisse Services USA LLC | NC Central Univesity |
| Duke University & Health System | Netapp Inc |
| Durham County Government | Research Triangle Instistute |
| Durham Public Schools | Veterans Administration of Veterans Affairs |
| Environmental Protection Agency | Wolfspeed Inc |
| Fidelity Investments | Wright of North Carolina |
| Glaxosmithkline LLC | |

Capital Investment

Many companies are either locating to Durham County or expanding their already existing operations in the County. Major economic development announcements in Durham County for 2023 included Eli Lilly (\$450M), Kempower (\$41M), and United Therapeutics (\$500M). Thus far, in 2024, IONNA, a joint venture of major automakers including BMW, General Motors, Honda, Hyundai, Kia, Mercedes-Benz, and Stellantis, selected Durham County as its new world headquarters (\$10M).

Economic Development Statistics

Per Capita Income Trends from 2016 to 2023

Per capita income data for the last eight calendar years for the Durham Metropolitan Statistical Area (MSA), the Raleigh Metropolitan Statistical Area, North Carolina, and the United States are presented in the following table. In 2022 and forward, the data are presented for Durham and Wake Counties, as opposed to MSA, to be more in line with presenting relevant information.

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Durham | \$ 49,315 | \$ 52,277 | \$ 52,727 | \$ 54,423 | \$ 56,703 | \$ 54,093 | \$ 60,330 | \$ 59,070 |
| Wake | 50,444 | 52,444 | 56,207 | 57,851 | 60,884 | 60,884 | 71,205 | 76,357 |
| North Carolina | 42,244 | 44,233 | 46,216 | 47,766 | 50,305 | 56,173 | 58,109 | 61,831 |
| United States | 49,246 | 51,731 | 54,606 | 56,490 | 58,510 | 64,143 | 65,470 | 69,815 |

Source: Bureau of Economic Analysis

Note: The Bureau of Economic Analysis makes comprehensive revisions to the per capita income estimates annually. The latest revision was November 2023 for county data and September 2024 for state and national data.

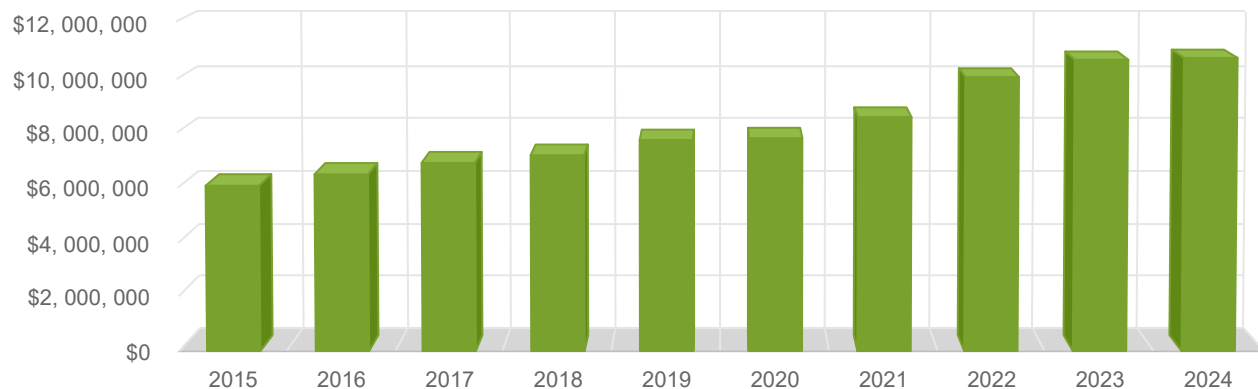
Retail Sales

Total retail sales in the County for the past ten fiscal years are shown in the following table.

Durham County Retail Sales from 2015 to 2024 Percent Growth Over Previous Year

| Year Ended June 30, | Total Taxable Sales (000's) | Percent Growth Over Previous Year |
|------------------------|--------------------------------|--------------------------------------|
| 2015 | \$ 6,097,770 | 10.84% |
| 2016 | 6,458,506 | 5.92% |
| 2017 | 6,884,030 | 6.59% |
| 2018 | 7,195,550 | 4.53% |
| 2019 | 7,771,144 | 8.00% |
| 2020 | 7,811,731 | 0.50% |
| 2021 | 8,612,784 | 10.25% |
| 2022 | 10,073,809 | 16.96% |
| 2023 | 10,661,429 | 5.83% |
| 2024 | 10,766,356 | 0.98% |

Durham County Retail Sales from 2015 to 2024 Annual Retail Sales

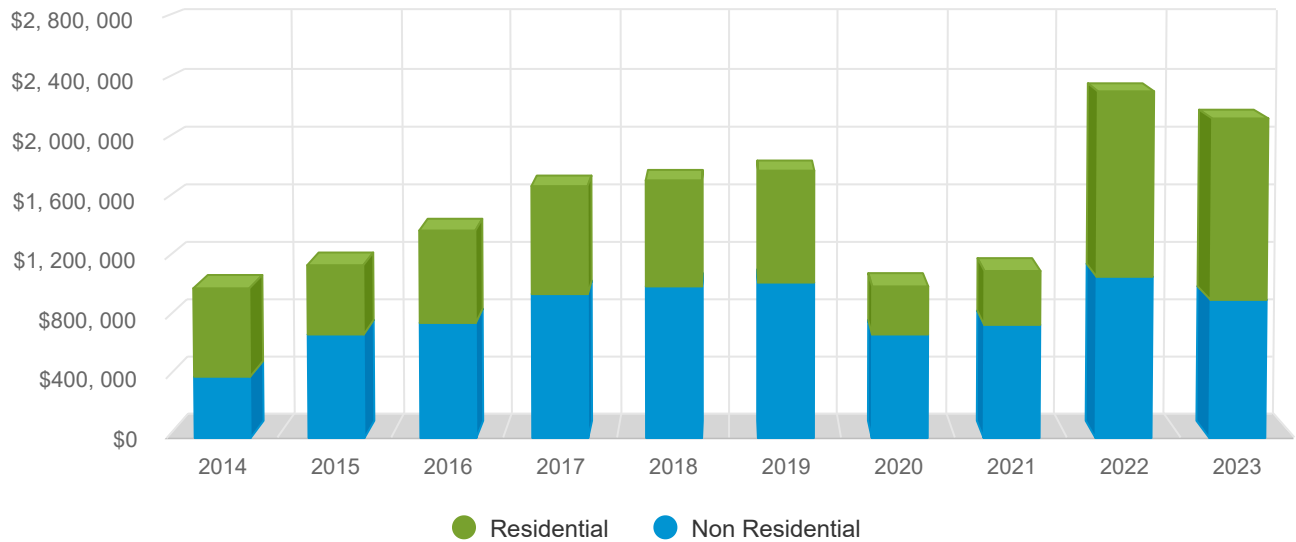


Durham's retail sales have gradually increased over the last ten years. One of the main reasons for this growth is due to new businesses, small and large, continuing to develop in the area. In fiscal year 2024, the total taxable retail sales reported were over \$10.76 billion, an increase of over \$.10 billion (0.98%), reflecting continued growth in the County's economy.

Construction Activity

The following table illustrates construction activity in Durham County for the past ten calendar years with reference to the value of all building permits issued in the County.

Durham County Construction Permit Values in Thousands from 2014 to 2023

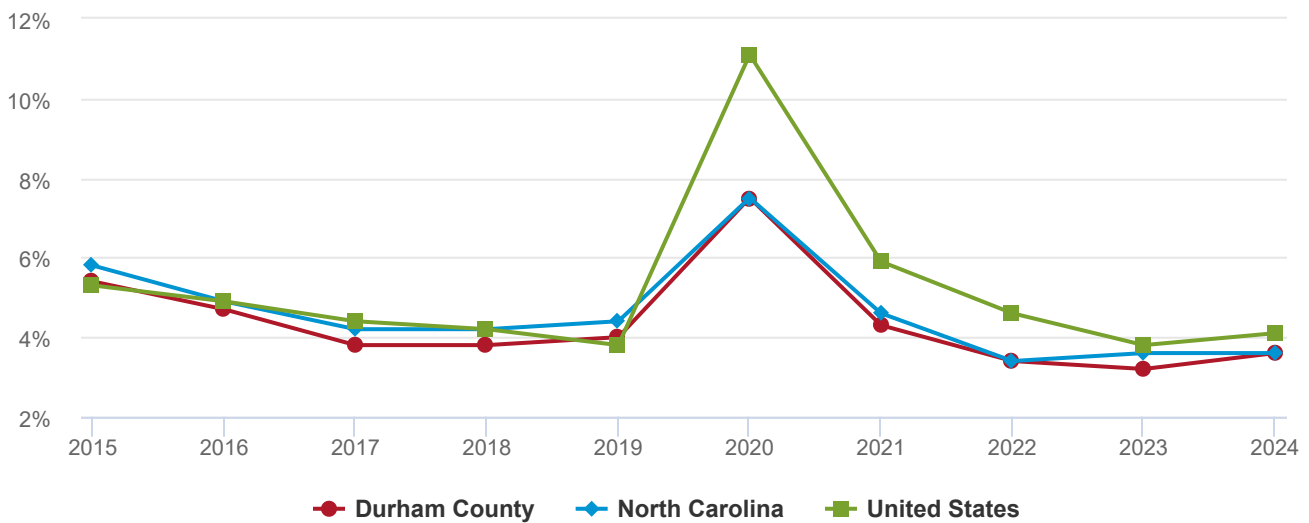


The total number of occupied dwelling units in 2023 for Durham County was 143,998, which included 2,133 (a decrease of 2,202 from the prior year) permits issued for new residences and improvements, repairs, and expansions of existing residences. From calendar year 2022 to 2023, there was an overall decrease (\$190.8 million) in the value of all construction building permits issued in the County. The decrease was in the value of residential and nonresidential construction.

Unemployment

The percentage of unemployment in the County, State, and the United States for the past ten fiscal years (as of June 30) is as follows.

Unemployment Trends – Local, State and National Levels



Unemployment Trends

| | County | State | National |
|------|--------|-------|----------|
| 2015 | 5.4% | 5.8% | 5.3% |
| 2016 | 4.7% | 4.9% | 4.9% |
| 2017 | 3.8% | 4.2% | 4.4% |
| 2018 | 3.8% | 4.2% | 4.2% |
| 2019 | 4.0% | 4.4% | 3.8% |
| 2020 | 7.5% | 7.5% | 11.1% |
| 2021 | 4.3% | 4.6% | 5.9% |
| 2022 | 3.4% | 3.4% | 4.6% |
| 2023 | 3.2% | 3.6% | 3.8% |
| 2024 | 3.6% | 3.6% | 4.1% |

As of June 2024, the County's unemployment rate was 3.6%, an increase of 0.4% from June 2023. The County's unemployment rate compares favorably to the State and National rates of 3.6% and 4.1%. The County's primary commitments remain job creation and maintaining a strong economy.

The Facility Master Plan, originally approved in fiscal year 2000, was centered on sound planning and solid financial research and laid the groundwork for the future building needs of the County. The most recent Master Plan, amended in fiscal year 2023, reflects the changes in facility needs and options for the County. The Facility Master Plan, as currently amended, serves as the basis for the facility projects included in the Capital Improvement Plan.

Capital Improvement Plan

The County maintains a 10-year Capital Improvement Plan (CIP), which is fully updated every two years. During the 2019-2020 fiscal year, the Board of County Commissioners (BOCC) updated the 2020-2029 Capital Improvement Plan (CIP). The plan itself provides a blueprint which the County uses to meet the growing facility needs of the schools, libraries, museums, court system, public safety, human service agencies, general government needs, and open space. The CIP also provides a financial overview of the financing options for existing capital projects as well as those capital projects not implemented but projected in the 10-year plan. Annually, the financing options are reviewed, as are the projects and their estimated costs.

Accomplishments during the past fiscal year include the completion of the following construction projects: the New Durham County Youth Home, Board of Elections Renovation – Phase 1A (occupied September 3, 2024) and the Alliance Behavioral Healthcare area within the Human Services Facility. Several projects are currently in the construction phase including the following: 300 E. Main St. Affordable Housing Wrap; 500 E. Main St. Parking Deck and Market-Rate Housing Development; Extensions to the County Fiber Network through collaboration with the Duke Fiber Project; Stanford L. Warren Library Interior Improvements; and the leasehold improvements in Administration II – Anjappar Indian Restaurant. Other projects are in various stages of design, bidding, preliminary activities, and/or regulatory approvals include the following: Triangle Wastewater Treatment Plant Administration II Building; Fire Station #19 (County EMS and City Fire Station Co-location – Hwy 54 & Davis Dr.); Emergency Operations Center and Backup 911 Call Centers, Sheriff's Training Facility (Electra Road); Detention Center Security and A/V Infrastructure Upgrades, Redwood Solid Waste Convenience Center Upgrades; (Shoppes at Hope Valley Renovations including) - Board of Elections Renovation – Phase 1B and 2 and Project Build and Community Intervention and Support Services; the Justice Services Department Transition House and the DSS Main St. Hazardous Materials Mitigation. Phase I of the Comprehensive Facilities Assessment is underway, which will identify projects in accordance with the Renewable Energy Plan Implementation. Feasibility studies and updates for the Animal Shelter, Fleet Maintenance Facility, EMS Ambulance Fleet Maintenance Facility (former Seaton Road Station) and others have also been completed and are being used in upcoming 2024-2033 CIP discussions/presentations to the BOCC. County staff is also working in partnership with the City of Durham Fire Department to ensure alignment and schedules for budgeting and project delivery for three potential Fire/EMS Co-locations including Kemp Road (Far East), Martin Luther King Jr. Blvd. (southern Durham) and a Duke West location. County staff is continuing to work with the UNC School of Government's Development Finance Initiative on the Pre-Development Processes to determine the long-range plan for the DSS Main St. Facility and the balance of the Shoppes of Hope Valley Shopping Center.

In 2008, the County adopted a High-Performance Building Policy incorporating sustainable design into County building projects. The Policy requires that new construction over 10,000 square feet shall achieve a minimum rating of LEED (Leadership in Energy and Environmental Design) “Gold”, that new construction between 4,000 and 10,000 square feet shall achieve a minimum rating of LEED “Silver”, and that renovation projects obtain a “Certified” rating. Currently, the County has twelve LEED certified buildings that have been completed which include the following: Triangle Wastewater Treatment Plant Administrative Building I – “Certified”, East Regional Library – “Certified”, North Regional Library – “Silver”, South Regional Library – “Gold”, Animal Control Office Building – “Silver”, Southwest Library Renovation and Addition – “Silver”, the Criminal Justice Resource Center Third Floor Renovation – “Silver”, Durham County Courthouse – “Gold”, the Human Services Facility – “Silver”, the Main Library Renovation – “Gold”, Administration II Building Renovation – “Silver”, and Fire/EMS Station #17 – LEED Gold. The County is also seeking various levels of LEED Certification for the Judicial Building Annex Renovation, Administration I Renovation, the new EMS Station 1, the new Youth Home, and Fire/EMS #18 that were recently completed or nearing completion and under the construction phase review by the United States Green Building Council (USGBC). Additional projects identified in the CIP will also be designed using sustainable design and construction guidelines, including the Fire/EMS Station #19, Emergency Operations Center and Backup 911 Call Center, TWWTP Administration Building II, Sheriff’s Training Facility (Electra Road), and others.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded Durham County the Certificate of Achievement for Excellence in Financial Reporting for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. This was the twentieth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Manager and the Board of County Commissioners for their unfailing support in maintaining the highest standards of professionalism in the management of Durham County’s finances.

Respectfully submitted,



Claudia Odom Hager
County Manager



Crystally Wright
Interim Chief Financial Officer

Durham County Board of County Commissioners



Nida Allam
Chair



Dr. Michael Lee
Vice Chair



Stephen Valentine



Michelle Burton



Wendy Jacobs

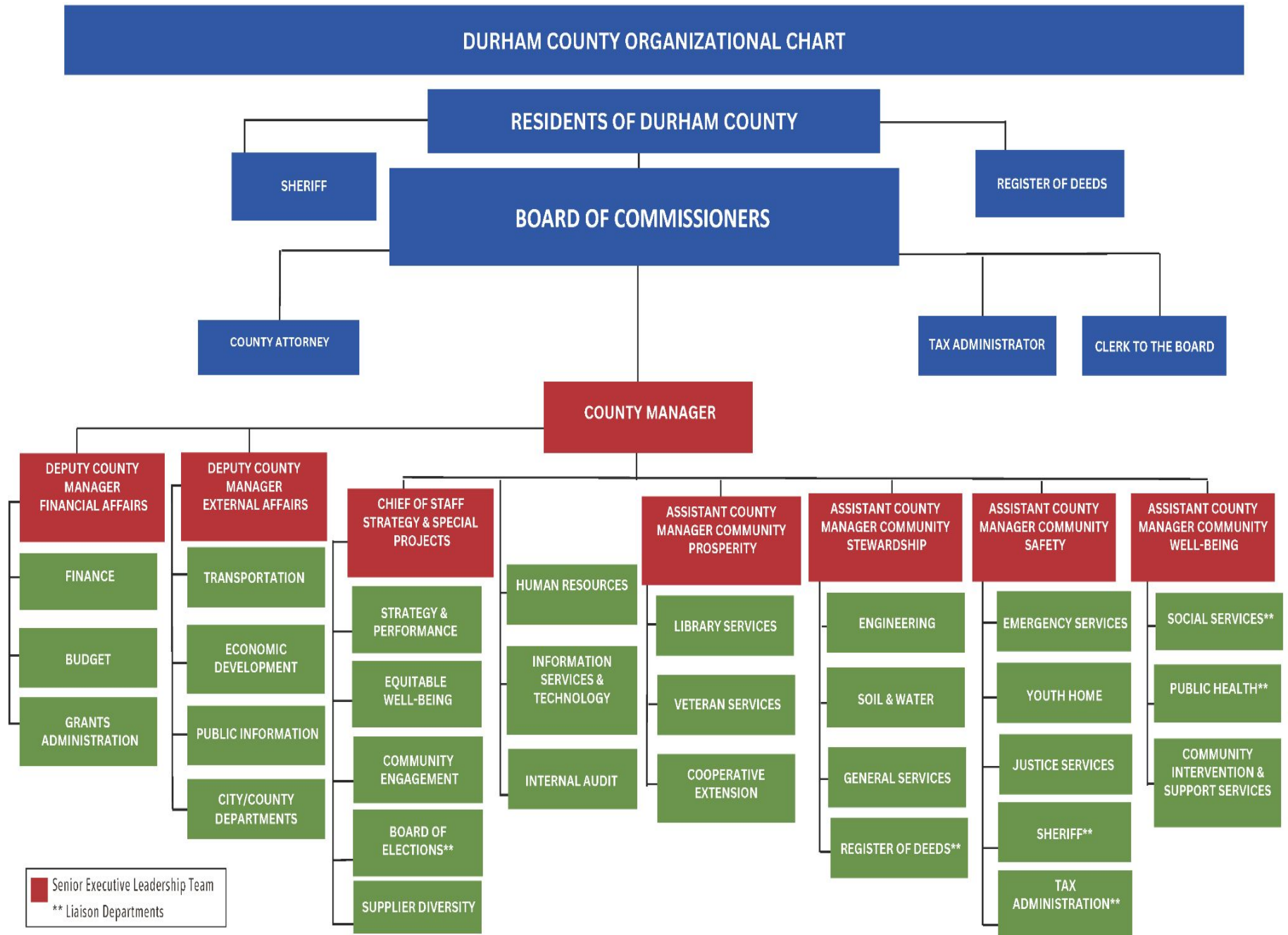
Durham County Administration



Claudia Hager
County Manager



Crystally Wright
Interim Chief
Financial Officer





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**County of Durham
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO



Financial Section

Annual Comprehensive Financial Report
for the year ended June 30, 2024

Report of Independent Auditor

To the Board of County Commissioners
Durham County, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Durham County, North Carolina (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Durham County ABC Board (the "ABC Board"), which is the County's discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the ABC Board is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. 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. The financial statements of the ABC Board were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matter

As described in Note A. 14 and Note O to the financial statements, the County restated net position as previously reported as of June 30, 2023, in the amount of \$17,487,176 related to an error correction due to the accounting treatment of Opioid Settlement Fund monies. Our opinion is not modified with respect to this matter.

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 Responsibilities 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 opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Required Supplementary Information, 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 Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic 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 information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections 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 April 16, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
April 16, 2025

Management's Discussion and Analysis

As management of Durham County, North Carolina (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages xi-xx.

Financial Highlights

- The assets and deferred outflows of resources of Durham County exceeded its liabilities and deferred inflows of resources at the close of the 2024 fiscal year by \$164,043,926 (*total net position*). However, of this amount, unrestricted net position has a deficit balance of (\$123,164,519) (*unrestricted net position*) for governmental activities which is primarily because of the debt the County has issued on behalf of the school system, Durham Technical Community College and the Museum of Life and Science to fund capital outlay as required by State law. The assets funded by the County are owned by the Durham Public School System, Durham Technical Community College and the Museum of Life and Science and are capitalized in their financial statements. Therefore, the County, as the issuing government, has incurred a liability without a corresponding increase in assets.
- The government's total net position decreased by \$21,594,130, a decrease of 11.63 percent, due to a decrease in the governmental activities' net position and an increase in the business-type activities' net position of \$28.37 million and \$6.77 million, respectively. See Note O for explanation of restatement of beginning net position.
- As of the close of the 2024 fiscal year, the County's governmental funds reported combined ending fund balances of \$454,644,868, an increase of \$34,667,627 in comparison with the prior year before restatement. Approximately 30.69 percent of this total amount, or \$139,544,410, is *restricted or non-spendable*.
- At the end of the current fiscal year, fund balance available for appropriation for the general fund was \$200,899,010 or 30.19 percent of total general fund expenditures, compared to fiscal year 2023 which was \$214,800,957 or 34.16 percent of total general fund expenditures, which reflects a decrease 11.64 percent.
- The net change in fund balance for fiscal year 2024 in the general fund was a decrease of \$10,427,854. The primary reasons for the decrease were the excess revenues over expenditures of over \$94.9 million, less transfers out of over \$107.2 million plus transfers in of over \$1.7 million, and leases issued of \$0.1 million.
- The County's total governmental activities long-term liabilities increased by \$121,740,832 (12.31 percent) during the 2024 fiscal year. The key factors in this increase were issuances of Limited Obligation Bonds (LOBs) and premiums of \$71,295,000 and \$5,176,530, respectively; Bond Anticipation Notes (BANs) of \$80,454,210; the increase in the LGERS pension obligation of \$17,628,957, and the net increase in the OPEB obligation of \$2,317,762. These increases were offset by the annual reductions in debt in the amounts of \$22,305,000 in General Obligation Bonds (GO Bonds), \$24,115,000 in LOBs, \$5,819,213 in amortization of bond premiums, \$50,000,000 in BANs, and the net decrease in lease liability of \$648,480. Durham County continues to maintain its AAA bond rating.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Durham 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 the 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 Durham County.

Basic Financial Statements

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

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplementary information.

Government-wide financial statements. The *government-wide financial statements* are designed to provide the reader with a broad overview of the County's finances, using the full-accrual basis of accounting, 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 it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the 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 general government, public safety, transportation, economic and physical development, environmental protection, human services, education, cultural and recreational and interest and fiscal charges.

Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include sewer utility and stormwater services offered by Durham County. The final category is the component units. Durham County ABC Board is legally separate from the County; however, the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

The government-wide financial statements can be found on pages 23-25 of this report.

Fund financial statements. The fund financial statements provide a more detailed look at the County's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Durham 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 the funds of Durham County can be divided into three categories: governmental funds, proprietary funds, 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 fiscal year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resource focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The County maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the American Rescue Plan Act (ARPA) fund, the Opioid Settlement fund, the capital projects fund, and the debt service fund, all of which are major funds. Data from the other ten governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Durham County adopts an annual budget for its general fund, as required by General Statutes. The budget is a legally adopted document that incorporates input from the citizens 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 statement provided for the general fund and the community health trust fund demonstrates how well the County complied with the budget ordinance and whether the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is 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; and 4) the difference or variance between the final budget and the actual resources and charges.

The basic governmental fund financial statements can be found on pages 26-33 of this report.

Proprietary funds. Durham 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 utility and stormwater 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, only in more detail. The proprietary fund financial statements provide separate information for the sewer utility which is a major fund of the County and the stormwater which is a non-major fund of the County.

The basic proprietary fund financial statements can be found on pages 34-37 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County's own programs. Durham County has eleven fiduciary funds, two of which are private-purpose trust funds and nine of which are custodial funds.

The basic fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the 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 the financial statements can be found on pages 43-95 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Durham County's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found on pages 99-105 of this report.

Following the required supplementary information, combining statements referred to earlier are provided to show details in connection with non-major governmental funds. Budgetary information for each fund as required by the North Carolina General Statutes and detailed comparative statements, including annually budgeted funds, can also be found in this section. Combining and individual fund statements and schedules can be found on pages 113-155 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$164,043,926 as of June 30, 2024. Net position is reported in three categories: net investment in capital assets, restricted net position and unrestricted net position.

The County's net position decreased by \$21,594,130 for the fiscal year ended June 30, 2024. One of the largest portions, in the amount of \$117,272,531, represents resources that are subject to external legal restrictions that limit the County's ability to access and use these funds beyond the purpose for which they were provided. Unexpended

bond proceeds, grant funding and statutorily restricted revenues are included in this category. The debt related to the unspent/unexpended bond proceeds is not included in the restricted net position.

Durham County's Net Position

| | Governmental Activities | | Business - type Activities | | Total | |
|--------------------------------------|-------------------------|----------------|----------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Current and other assets | \$ 581,917,820 | \$ 547,734,145 | \$ 66,168,884 | \$ 59,395,536 | \$ 648,086,704 | \$ 607,129,681 |
| Capital assets | 606,937,621 | 558,202,614 | 70,728,657 | 72,070,060 | 677,666,278 | 630,272,674 |
| Total assets | 1,188,855,441 | 1,105,936,759 | 136,897,541 | 131,465,596 | 1,325,752,982 | 1,237,402,355 |
| Total deferred outflows of resources | 98,470,573 | 98,792,167 | 1,116,895 | 1,004,256 | 99,587,468 | 99,796,423 |
| Long-term liabilities outstanding | 1,099,799,665 | 976,873,171 | 10,499,911 | 11,685,589 | 1,110,299,576 | 988,558,760 |
| Other liabilities | 89,921,602 | 103,323,554 | 1,034,430 | 1,071,730 | 90,956,032 | 104,395,284 |
| Total liabilities | 1,189,721,267 | 1,080,196,725 | 11,534,341 | 12,757,319 | 1,201,255,608 | 1,092,954,044 |
| Total deferred inflows of resources | 59,999,677 | 76,046,820 | 41,239 | 47,034 | 60,040,916 | 76,093,854 |
| Net position: | | | | | | |
| Net investment in capital assets | 53,700,724 | 114,466,733 | 62,173,685 | 61,663,435 | 115,874,409 | 176,130,168 |
| Restricted | 107,068,865 | 132,542,994 | 10,203,666 | 8,746,694 | 117,272,531 | 141,289,688 |
| Unrestricted | (123,164,519) | (198,524,346) | 54,061,505 | 49,255,370 | (69,103,014) | (149,268,976) |
| Total net position | \$ 37,605,070 | \$ 48,485,381 | \$ 126,438,856 | \$ 119,665,499 | \$ 164,043,926 | \$ 168,150,880 |

The second portion of the County's net position, in the amount of \$115,874,409, reflects the County's net investment in capital assets (e.g., land, buildings, machinery, and equipment). The County uses these capital assets to provide services to citizens; 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 themselves cannot be used to liquidate these liabilities.

The remaining portion of net position is unrestricted net position. This balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. As of June 30, 2024, the unrestricted net position is a deficit of (\$69,103,014). The unrestricted deficit is attributable primarily to the general obligation bonds issued by the County for the public schools, Durham Technical Community College, and the Museum for Life and Science. Even though the debt has been issued to finance the acquisition, construction and renovation for the public schools, Durham Technical Community College and the Museum of Life and Science, the Governmental Accounting Standards Board has determined that it is not capital debt of the County since it is not financing assets owned by the County. Therefore, this debt is reflected within the unrestricted portion of net position rather than as part of the category net investment in capital assets. The unrestricted net position for the governmental activities has a deficit balance of (\$123,164,519) while the other two categories of net position, net investment in capital assets and restricted net position, and all three categories of net position of the business-type activities are positive. The unrestricted net position for the business-type activities has a positive balance of \$54,061,505.

Durham County's Changes in Net Position

| | Governmental Activities | | Business - type Activities | | Total | |
|--|-------------------------|---------------|----------------------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Revenues | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 40,690,905 | \$ 40,510,153 | \$ 22,263,436 | \$ 22,877,089 | \$ 62,954,341 | \$ 63,387,242 |
| Operating grants and contributions | 95,063,327 | 73,948,904 | - | - | 95,063,327 | 73,948,904 |
| Capital grants and contributions | 2,263,807 | 4,467,661 | 135,576 | 869,362 | 2,399,383 | 5,337,023 |
| General revenues: | | | | | | |
| Taxes | 537,862,879 | 504,186,784 | - | - | 537,862,879 | 504,186,784 |
| Investment and interest income | 18,141,726 | 10,368,982 | 1,117,660 | 635,861 | 19,259,386 | 11,004,843 |
| Other revenues | 1,343,163 | 1,042,545 | - | - | 1,343,163 | 1,042,545 |
| Total revenues | 695,365,807 | 634,525,029 | 23,516,672 | 24,382,312 | 718,882,479 | 658,907,341 |
| Expenses: | | | | | | |
| General government | 112,974,080 | 123,351,253 | - | - | 112,974,080 | 123,351,253 |
| Public safety | 109,677,188 | 95,153,607 | - | - | 109,677,188 | 95,153,607 |
| Transportation | 1,311,317 | 912,757 | - | - | 1,311,317 | 912,757 |
| Economic and physical development | 13,130,041 | 16,179,664 | - | - | 13,130,041 | 16,179,664 |
| Environmental Protection | 13,396,439 | 13,452,988 | - | - | 13,396,439 | 13,452,988 |
| Human services | 136,690,860 | 101,071,341 | - | - | 136,690,860 | 101,071,341 |
| Education | 292,887,030 | 259,618,044 | - | - | 292,887,030 | 259,618,044 |
| Cultural and recreational | 19,510,407 | 17,445,261 | - | - | 19,510,407 | 17,445,261 |
| Interest and fiscal charges | 24,155,932 | 22,396,244 | - | - | 24,155,932 | 22,396,244 |
| Sewer utility | - | - | 14,172,698 | 12,110,564 | 14,172,698 | 12,110,564 |
| Stormwater | - | - | 2,570,617 | 1,277,471 | 2,570,617 | 1,277,471 |
| Total expenses | 723,733,294 | 649,581,159 | 16,743,315 | 13,388,035 | 740,476,609 | 662,969,194 |
| Increase (decrease) in net position | (28,367,487) | (15,056,130) | 6,773,357 | 10,994,277 | (21,594,130) | (4,061,853) |
| Net position, beginning as previously reported | 48,485,381 | 63,541,511 | 119,665,499 | 108,671,222 | 168,150,880 | 172,212,733 |
| Prior period adjustment (Note O) | 17,487,176 | - | - | - | 17,487,176 | - |
| Net position, beginning, restated | 65,972,557 | - | 119,665,499 | - | 185,638,056 | - |
| Net position, ending | \$ 37,605,070 | \$ 48,485,381 | \$ 126,438,856 | \$ 119,665,499 | \$ 164,043,926 | \$ 168,150,880 |

In fiscal year 2024, the County implemented GASB 100 - Accounting Changes and Error Corrections. This standard required a prior period adjustment to restate the ending net position by \$17,487,176 for Opioid revenue that should have been recognized as an exchange or exchange-like transaction in fiscal year 2023. See Note O for further information.

Because the County funds Durham Public Schools, Durham Technical Community College's, and the Museum of Life and Science's capital needs but does not carry the resulting assets on the County's financial statements, the County reports a net deficit on the statement of net position for governmental activities. Despite this deficit reported in governmental activities, the County's finances are strong as evidenced by:

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of 99.71 percent for the current levy year.
- Planning and management of revenues and expenses through the use of financial models for capital and debt service.
- Continued low cost of bonded debt that is a direct result of the County's high bond rating by the rating agencies of Moody's and Standard and Poor's. The County considers this unique achievement to be a key factor in keeping the interest costs low on the County's outstanding debt.

- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.
- A multi-year budget forecast (5 years) for the County's general fund and debt service fund.

Governmental activities. The governmental activities net position decreased by \$28,367,487 (43.00 percent). Revenues increased in fiscal year 2024 compared to fiscal year 2023 by over \$60.8 million (9.59 percent). Expenses increased by over \$74.15 million (11.42 percent). The general revenues accounted for the bulk of the increase in revenues. In fiscal year 2024, property taxes levied for general purposes and for fire districts increased by over \$29.69 million (8.25 percent) and \$469 thousand (4.26 percent), respectively. This increase was primarily because of the increase in assessed property values, a three cent increase in the tax rate, and the County's continued collection efforts including participation in the North Carolina Local Government Debt Setoff Clearinghouse Program. In addition, local option sales taxes increased for the fourteenth consecutive year by over \$2.11 million (1.68 percent) as a result of increased spending and collections, especially collections of sales taxes from online purchases, which became more prevalent during the pandemic. Investment and interest income increased by over \$7.77 million (74.96 percent), which is primarily because of improved market conditions.

Charges for services increased for governmental activities by \$181 thousand. This increase was attributable to the increase in public safety of \$1.07 million and environmental protection of \$234 thousand. The increase was offset by a decrease in the general government charges of \$1.23 million in 2024 and over \$1.38 million in decreased charges for register of deeds due to a cooling housing market and higher interest rates. Environmental protection increased due to the gain of 700 households via new construction and an increase in the solid waste fee. Charges for public safety increased due to greater levels of services provided and a higher fee structure for emergency medical services. There were slight increases in revenues for economic and physical development, cultural and recreational, human services, and transportation functions.

The operating grant program revenues for governmental activities increased by \$21.11 million (28.55 percent). The human services function increased by over \$5.75 million primarily due to an influx of federal and state grants from a variety of sources, ongoing support for Covid-19, and funds for the medicaid transformation and expansion. General government revenue increased by over \$13.75 million. Changes in the public safety, economic development, environmental protection, and cultural and recreational functions were not as significant.

The capital grants and contributions for education decreased by \$2.2 million due to less construction activity that was funded with Public School Building (PSBCF) revenue sources.

In certain functional areas, increases in the governmental activities' expenses closely paralleled inflation and growth in the demand for services. The County's total governmental activities' expenses increased by over \$74.15 million (11.42 percent).

Education expenses increased by \$33.27 million (12.81 percent). This increase in expenditures was for education-related construction primarily for Durham Public Schools (DPS) and Durham Technical Community College (DTCC).

Human services expenses increased by almost \$35.6 million (35.24 percent) due in large part to increases in social services for eviction diversion services and medicaid expansion, public and mental health for covid-related expenditures, and community intervention and support services for medicaid expansion.

Interest and fiscal charges increased by over \$1.75 million (7.86 percent) due to increased debt and cost of borrowing.

Public safety expenses increased by \$14.52 million (15.26 percent) which is mainly due to increases (\$3.79 million) in the offices of the Sheriff and the County Jail for various operational costs. There were additional increases of \$1.64 million for fire tax district expenditures. Other increases were for the youth home, animal control, and emergency communications center.

General government expenses decreased by over \$10.37 million (8.41 percent) due to decreases in capital-related-project expenditures netted against increases in operational expenditures for several departments totaling \$4.27 million.

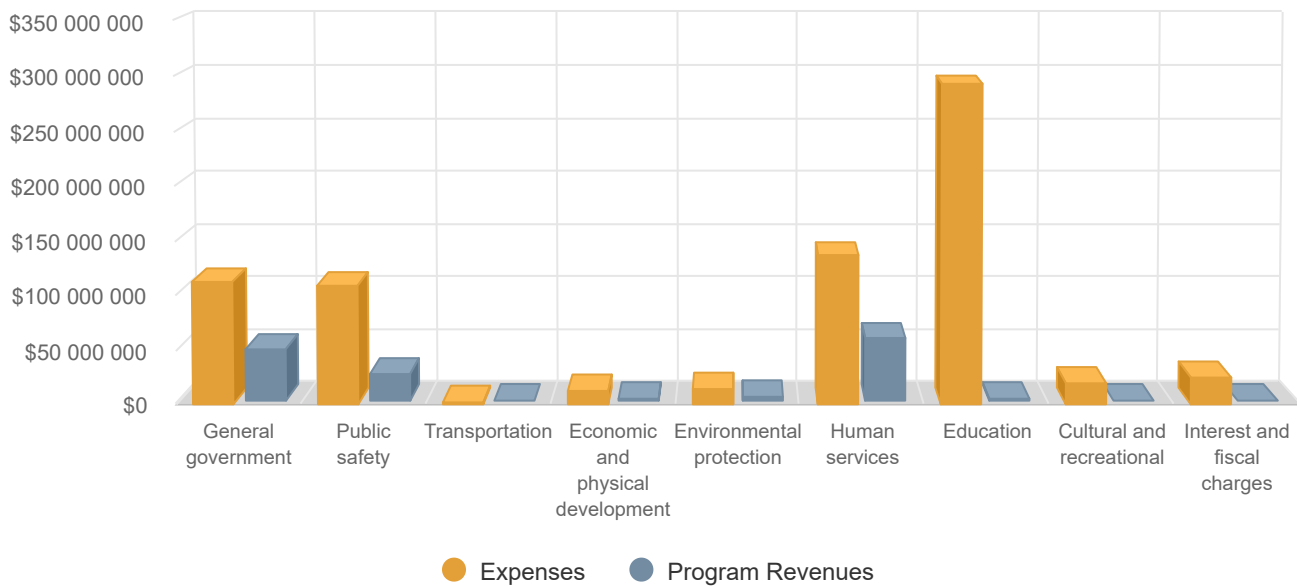
Economic and physical development expenses decreased by just over \$3 million (18.85 percent) due to decreases in capital projects (\$5.1 million); cooperative extension policy payments, industrial extension and economic development, and open space management totaling \$902 thousand. These decreases were offset by increases in ARPA (\$1.34 million), special park and special park - transportation (\$858 thousand), planning (\$426 thousand), soil and water (\$168 thousand), and other expenditures (\$240 thousand).

Environmental protection expenses decreased by \$57 thousand (.4 percent) due to operating costs having remained overall flat for fiscal year 2024.

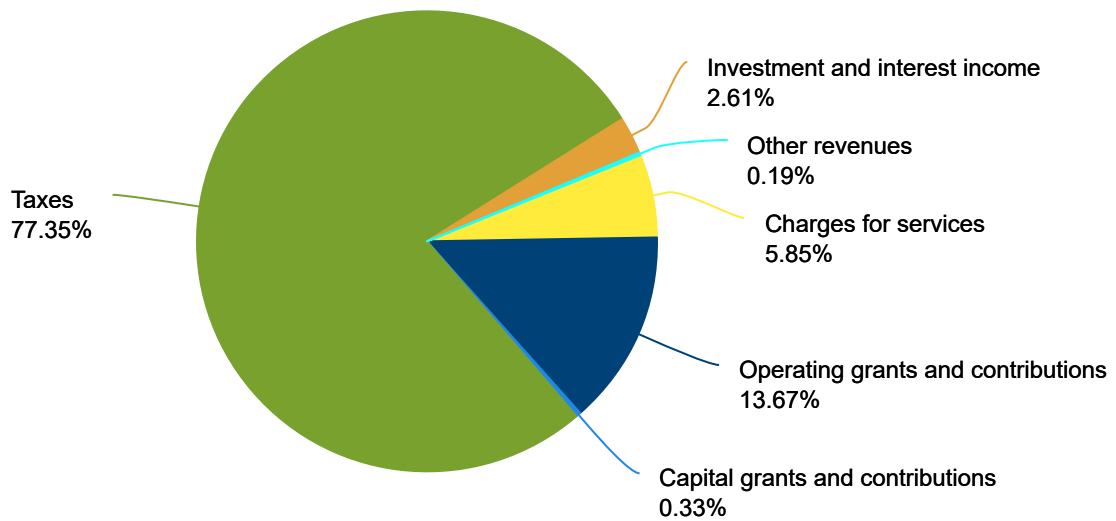
Cultural and recreational expenses increased by almost \$2.07 million (11.84 percent) due mostly to increased spending on the construction costs of the County's library system of almost \$466 thousand, pension costs of \$491 thousand, and allocation of joint venture costs of \$510 thousand.

Transportation increased almost \$399 thousand due to an increase in expenditures of \$375 thousand for one position and other operating costs (transit tracker database; bicycle, pedestrian, greenway plan, and other transit plan initiatives).

Expenses and Program Revenues – Governmental Activities



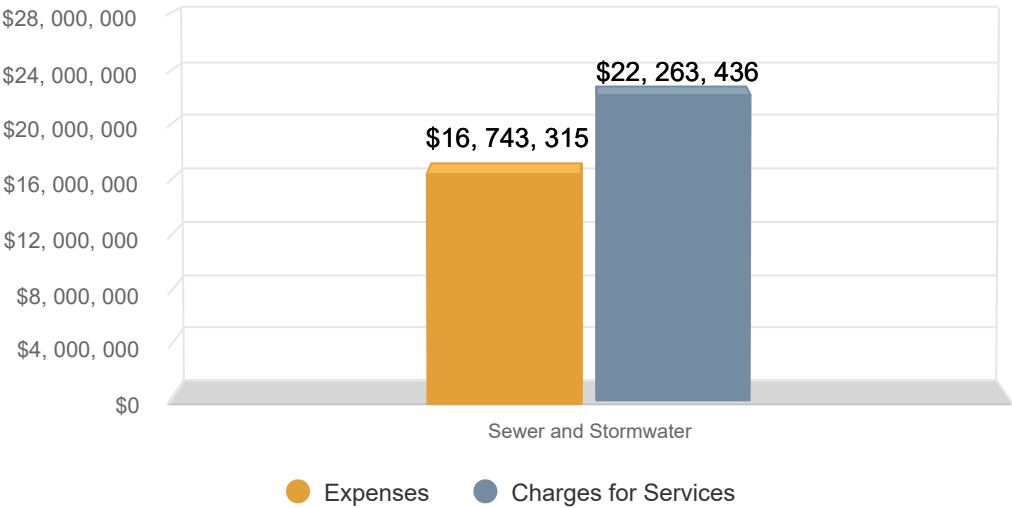
Revenues by Source – Governmental Activities



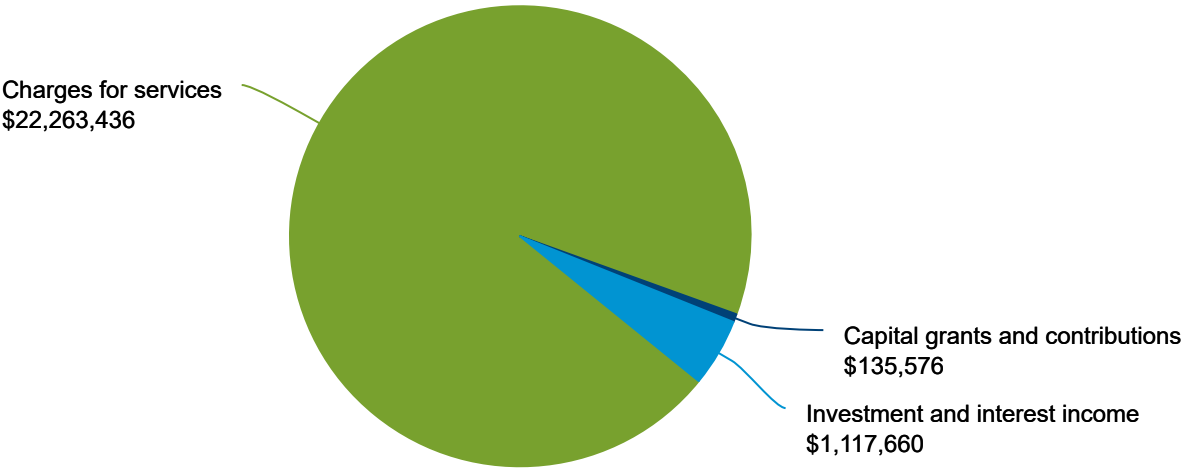
Business-type activities. Business-type activities increased the County's net position by \$6,773,357 accounting for 31.37 percent of the total change in the government's net position. Key elements of this are as follows:

- Expenses increased \$3,355,280 (25.06 percent) primarily because of increases in operating expenses related to increases in personnel costs (\$1.83 million) and maintenance expenses (\$1.41 million). The operating margin year-over-year decrease was \$1.84 million as a result of the increased operating costs. There were no debt issuance costs for fiscal year 2024.
- Charges for services decreased by \$613,653 (2.68 percent). This change is the result of the \$2.44 million decrease in sewer system development revenue for new economic development activity. As explained in the Letter of Transmittal and later in the MD&A, major economic development in the County was only \$75 million in the current year compared to \$1.76 billion in the prior year. The decreased system development revenue is offset by a \$1.83 million increase in sewer and stormwater service revenues for residential and non-residential customers. In fiscal year 2024, the sewer consumption rates and stormwater utility fee rates increased 10 and 33 percent, respectively.
- Investment and interest income increased by \$481,799 (75.77 percent) primarily because of improved market conditions because of a stable economy and fiscal policies.
- There were capital contributions for sewer utility for the partial funding of the purchase of capital equipment in the amount of \$135,576. There were no capital contributions to Stormwater in fiscal year 2024.

Expenses and Charges for Service Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Financial Analysis of the County’s Funds

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

Governmental funds. The focus of Durham 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, the *fund balance available for appropriation* can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year, the County's governmental funds reported combined ending fund balances of \$454,644,868, an increase of \$34,667,627 in comparison with the prior year before restatement. Approximately 13.47 percent of this total amount (\$61,255,530) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* to indicate that it is not available for new spending because it is 1) non-spendable (\$2,792,745), 2) restricted by revenue source for specific purposes, programs, and services (\$57,902,817), or 3) because it is restricted by State Statute (\$78,848,848).

The general fund is the chief operating fund of the County. At the end of the current fiscal year, Durham County's fund balance available for appropriation in the general fund was \$200,899,010, while total fund balance reached \$277,739,402. The Board of County Commissioners of Durham County has determined that the County should maintain an available fund balance of 35 percent of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting cash flow needs of the County. As of June 30, 2024, the County has an available fund balance of 30.19 percent of general fund expenditures, while total fund balance represents 43.19 percent of that same amount. The percentage of available fund balance to total general fund expenditures decreased from 34.16 percent for fiscal year 2023 to 30.19 percent for fiscal year 2024, a decrease of 13.56 percent. The net change in the general fund balance for fiscal 2024 was a decrease of \$10,427,854. The primary reason for the decrease is that transfers out (\$107.2 million) are greater than the sum of excess revenues over expenditures (\$94.5 million) and other financing sources (\$1.8 million).

Key factors in the increase of the fund balance in the County's general fund during the current fiscal year are as follows:

- The general fund taxes increased by 6.77 percent or \$33,197,755. This increase is the result of increased collections in the current year levies of \$29,858,419 (8.36 percent) and increased collections in the prior years' levies of \$880,235 (151.20 percent), and increased local option sales tax revenue of \$2,113,157 (1.68 percent). The increase in tax levies is primarily because of the natural year-over-year growth in assessed property values, a three cent property tax rate increase, and efficient collection methods of staff. The positive change in the option sales tax is mainly due to increased spending as well as continued collections of taxes from online sales. This is the fourteenth consecutive year of increased local option sales tax collections, which is excellent. Other tax revenues did not change materially since the prior year.
- Intergovernmental revenues of the general fund increased by 9.29 percent or \$6,631,329. The increase is primarily because of increases in Social Services (\$494 thousand), Public Health (\$3.2 million), and Community Intervention Support Services (\$1.2 million). These increases are due to the influx of state and federal revenues for Covid, eviction diversion services, and medicaid transformation and expansion.
- Charges for services decreased by \$1,149,826 (3.00 percent). This is attributable to decreases in Register of Deeds of \$1.4 million and in general government of \$1.2 million. These decreases were offset by an increase in Elections registration lists charges of \$855 thousand because of election activity during the fiscal year. The Register of Deeds experienced decreased real estate transactions due to rising interest rates and a cooling of the housing market. General government revenue decreased primarily due to decreased service levels. Changes in other charges for service revenues were immaterial.
- Investment earnings increased by \$6.05 million (106.31 percent) mainly due to improved market conditions and rent increased by \$617,204 (240.20 percent), which is due to the increase in rentals of County property for outside events.
- Licenses and permits decreased by \$62,392 (16.94 percent) mainly because of decreases in cablevision and franchise fees and other licenses and permits of \$28 and \$34 thousand, respectively. The change in wine and beer license revenue was immaterial.
- Other revenues increased by \$196,919 (18.89 percent) primarily because of a \$212 thousand net increase in miscellaneous and other revenues combined with a \$52 thousand decrease in proceeds from sale of confiscated property.
- General government expenditures increased by \$4,270,869 (5.47 percent) mostly because of increases the following areas: Information Services and Technology (\$3.04 million) due to rising contract costs (\$1.5 million),

two new positions for broadband infrastructure and an ERP expert (\$336 thousand), and thirteen transferred positions from other departments (\$1.3 million); County Manager (\$2.47 million) due to a net of five new positions and increased costs for training, and General Services (\$681 thousand) due to the detention center maintenance contract of \$1 million being transferred to General Services while vacancies reduced personnel costs (\$155 thousand). Other expenditures (\$2.24 million) decreased due to having to purchase less vehicles for various departments than in the prior year. Variances in expenditures for other departments within the general government functional area were less significant.

- Public safety increased by \$3,435,429 (3.92 percent) with the bulk of the change due to increases in the County Sheriff and County Jail by \$2.6 million and \$1.2 million, respectively. The expenditure change in the County Sheriff was due to a new position to manage the Opioid and Medication Assisted treatment programs (\$224 thousand), increased costs (\$966 thousand) for the contract with the Animal Protection Society, and continued funding for a security contract for the courthouse (\$788 thousand). The change in County Jail was due to increased spending in state forfeiture and inmate welfare along with capital project expenditures of \$626 thousand.
- Transportation expenditures increased by \$375,393 (41.17 percent) primarily due to the funding for one position and other operational costs (transit tracker database; bicycle, pedestrian, greenway plan, and other transit-plan initiatives).
- Economic and physical development decreased by \$67,613 (0.76 percent) primarily because of decreases in cooperative extension policy payments, industrial extension and economic development, and open space management totaling \$902 thousand. These decreases were offset by increases in planning (\$426 thousand), soil and water (\$168 thousand), and other expenditures (\$240 thousand).
- Human services' expenditures increased by \$23,565,616 (21.72 percent). This change is due to the increases in social services for eviction diversion services and medicaid expansion (\$8 million), public and mental health for covid-related expenditures (\$9.8 million), and other services supporting community partners by investing in planning and building designs for a Homelessness Services Center (\$6.2 million).
- Education increased by \$12,933,016 (6.61 percent) from the prior fiscal year. Of this increase, Durham Public Schools received increased funding for operating expenditures of \$10,800,000. Durham Technical Community College's funding increased \$1,963,631. Other education increased by \$169,385 for mostly the pre-k and early childhood programs.
- Cultural and recreational expenditures increased by \$612,449 (3.65 percent), with an increase for the library system of \$466 thousand due to normal inflationary costs for community outreach, digital inclusion, and literacy programming. Moreover, \$148 thousand of the increase was in other cultural and recreational expenditures to support the NC Museum of Life and Science.
- Environmental protection increased by \$844,172 (13.25 percent) primarily due to the increase in expenditures for environmental engineering of over \$1.1 million and the decreases for solid waste of \$200 thousand. Solid waste expenditures declined due to less operating costs when the City annexed 400 homes. Environmental engineering expenditures increased due to a new position to oversee the Public Art Program, funding to support property management of the Shoppes of Hope Valley, and increased funding to participate in the Triangle's solar program. Other expenditures decreased by just over \$29 thousand.

The American Rescue Plan Fund has a total fund balance of zero. This fund is used to account for monies allocated to state and local governments by the American Rescue Plan Act (ARPA). ARPA funds can support several priorities including a public health response due to COVID-19, addressing negative economic impacts, replacing public sector revenue loss, and funding premium pay for essential workers. The federal dollars can also address water, sewer, and broadband infrastructure. In fiscal year 2024, the fund recognized revenue of \$16,790,750, which was mostly expended on general government activities.

The Opioid Settlement Fund has a total fund balance of \$4,678,662. This fund accounts for monies awarded to the States and local governments to be used for opioid drug abatement and remediation programs. In fiscal year 2024, the County determined that revenues received from the opioid settlement are exchange transactions. In the prior year, the County accounted for the opioid revenues as non-exchange transactions; therefore, has implemented GASB 100 (Accounting Changes and Error Corrections) for this current fiscal year. In addition, due to having to recognize a receivable and deferred revenue for all future payouts of the settlement, the Opioid Settlement Fund is now a major fund.

The primary revenue activity was the recognition of intergovernmental revenue of \$3,181,465, which was an increase of \$679 thousand or 27.13 percent. Investment revenue of \$56 thousand increased by \$48 thousand or 692.51 percent. Expenditures increased by \$68 thousand or 100 percent for human services needs of citizens affected by the opioid epidemic.

The Capital Projects Fund has a total fund balance of \$64,527,201. This money is restricted and assigned as a financing resource to be used for the acquisition and construction or improvement of major capital facilities other than those financed by proprietary funds. The net increase in fund balance during the current year in the capital projects' fund was \$21,349,185 due to resources for the issuance of debt, transfers in, and revenue being less than the expenditures for the acquisition and construction or improvement of major capital facilities for the County, School System, Durham Technical Community College, and the Museum of Life and Science. The County's activity was recorded to construction in progress in capital assets of the County while the Schools System's, Durham Technical Community College's and the Museum of Life and Science's activity was recorded in their capital assets as they hold title to those assets.

The primary revenue activity was the recognition of other financing sources, such as the proceeds from the issuance of bonds of \$77 million, issuance of installment purchases of \$80.5 million, and transfers in (\$14.5 million). The fund also recognized intergovernmental revenues (\$2.18 million) and investments (\$4.4 million). For expenditures, there was construction activity in the amount of \$156,744,806. In addition, there were other financing uses in the transfers out of \$246,670 from the Capital Projects Fund to the General Fund and the Debt Service Fund.

The Debt Service Fund has a total fund balance of \$101,950,499, all of which is financing resources to be used for the retirement of the County's general long-term debt other than debt issued for and serviced by proprietary funds. The net increase in fund balance during the current year in the Debt Service Fund was \$19,827,383 because the revenues and other financing sources were more than the annual retirement of the principal and interest of the County's general long-term debt, debt issuance costs, and other financing uses.

The primary funding activity was the recognition of other financing sources such as the issuance of refunding bonds (\$46.0 million), the premium on the issuance of refinancing (\$4.4 million), and transfers in (\$97.0 million). The fund also recognized charges for services (\$541 thousand) and investments (\$1.94 million). In the expenditures, there was principal and interest for the retirement of general long-term debt in the amounts of \$46.8 million and \$28.2 million, respectively. In addition, there were debt issuance costs for the refunding of bonds of \$1.3 million. Other financing uses, transfers out, were \$3.8 million.

Proprietary funds. Durham County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the fiscal year, the unrestricted net position of the enterprise funds amounted to \$54,061,505. There was an increase in total net position of \$6,773,357. Other factors concerning the finances of this fund have already been addressed in the discussion of Durham County's business-type activities.

General Fund Budgetary Highlights

The County's annual balanced budget is prepared on the modified accrual basis of accounting in accordance with the Budget & Fiscal Control Act of North Carolina General Statutes, and includes all appropriations required for debt service. The General Fund is the most significant fund budgeted.

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services or initiate new programs where timing is critical. Amendments to the General Fund budget totaled \$49,675,793 and can be summarized, briefly, as follows:

- \$5,273,801 in increases allocated to the general government were primarily to honor commitments from fiscal year 2023; fund increases in various service contracts for the Tax Administration, Court Facilities, and Detention Center departments, and support internal reorganizations.
- \$2,560,801 in increases allocated to public safety were primarily to honor commitments from fiscal year 2023; appropriate unspent restricted funds in fiscal year 2024; support the Youth Home expenses for out-of-county beds, and distribute grant funding from the NC and US departments of Health and Human Services to the Office of Emergency Services and the Justice Services department.
- \$1,352,883 in increases allocated to economic and physical development were primarily to redistribute budgeted personnel expenses from other functional areas, honor commitments from fiscal year 2023, and fund various initiatives including ARPA-approved projects, the Cooperative Extension's fatherhood program, and a feasibility study for a farm campus. The increase also includes Downtown Durham and the Museum of Durham History funding that would have typically been included in the original budget ordinance; however, recent changes to state statute required funding for these entities to be approved separately to allow for commissioner recusal.
- \$2,669,378 in increases allocated to environmental protection were primarily to redistribute budgeted personnel expenses from other functional areas, honor commitments from fiscal year 2023, and fund a Renewable Energy Facilities assessment, land acquisition for Hollow Rock Nature Park, and the Shoppes of Hope Valley pre-development study.
- \$24,507,086 in increases allocated to human services were primarily to honor commitments from fiscal year 2023; fund a contract with Housing for New Hope to purchase affordable housing units; recognize extensive grant awards supporting multiple County programs for community intervention, Covid-19, communicable diseases, women's health, and the emergency rental program.
- \$2,391,951 in increases allocated to cultural and recreational were primarily to honor commitments from fiscal year 2023, appropriate unspent restricted funds in fiscal year 2024, and recognize state grant funds for the libraries' Tech Mobile initiative. The increase also includes funding for the North Carolina Museum of Life and Science that would have typically been included in the original budget ordinance; however, recent changes to state statute required funding for these entities to be approved separately to allow for commissioner recusal.
- \$544,548 in increases allocated to education were primarily to increase Durham Pre-K funds for childcare services, and fund contracts to support youth enrichment and learning activities.
- \$326,063 in increases allocated to transportation were primarily to honor commitments from fiscal year 2023 and fund the FAST Transit Priority study.
- \$10,169,340 in increases allocated to Capital Outlay to cover capital expenditures of the departments.

Of this increase, \$15,521,528 was to be funded from intergovernmental and other revenues. Operating transfers-in increased funding by \$145,340. The remaining \$34,008,925 was to be budgeted from available fund balance. During the year, revenues exceeded budgetary estimates by \$11,404,034 while other financing sources fell short of budgetary estimates by \$3,922,727. Expenditures were less than budgetary estimates with a positive variance of \$41,549,135, thus eliminating the need to draw upon existing fund balance.

Capital Asset and Debt Administration

Capital assets. Durham County's capital assets for its governmental and business-type activities as of June 30, 2024 totaled \$677,666,278 (net of accumulated depreciation/amortization). These assets include land, easements, buildings, water systems, improvements, office furniture and equipment, machinery and equipment, computer hardware, computer software, vehicles, construction in progress, and right-to-use leases and subscriptions. The total increase in the County's net capital assets for the current fiscal year was \$47,393,604 (7.52 percent). Governmental activities increased \$48,735,007 (8.73 percent) and business-type activities decreased by \$1,341,403 (1.86 percent).

Major capital asset events during the current fiscal year included the following:

- Construction for the Durham Public School Projects continued in fiscal year 2024 in the amount of \$79,549,081. The County did not capitalize this construction activity because the County does not hold title to these properties.
- Property acquisition for Durham Technical Community College occurred in fiscal year 2024 in the amount of \$4,506,844. The County did not capitalize this construction activity because the County does not hold title to this property.

- Construction activity for Library (Main and Stanford L. Warren) upgrades continued in the amount of \$1,331,707 during fiscal year 2024.
- Construction for the Museum of Life and Science occurred in fiscal year 2024 in the amount of \$790,624. Construction occurred to reinvent and modernize the Museum of Life and Science's learning environments, improve and expand visitor infrastructure, and make sustainability upgrades. The County did not capitalize this construction activity because the County does not hold title to this property.
- Construction activity for environmental protection and economic development occurred in the amount of \$49,886,753. Of this amount, the County capitalized the entire amount. Of the construction activity that was capitalized for environmental protection, the major activities were in environmental engineering for the Elections Office S. Roxboro renovation (\$16,288,194), the Shoppes of Hope Valley (\$11,876,897), the 500 Block Parking Deck (\$12,755,064), the Snow Hill Road Pump Station (\$6,002,965) and the Orange Factory Road Campus (\$2,115,728). Additional activity occurred on the 300 Block Parking Deck, Lincoln Community Health Parking Lot expansion, Emergency Operations Center, Administration Building II upgrade, and DSS main street renovations.
- Construction activity for the general government occurred in the amount of \$11,036,650. Of this amount, the County capitalized \$11,009,872. The remaining amount of \$26,778 was not capitalized as the County does not hold title to these properties. Of the construction activity that was capitalized for general government, the major activities were the IST Hardware/Software (\$811,926), HVAC Replacement project (\$962,724), '21 IT hardware replacement (\$6,130,439), Audio-Visual Technology (\$712,200), and the Parking Resurfacing project (\$847,365). Other activity occurred for County Security Improvement, IT Security Program Support, Redwood Convenience Center upgrades, and Detention Center Capital infrastructure.
- Construction activity for public safety occurred in the amount of \$9,729,738. The County capitalized the entire amount which was mainly for the new Youth home (\$5,917,463), Station #18 co-location project (\$1,891,773), radios and towers of \$948,923, and the Sheriff IT Life Cycle Replacement project in the amount of \$731,702.
- In governmental activities, major capital asset increases, net of disposals, occurred in the asset classes of computer hardware (\$2,129,699) and vehicles (\$4,600,017). Right-to-use leases and subscriptions decreased by \$2,891,262.

Durham County's Capital Assets (Net of Depreciation)

| | Governmental Activities | | Business - type Activities | | Total | |
|-------------------------------------|-------------------------|-----------------------|----------------------------|----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Land | \$ 10,121,435 | \$ 10,001,626 | \$ 5,817,902 | \$ 5,536,715 | \$ 15,939,337 | \$ 15,538,341 |
| Easements | 3,053,493 | 3,053,493 | 5,000 | 5,000 | 3,058,493 | 3,058,493 |
| Improvements- water and sewer lines | - | - | 12,230,511 | 12,450,235 | 12,230,511 | 12,450,235 |
| Buildings | 311,885,228 | 323,216,064 | 31,152,355 | 33,524,791 | 343,037,583 | 356,740,855 |
| Water systems | 2,182,238 | 2,232,848 | - | - | 2,182,238 | 2,232,848 |
| Office furniture and equipment | 740,120 | 896,869 | - | - | 740,120 | 896,869 |
| Machinery and equipment | 2,926,477 | 3,714,872 | 5,577,247 | 7,292,769 | 8,503,724 | 11,007,641 |
| Computer hardware | 4,234,377 | 6,727,338 | 51,780 | 9,779 | 4,286,157 | 6,737,117 |
| Computer software | 321,036 | 48,763 | - | - | 321,036 | 48,763 |
| Vehicles | 8,296,588 | 5,376,512 | 147,767 | 125,509 | 8,444,355 | 5,502,021 |
| Right-to-use leases/subscriptions | 7,852,849 | 11,045,783 | - | - | 7,852,849 | 11,045,783 |
| Construction in progress | 255,323,780 | 191,888,446 | 15,746,095 | 13,125,262 | 271,069,875 | 205,013,708 |
| Total | <u>\$ 606,937,621</u> | <u>\$ 558,202,614</u> | <u>\$ 70,728,657</u> | <u>\$ 72,070,060</u> | <u>\$ 677,666,278</u> | <u>\$ 630,272,674</u> |

Additional information on the County's capital assets can be found in Note D on pages 65-67 of this report.

Long-term debt. At the end of the current fiscal year, Durham County had total debt outstanding of \$822,619,972. Of this amount, \$252,295,492 comprises bonded debt backed by the full faith and credit of the government. Also included is \$2,785,831 of bonded debt secured by a pledge of and lien upon, and payable solely from, the net receipts of the enterprise system, and in certain circumstances, by proceeds of the revenue bonds, investment earnings and certain net insurance and other proceeds. The revenue bonds are additionally secured by and payable from money

and securities of certain funds, accounts and sub-accounts held by the trustee under the trust agreement and the first supplemental trust agreement. The balance consists of limited obligation bonds in the amount of \$479,089,682, installment notes in the amount of \$1,726,462, BANs in the amount of \$73,431,159, other financing agreements in the amount of \$5,901,407, leases in the amount of \$5,477,639, and subscriptions in the amount of \$1,912,300. The general obligation bond anticipation notes are also backed by the full faith and credit of the government.

The County's total debt, excluding accrued compensated absences, total OPEB liability, net LGERS pension liability, and LEOSA total pension liability, increased by \$99,701,926 (13.79 percent) during the current fiscal year. The key factors in this increase were issuances of limited obligation installment financing contracts of \$49,531,638, bond anticipation notes of \$30,454,210, and general obligation bonds of \$24,704,987. These increased amounts were offset by annual governmental and business-type-debt retirements of \$4,988,909.

Durham County's Outstanding Debt General Obligations, Revenue Bonds, Installment Purchases and Other Financing Agreements

| | Governmental Activities | | Business - type Activities | | Total | |
|-------------------------------|-------------------------|-----------------------|----------------------------|----------------------|-----------------------|-----------------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| General obligation bonds | \$ 252,295,492 | \$ 227,590,505 | \$ - | \$ - | \$ 252,295,492 | \$ 227,590,505 |
| Revenue bonds | - | - | 2,785,831 | 3,657,718 | 2,785,831 | 3,657,718 |
| Limited obligation bonds | 479,089,682 | 429,558,044 | - | - | 479,089,682 | 429,558,044 |
| Installment notes payable | 1,726,462 | 2,065,174 | - | - | 1,726,462 | 2,065,174 |
| Bond Anticipation Notes | 73,431,159 | 42,976,949 | - | - | 73,431,159 | 42,976,949 |
| Leases | 5,477,639 | 6,126,119 | - | - | 5,477,639 | 6,126,119 |
| Subscription-based technology | 1,912,300 | 4,370,984 | - | - | 1,912,300 | 4,370,984 |
| Other financing agreements | - | - | 5,901,407 | 6,572,553 | 5,901,407 | 6,572,553 |
| Total | <u>\$ 813,932,734</u> | <u>\$ 712,687,775</u> | <u>\$ 8,687,238</u> | <u>\$ 10,230,271</u> | <u>\$ 822,619,972</u> | <u>\$ 722,918,046</u> |

The County maintains bond ratings from Moody's Investors Service, Inc. and Standard & Poor's Rating Services of Aaa and AAA, respectively.

State statutes limit the amount of general obligation debt a governmental entity may issue to 8 percent of its total assessed valuation. The current debt limitation for the County is \$4,105,937,180. The amount of debt relevant to the statutory limit is \$222,055,000, which yields a legal debt margin of \$3,883,882,180. The net bonded debt per capita is \$749.

Additional information on the County's long-term debt can be found in Note E on pages 68-73 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is 3.6 percent as of June 2024, which is an increase from a rate of 3.2 percent as of June 2023 due to a general economic slowdown in the region, which prompted significant layoffs in the tech sector. The County's unemployment rate equals the state's unemployment rate of 3.6 percent and is less than the national rate of 4.1 percent as of June 2024.
- The construction activity for non-residential and residential construction was \$2.1 billion for calendar year 2023 compared to almost \$2.3 billion for the calendar year 2022.
- The manufacturing sector employment had a decrease of .14 percent (33 positions) for calendar year 2023 (24,106) compared to calendar year 2022 (24,139).
- Retail sales are reported on total taxable sales based on sales and use tax returns. The total taxable sales for Durham County for 2024 reported were \$10.766 billion compared to \$10.661 billion reported for fiscal year 2023, an increase of \$.105 billion (0.98 percent). The increase in retail sales is an indication of a thriving economy in the County due to the growth of small and large businesses.

- Major Economic development announcements for 2023 were over \$1.76 billion, and economic announcements occurring for 2024 amounted to over \$75 million.
- The per capita income for Durham County for 2022 is \$59,070, a decrease of 2.09 percent over 2021. Wake County has a per capita income of \$76,357. The per capita for North Carolina increased from 2022 to 2023 to \$61,831, an increase of 6.41 percent, while the per capita for the nation increased to \$69,815, an increase of 6.64 percent. The source for this information is the Bureau of Economic Analysis (BEA).
- Inflationary trends in the region compare favorably to the national indices.

All these factors were considered in preparing the County's budget for the 2025 fiscal year.

At the end of the current fiscal year, fund balance available for appropriation for the general fund was \$200,899,010 or 30.19 percent of total general fund expenditures, a decrease of \$13.90 million or 6.47 percent, respectively, from the previous fiscal year. The County has appropriated \$28,449,479 million of this amount for spending in the 2025 fiscal year budget.

Governmental Activities: Property taxes in the current fiscal year 2024 levy are based on the assessed values as of January 1, 2019, effective date of the County's last general reappraisal. For fiscal year 2024, the budgeted property tax collection percentage approved by the Board of County Commissioners is being adjusted from 99.50 percent to 99.60 percent given the more stable economy after the pandemic. Moreover, the County has taken a conservative approach to property valuation and is relying on the natural year-to-year growth of 4.73 percent, providing an additional \$16.8 million in revenue for fiscal year 2024. The tax rate assessed for the 2024 fiscal year is \$0.7522, which was \$0.7222 for the prior fiscal year. The tax rate for fiscal year 2025 will increase .0465 cents to \$0.7987. A transfer from the community health trust fund, a special revenue fund, is budgeted for the 2025 fiscal year as a funding source for health-related spending.

Business-Type Activities: The sewer rates were increased for fiscal year 2025 in the sewer utility fund. The consumption rate charge was increased by 13 percent for all customers, both residential and industrial, effective July 1, 2024. The rate increase was necessary to maintain operational expenses, capital costs, and funds to service debt. There were increases and/or new construction inspection, development review, industrial user, monitoring, and surcharge fees related to sewer utilities for fiscal year 2025..

The County moved stormwater services from the general fund to a new stormwater proprietary (enterprise) fund effective July 1, 2020. In doing so, the stormwater rate structures for its fees and charges for services were evaluated and restructured, effective July 1, 2020, to ensure that the user fees would be sufficient to fund these services. The stormwater rates/fees for fiscal year 2024 increased 33 percent from \$48 to \$64. The fee increased from \$64 to \$80 for fiscal year 2025. These increases for both years were to cover the cost of complying with Falls Lake and Jordan Lake rules designed to restore water quality in the lakes by reducing the amount of pollution entering upstream.

Requests for Information

This financial report is designed to provide a general 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, 201 East Main Street, 7th Floor, Durham, NC 27701. You can also visit our website at <http://www.dconnc.gov>.

Basic Financial Statements





Statement of Net Position

June 30, 2024

| | Governmental Activities | Business Type Activities | Total Primary Government | Durham County ABC Board |
|---|----------------------------|-----------------------------|-----------------------------|----------------------------|
| Assets | | | | |
| Cash and cash equivalents / investments | \$ 369,082,612 | \$ 54,699,320 | \$ 423,781,932 | \$ 5,099,195 |
| Cash and cash equivalents / investments - restricted | 99,194,890 | 10,203,666 | 109,398,556 | - |
| Receivables: | | | | |
| Accounts receivable | 1,091,941 | 595,508 | 1,687,449 | - |
| Restricted opioid receivables (net of allowance for uncollectible of \$1,626,413) | 14,637,717 | - | 14,637,717 | - |
| Stormwater fees receivable | - | 273,445 | 273,445 | - |
| Accrued interest receivable | 1,556,237 | 108,028 | 1,664,265 | - |
| Net property taxes receivable | 2,675,272 | - | 2,675,272 | - |
| Beer and wine tax receivable | 1,296 | - | 1,296 | - |
| Occupancy tax receivable | 45,774 | - | 45,774 | - |
| Solid waste receivable | 31,037 | - | 31,037 | - |
| Animal taxes receivable | 282 | - | 282 | - |
| Water services receivable | (1,328) | - | (1,328) | - |
| Net emergency medical services receivable | 3,721,240 | - | 3,721,240 | - |
| WSR loan receivable | 2,550,000 | - | 2,550,000 | - |
| Parking deck receivable | 9,765,000 | - | 9,765,000 | - |
| Leases | 8,140,711 | - | 8,140,711 | - |
| Inventory | 2,216,935 | - | 2,216,935 | 12,446,039 |
| Due from other governments - federal and state agencies | 43,143,830 | 173,239 | 43,317,069 | - |
| Due from other governments - local | 14,676,651 | 111,053 | 14,787,704 | - |
| Due from other agencies - other | 38,777 | - | 38,777 | - |
| Prepaid expenses | 146,193 | 4,625 | 150,818 | 495,251 |
| Investment in joint venture | 8,426,184 | - | 8,426,184 | - |
| Pension assets - ROD Supplemental Plan | 377,757 | - | 377,757 | - |
| Derivative financial instrument | 398,812 | - | 398,812 | - |
| Capital assets: | | | | |
| Nondepreciable: | | | | |
| Land | 10,121,435 | 5,817,902 | 15,939,337 | 2,930,654 |
| Easements | 3,053,493 | 5,000 | 3,058,493 | - |
| Construction in progress | 255,323,780 | 15,746,095 | 271,069,875 | 325,994 |
| Depreciable: | | | | |
| Land improvements - sewer lines and systems | - | 30,310,100 | 30,310,100 | - |
| Buildings | 474,246,058 | 56,854,766 | 531,100,824 | 10,010,619 |
| Water systems | 2,530,425 | - | 2,530,425 | - |
| Office furniture and equipment | 2,516,354 | - | 2,516,354 | 2,684,601 |
| Machinery and equipment | 17,770,969 | 11,108,859 | 28,879,828 | - |
| Computer hardware | 27,523,569 | 107,951 | 27,631,520 | - |
| Computer software | 16,952,439 | 73,157 | 17,025,596 | - |
| Vehicles | 30,582,757 | 708,098 | 31,290,855 | 348,896 |
| Accumulated depreciation | (241,536,507) | (50,003,271) | (291,539,778) | (3,816,924) |
| Right of use assets | 12,018,995 | - | 12,018,995 | 3,115,129 |
| Accumulated amortization | (4,166,146) | - | (4,166,146) | (831,553) |
| Total capital assets, net of accumulated depreciation and amortization | 606,937,621 | 70,728,657 | 677,666,278 | 14,767,416 |
| Total assets | 1,188,855,441 | 136,897,541 | 1,325,752,982 | 32,807,901 |
| Deferred outflows of resources | | | | |
| ROD pension deferrals | 241,424 | - | 241,424 | - |
| LGERS pension deferrals | 62,711,153 | 984,629 | 63,695,782 | 1,522,671 |
| LEOSSA pension deferrals | 2,819,170 | - | 2,819,170 | - |
| OPEB deferrals | 23,545,769 | - | 23,545,769 | 35,299 |
| Deferred charges on refundings | 9,153,057 | 132,266 | 9,285,323 | - |
| Total deferred outflows of resources | 98,470,573 | 1,116,895 | 99,587,468 | 1,557,970 |

The notes to the financial statements are an integral part of this statement.

Statement of Net Position (Continued)

June 30, 2024

| | Governmental Activities | Business Type Activities | Total Primary Government | Durham County ABC Board |
|---|----------------------------|-----------------------------|-----------------------------|----------------------------|
| Liabilities | | | | |
| Accounts payable | \$ 26,897,590 | \$ 707,071 | \$ 27,604,661 | \$ 1,466,173 |
| Arbitrage rebate payable | - | 13,000 | 13,000 | - |
| Accrued interest payable | 3,223,787 | 26,579 | 3,250,366 | - |
| Accrued payroll and related amounts withheld | 10,765,637 | 241,486 | 11,007,123 | 232,532 |
| Due to other governments - federal and state agencies | 901 | - | 901 | 1,214,557 |
| Due to other governments - local | 1,189,890 | - | 1,189,890 | 1,317,137 |
| Security deposits | 37,604 | 46,294 | 83,898 | - |
| Retiree and COBRA prepaid benefit contributions | 219,594 | - | 219,594 | - |
| Escrow - register of deeds | 730,251 | - | 730,251 | - |
| Unearned revenue | 46,856,348 | - | 46,856,348 | - |
| Current portion of long-term liabilities: | | | | |
| Accrued compensated absences due within one year | 7,187,006 | 116,140 | 7,303,146 | - |
| Bonds and other notes payable due within one year | 57,874,558 | 1,563,033 | 59,437,591 | 465,022 |
| OPEB liability due within one year | 4,444,566 | - | 4,444,566 | - |
| Long-term liabilities due in more than one year: | | | | |
| Net pension liability - LGERS | 99,963,783 | 1,565,624 | 101,529,407 | 2,229,066 |
| Total pension liability - LEOSSA | 10,448,687 | - | 10,448,687 | - |
| Total OPEB liability | 159,298,803 | - | 159,298,803 | 467,491 |
| Accrued compensated absences | 4,524,086 | 130,909 | 4,654,995 | 187,544 |
| Bonds and other notes payable | 756,058,176 | 7,124,205 | 763,182,381 | 1,942,209 |
| Total liabilities | <u>1,189,721,267</u> | <u>11,534,341</u> | <u>1,201,255,608</u> | <u>9,521,731</u> |
| Deferred inflows of resources | | | | |
| ROD pension deferrals | 16,724 | - | 16,724 | - |
| LGERS pension deferrals | 861,450 | 41,239 | 902,689 | 25,465 |
| LEOSSA pension deferrals | 958,530 | - | 958,530 | - |
| OPEB deferrals | 50,451,879 | - | 50,451,879 | - |
| Leases | 7,711,094 | - | 7,711,094 | - |
| Total deferred inflows of resources | <u>59,999,677</u> | <u>41,239</u> | <u>60,040,916</u> | <u>25,465</u> |
| Net position | | | | |
| Net investment in capital assets | 53,700,724 | 62,173,685 | 115,874,409 | 12,360,185 |
| Restricted for: | | | | |
| Stabilization by State Statute | 78,848,848 | - | 78,848,848 | - |
| Capital projects | 4,340,465 | 10,203,666 | 14,544,131 | 1,837,568 |
| Grants and technology | 3,941,888 | - | 3,941,888 | - |
| Fire services | 243,528 | - | 243,528 | - |
| Opioid settlement funds | 19,316,379 | - | 19,316,379 | - |
| Register of Deeds' Pension Plan | 377,757 | - | 377,757 | - |
| Unrestricted net position (deficit) | (123,164,519) | 54,061,505 | (69,103,014) | 10,620,922 |
| Total net position | <u>\$ 37,605,070</u> | <u>\$ 126,438,856</u> | <u>\$ 164,043,926</u> | <u>\$ 24,818,675</u> |

The notes to the financial statements are an integral part of this statement.

Statement of Activities Year Ended June 30, 2024

| Functions/Programs | Expenses | Program Revenues | | | Net Expense and Changes in Net Position | | | Durham County ABC Board |
|---|-----------------------|----------------------|------------------------------------|----------------------------------|---|---|-----------------------|-------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Primary Government Business-type Activities | Total | |
| Primary government: | | | | | | | | |
| Governmental activities: | | | | | | | | |
| General government | \$ 112,974,080 | \$ 17,124,546 | \$ 29,703,429 | \$ - | \$ (66,146,105) | \$ - | \$ (66,146,105) | \$ - |
| Public safety | 109,677,188 | 18,437,080 | 6,478,652 | - | (84,761,456) | - | (84,761,456) | - |
| Transportation | 1,311,317 | 2,933 | 615,593 | - | (692,791) | - | (692,791) | - |
| Economic and physical development | 13,130,041 | 58,356 | 1,646,264 | - | (11,425,421) | - | (11,425,421) | - |
| Environmental protection | 13,396,439 | 3,295,272 | - | 313,688 | (9,787,479) | - | (9,787,479) | - |
| Human services | 136,690,860 | 1,460,453 | 56,159,817 | - | (79,070,590) | - | (79,070,590) | - |
| Education | 292,887,030 | 41,210 | - | 1,950,119 | (290,895,701) | - | (290,895,701) | - |
| Cultural and recreational | 19,510,407 | 271,055 | 459,572 | - | (18,779,780) | - | (18,779,780) | - |
| Interest and fiscal charges | 24,155,932 | - | - | - | (24,155,932) | - | (24,155,932) | - |
| Total governmental activities | 723,733,294 | 40,690,905 | 95,063,327 | 2,263,807 | (585,715,255) | - | (585,715,255) | - |
| Business-type activities: | | | | | | | | |
| Sewer utility | 14,172,698 | 18,597,857 | - | 135,576 | - | 4,560,735 | 4,560,735 | - |
| Stormwater | 2,570,617 | 3,665,579 | - | - | - | 1,094,962 | 1,094,962 | - |
| Total business-type activities | 16,743,315 | 22,263,436 | - | 135,576 | - | 5,655,697 | 5,655,697 | - |
| Total primary government | \$ 740,476,609 | \$ 62,954,341 | \$ 95,063,327 | \$ 2,399,383 | (585,715,255) | 5,655,697 | (580,059,558) | - |
| Component units: | | | | | | | | |
| Durham County ABC Board | \$ 60,186,419 | \$ 62,307,588 | \$ - | \$ - | - | - | - | 2,121,169 |
| Total component units | \$ 60,186,419 | \$ 62,307,588 | \$ - | \$ - | - | - | - | 2,121,169 |
| General revenues: | | | | | | | | |
| Taxes | | | | | | | | |
| Property taxes, levied for general purposes | | | | | 389,361,162 | - | 389,361,162 | - |
| Property taxes, levied for fire districts | | | | | 11,479,155 | - | 11,479,155 | - |
| Property taxes, levied for other districts purposes | | | | | 2,960,715 | - | 2,960,715 | - |
| Local option sales tax | | | | | 128,164,806 | - | 128,164,806 | - |
| Occupancy tax | | | | | 4,887,179 | - | 4,887,179 | - |
| Gross receipts tax | | | | | 833,101 | - | 833,101 | - |
| Vehicle registration tax | | | | | 176,761 | - | 176,761 | - |
| Investment and interest income | | | | | 18,141,726 | 1,117,660 | 19,259,386 | 175,495 |
| Other revenues | | | | | 1,343,163 | - | 1,343,163 | - |
| Total general revenues | | | | | 557,347,768 | 1,117,660 | 558,465,428 | 175,495 |
| Change in net position | | | | | (28,367,487) | 6,773,357 | (21,594,130) | 2,296,664 |
| Net position, beginning | | | | | 48,485,381 | 119,665,499 | 168,150,880 | 22,522,011 |
| Accounting Changes and Error Corrections (Note O): | | | | | 17,487,176 | - | 17,487,176 | - |
| Net position, beginning of year, restated | | | | | 65,972,557 | - | 65,972,557 | - |
| Net position, ending | | | | | \$ 37,605,070 | \$ 126,438,856 | \$ 164,043,926 | \$ 24,818,675 |

The notes to the financial statements are an integral part of this statement.

Balance Sheet Governmental Funds June 30, 2024

| | General Fund | American Rescue Plan Act | Opioid Settlement Fund | Capital Projects Fund | Debt Service Fund | Nonmajor Special Revenue Funds | Total Governmental Funds |
|---|-----------------------|--------------------------------|------------------------------|--------------------------|-----------------------|---|--------------------------------|
| Assets | | | | | | | |
| Cash and cash equivalents / investments | \$ 237,543,946 | \$ 1,194,377 | \$ - | \$ 22,889,793 | \$ 101,950,633 | \$ 5,503,864 | \$ 369,082,613 |
| Cash and cash equivalents / investments - restricted | 4,801,201 | 44,704,732 | 4,747,155 | 44,698,274 | - | 243,528 | 99,194,890 |
| Receivables: | | | | | | | |
| Accounts receivable, net | 1,091,941 | - | - | - | - | - | 1,091,941 |
| Restricted opioid receivables, net | - | - | 14,637,717 | - | - | - | 14,637,717 |
| Accrued interest receivable | 1,556,237 | - | - | - | - | - | 1,556,237 |
| Net property taxes receivable | 2,562,720 | - | - | - | - | 112,552 | 2,675,272 |
| Solid waste receivable | 31,037 | - | - | - | - | - | 31,037 |
| Beer & Wine receivable | 1,296 | - | - | - | - | - | 1,296 |
| Occupancy tax receivable | 45,774 | - | - | - | - | - | 45,774 |
| Animal taxes receivable | 282 | - | - | - | - | - | 282 |
| Water services receivable | (1,328) | - | - | - | - | - | (1,328) |
| Net emergency medical services receivable | 3,721,240 | - | - | - | - | - | 3,721,240 |
| WSR loan receivable | - | - | - | 2,550,000 | - | - | 2,550,000 |
| Parking deck receivable | - | - | - | 9,765,000 | - | - | 9,765,000 |
| Leases | 8,140,711 | - | - | - | - | - | 8,140,711 |
| Inventory | 2,216,935 | - | - | - | - | - | 2,216,935 |
| Due from other governments - federal and state agencies | 40,423,566 | 14,797 | - | 2,652,125 | - | 53,342 | 43,143,830 |
| Due from other governments - local | 14,676,651 | - | - | - | - | - | 14,676,651 |
| Due from agencies - other | 38,777 | - | - | - | - | - | 38,777 |
| Due from capital project fund | 3,047,554 | - | - | - | - | - | 3,047,554 |
| Prepaid expenditures | 146,193 | - | - | - | - | - | 146,193 |
| Total assets | 320,044,733 | 45,913,906 | 19,384,872 | 82,555,192 | 101,950,633 | 5,913,286 | 575,762,622 |
| Liabilities | | | | | | | |
| Accounts payable | \$ 14,164,327 | \$ 210,256 | \$ 68,493 | \$ 12,430,437 | \$ - | \$ 24,077 | \$ 26,897,590 |
| Accrued payroll and related amounts withheld | 10,765,638 | - | - | - | - | - | 10,765,638 |
| Due to other governments - federal and state agencies | 901 | - | - | - | - | - | 901 |
| Due to other governments - local | 1,189,756 | - | - | - | 134 | - | 1,189,890 |
| Due to general fund | - | - | - | 3,047,554 | - | - | 3,047,554 |
| Security deposits | 37,604 | - | - | - | - | - | 37,604 |
| Retiree and COBRA prepaid benefit contributions | 219,594 | - | - | - | - | - | 219,594 |
| Escrow - register of deeds | 730,251 | - | - | - | - | - | 730,251 |
| Unearned revenue | 1,125,145 | 45,703,650 | - | - | - | - | 46,828,795 |
| Total liabilities | 28,233,216 | 45,913,906 | 68,493 | 15,477,991 | 134 | 24,077 | 89,717,817 |
| Deferred inflows of resources | | | | | | | |
| Prepaid taxes | - | - | - | - | - | 27,553 | 27,553 |
| Net property taxes receivable | 2,562,720 | - | - | - | - | 112,552 | 2,675,272 |
| Solid waste receivable | 31,037 | - | - | - | - | - | 31,037 |
| Animal taxes receivable | 282 | - | - | - | - | - | 282 |
| Water services receivable | (1,328) | - | - | - | - | - | (1,328) |
| Net emergency medical services receivable | 3,721,240 | - | - | - | - | - | 3,721,240 |
| WSR loan receivable | - | - | - | 2,550,000 | - | - | 2,550,000 |
| Beer & Wine receivable | 1,296 | - | - | - | - | - | 1,296 |
| Occupancy tax receivable | 45,774 | - | - | - | - | - | 45,774 |
| Leases | 7,711,094 | - | - | - | - | - | 7,711,094 |
| Opioid settlement funds | - | - | 14,637,717 | - | - | - | 14,637,717 |
| Total deferred inflows of resources | 14,072,115 | - | 14,637,717 | 2,550,000 | - | 140,105 | 31,399,937 |
| Fund balances | | | | | | | |
| Non-spendable: | 2,792,745 | - | - | - | - | - | 2,792,745 |
| Restricted: | | | | | | | |
| Stabilization by State Statute | 78,848,848 | - | - | - | - | - | 78,848,848 |
| Restricted for other purposes | 4,801,201 | - | 4,678,662 | 48,179,426 | - | 243,528 | 57,902,817 |
| Committed: | 101,591,599 | - | - | - | - | - | 101,591,599 |
| Assigned | 28,449,479 | - | - | 16,347,775 | 101,950,499 | 5,505,576 | 152,253,329 |
| Unassigned | 61,255,530 | - | - | - | - | - | 61,255,530 |
| Total fund balances | 277,739,402 | - | 4,678,662 | 64,527,201 | 101,950,499 | 5,749,104 | 454,644,868 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 320,044,733 | \$ 45,913,906 | \$ 19,384,872 | \$ 82,555,192 | \$ 101,950,633 | \$ 5,913,286 | \$ 575,762,622 |

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
June 30, 2024**

| | |
|--|------------------------|
| Total fund balance - governmental funds | \$ 454,644,868 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 615,363,805 |
| Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds. | 776,569 |
| Deferred outflows of resources used in governmental activities represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds. | 98,470,573 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds. | 23,661,290 |
| Deferred inflows of resources used in governmental activities represent an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds. | (52,288,583) |
| Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the funds. | <u>(1,103,023,452)</u> |
| Net position of governmental activities | <u>\$ 37,605,070</u> |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year Ended June 30, 2024

| | General Fund | American Rescue Plan Act | Opioid Settlement Fund | Capital Projects Fund | Debt Service Fund | Nonmajor Special Revenue Funds | Total Governmental Funds |
|--|----------------|--------------------------------|------------------------------|-----------------------------|----------------------|---|--------------------------------|
| Revenues | | | | | | | |
| Taxes | \$ 523,858,260 | \$ - | \$ - | \$ - | \$ - | \$ 14,416,741 | \$ 538,275,001 |
| Licenses and permits | 305,958 | - | - | - | - | - | 305,958 |
| Intergovernmental revenues | 78,026,815 | 16,790,750 | 3,181,465 | 2,177,217 | - | - | 100,176,247 |
| Investments | 11,742,793 | - | 56,070 | 4,365,845 | 1,939,420 | 199,063 | 18,303,191 |
| Rent | 874,157 | - | - | - | - | - | 874,157 |
| Charges for services | 37,225,603 | - | - | - | 541,432 | 1,250,000 | 39,017,035 |
| Other revenues | 1,239,464 | - | - | - | 103,698 | - | 1,343,162 |
| Total revenues | 653,273,050 | 16,790,750 | 3,237,535 | 6,543,062 | 2,584,550 | 15,865,804 | 698,294,751 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| General government | 82,296,617 | 14,905,010 | - | 26,532 | - | - | 97,228,159 |
| Public safety | 91,152,309 | - | - | - | - | 10,411,035 | 101,563,344 |
| Transportation | 1,287,189 | - | - | - | - | - | 1,287,189 |
| Environmental protection | 7,215,767 | - | - | 6,003,386 | - | - | 13,219,153 |
| Economic and physical development | 8,831,708 | 1,342,309 | - | - | - | 2,710,856 | 12,884,873 |
| Human services | 132,040,587 | 456,841 | 68,493 | - | - | - | 132,565,921 |
| Education | 208,635,098 | - | - | 84,055,925 | - | - | 292,691,023 |
| Cultural and recreational | 17,387,594 | - | - | 790,624 | - | - | 18,178,218 |
| Debt service: | | | | | | | |
| Principal retirement | 3,173,613 | - | - | - | 46,758,712 | - | 49,932,325 |
| Interest and fiscal charges | 185,766 | - | - | - | 28,238,256 | - | 28,424,022 |
| Debt issuance costs | - | - | - | - | 1,333,757 | - | 1,333,757 |
| Capital Outlay | 6,135,712 | 86,590 | - | 65,868,339 | - | - | 72,090,641 |
| Total expenditures | 558,341,960 | 16,790,750 | 68,493 | 156,744,806 | 76,330,725 | 13,121,891 | 821,398,625 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 94,931,090 | - | 3,169,042 | (150,201,744) | (73,746,175) | 2,743,913 | (123,103,874) |
| Other financing sources (uses) | | | | | | | |
| Transfers in | 1,764,497 | - | - | 14,538,337 | 96,996,259 | - | 113,299,093 |
| Transfers out | (107,200,127) | - | - | (246,670) | (3,813,389) | (2,038,907) | (113,299,093) |
| Lease liabilities issued | 76,686 | - | - | - | - | - | 76,686 |
| Premium on issuance of bonds | - | - | - | 5,510,052 | - | - | 5,510,052 |
| Issuance of bonds | - | - | - | 71,295,000 | - | - | 71,295,000 |
| Issuance of installment purchases | - | - | - | 80,454,210 | - | - | 80,454,210 |
| Premium on issuance of refinancing | - | - | - | - | 4,410,688 | - | 4,410,688 |
| Issuance of refunding bonds | - | - | - | - | 45,980,000 | - | 45,980,000 |
| Payment to refunded debt escrow agent | - | - | - | - | (50,000,000) | - | (50,000,000) |
| Total other financing sources (uses) | (105,358,944) | - | - | 171,550,929 | 93,573,558 | (2,038,907) | 157,726,636 |
| Net change in fund balances | (10,427,854) | - | 3,169,042 | 21,349,185 | 19,827,383 | 705,006 | 34,622,762 |
| FUND BALANCE - BEGINNING | 287,122,391 | - | - | 43,178,016 | 82,123,116 | 7,553,718 | 419,977,241 |
| ACCOUNTING CHANGES AND ERROR CORRECTIONS (NOTE O): | \$ 1,044,865 | \$ - | \$ 1,509,620 | \$ - | \$ - | \$ (2,509,620) | \$ 44,865 |
| FUND BALANCE, BEGINNING OF YEAR, RESTATE | \$ 288,167,256 | \$ - | \$ 1,509,620 | \$ 43,178,016 | \$ 82,123,116 | \$ 5,044,098 | \$ 420,022,106 |
| FUND BALANCE - ENDING | \$ 277,739,402 | \$ - | \$ 4,678,662 | \$ 64,527,201 | \$ 101,950,499 | \$ 5,749,104 | \$ 454,644,868 |

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Statement of Activities
Year Ended June 30, 2024**

| | |
|---|------------------------|
| Net changes in fund balances - total governmental funds | \$ 34,622,762 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlay exceeded depreciation in the current year. | 48,227,609 |
| Deferred outflows of resources used in governmental activities represent a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds. | 23,787,813 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (2,928,946) |
| Deferred inflows of resources used in governmental activities represent an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds. | (30,831,766) |
| The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (101,244,959) |
| Change in net position of governmental activities | <u>\$ (28,367,487)</u> |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Positive (Negative) Variance |
|---|------------------|----------------|----------------|------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Taxes | | | | |
| Current levy | \$ 378,628,556 | \$ 378,628,556 | \$ 387,185,918 | \$ 8,557,362 |
| Prior years' levy | 500,000 | 500,000 | 1,462,409 | 962,409 |
| Tax penalties and interest | 650,000 | 650,000 | 984,275 | 334,275 |
| Advertising and selling | 20,000 | 20,000 | 42,103 | 22,103 |
| Payments in lieu of taxes | 50,000 | 50,000 | 65,013 | 15,013 |
| Local option sales tax | 127,908,318 | 127,908,318 | 128,164,806 | 256,488 |
| Occupancy tax | 4,725,000 | 4,725,000 | 4,874,801 | 149,801 |
| Gross receipts tax | 500,000 | 500,000 | 833,048 | 333,048 |
| Vehicle registration tax | 250,000 | 250,000 | 176,761 | (73,240) |
| Solid waste tax | 35,000 | 35,000 | 38,926 | 3,926 |
| White goods tax | 25,000 | 25,000 | 30,200 | 5,200 |
| Total taxes | 513,291,874 | 513,291,874 | 523,858,260 | 10,566,385 |
| Intergovernmental revenues | | | | |
| Beer and wine tax | 185,000 | 185,000 | 180,426 | (4,574) |
| Social services | 32,793,689 | 35,789,252 | 39,686,647 | 3,897,395 |
| Public health | 9,414,965 | 14,039,644 | 13,742,633 | (297,011) |
| Community intervention and support services | 1,108,317 | 2,348,749 | 2,273,696 | (75,053) |
| Library | 654,228 | 692,228 | 459,572 | (232,656) |
| Finance | 12,150,000 | 15,175,000 | 11,596,736 | (3,578,264) |
| ABC Board | 2,700,000 | 2,700,000 | 2,628,988 | (71,012) |
| Other | 8,669,526 | 10,596,798 | 7,458,117 | (3,138,681) |
| Total intergovernmental revenues | 67,675,725 | 81,526,671 | 78,026,815 | (3,499,856) |
| Charges for services | | | | |
| Elections registration lists | 895,923 | 895,923 | 854,623 | (41,300) |
| Register of deeds | 8,225,000 | 8,225,000 | 5,346,941 | (2,878,059) |
| General government charges | 8,405,447 | 8,405,447 | 7,912,289 | (493,158) |
| Collection fees | 2,328,897 | 2,328,897 | 2,353,736 | 24,839 |
| Public protection | 1,704,261 | 1,704,261 | 1,883,919 | 179,658 |
| Environmental protection | 13,000 | 13,000 | 16,181 | 3,181 |
| Solid waste fees | 2,322,231 | 2,322,231 | 2,435,544 | 113,313 |
| Facilities fees | 200,000 | 200,000 | 276,269 | 76,269 |
| Library fees and charges | 47,000 | 47,000 | 106,369 | 59,369 |
| Public health | 394,630 | 394,630 | 560,010 | 165,380 |
| Social services | 2,290 | 2,290 | 8,389 | 6,099 |
| Office of emergency services | 15,456,483 | 15,456,483 | 15,450,223 | (6,260) |
| Other charges | 11,800 | 17,252 | 21,110 | 3,858 |
| Total charges for services | 40,006,962 | 40,012,414 | 37,225,603 | (2,786,811) |
| Investment and rental income | | | | |
| Investment earnings | 3,415,000 | 4,912,764 | 11,742,793 | 6,830,029 |
| Rent | 1,151,200 | 1,318,566 | 874,157 | (444,409) |
| Total investment and rental income | 4,566,200 | 6,231,330 | 12,616,950 | 6,385,620 |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Positive (Negative) Variance |
|--|------------------|-------------|-------------|------------------------------------|
| | Original | Final | | |
| Licenses and permits | | | | |
| Cablevision and franchise fees | \$ 350,000 | \$ 350,000 | \$ 291,859 | \$ (58,141) |
| Wine and beer licenses | 17,000 | 17,000 | 14,094 | (2,906) |
| Other licenses and permits | - | - | 5 | 5 |
| Total licenses and permits | 367,000 | 367,000 | 305,958 | (61,042) |
| Other revenues | | | | |
| Miscellaneous | 124,725 | 124,725 | 749,601 | 624,875 |
| Confiscated property federal investigation | 50,000 | 50,000 | 64,500 | 14,500 |
| Inmate welfare | 125,000 | 125,000 | 133,181 | 8,181 |
| Sale of surplus property and materials | 25,000 | 25,000 | 137,278 | 112,278 |
| Other | 115,000 | 115,000 | 154,904 | 39,904 |
| Total other revenues | 439,725 | 439,725 | 1,239,464 | 799,738 |
| Total revenues | 626,347,486 | 641,869,014 | 653,273,050 | 11,404,034 |
| Expenditures | | | | |
| Current: | | | | |
| General administration | | | | |
| Board of county commissioners | 1,290,929 | 1,301,508 | 1,033,179 | 268,329 |
| County manager | 7,234,750 | 7,584,690 | 7,160,118 | 424,572 |
| Finance | 6,194,139 | 6,143,025 | 5,329,773 | 813,252 |
| Tax | 9,354,136 | 9,036,499 | 8,479,010 | 557,489 |
| Legal | 3,662,620 | 3,689,264 | 3,742,654 | (53,390) |
| Court facilities | 558,675 | 675,208 | 293,346 | 381,862 |
| Human resources | 10,023,211 | 9,872,550 | 9,673,607 | 198,943 |
| Elections | 3,619,666 | 3,661,882 | 2,717,408 | 944,474 |
| Risk management and insurance | 5,807,422 | 6,223,910 | 5,211,351 | 1,012,559 |
| General services | 19,379,157 | 21,693,028 | 19,025,255 | 2,667,773 |
| Geographic information systems | 533,524 | 533,524 | 412,464 | 121,060 |
| Information systems and technology | 17,649,462 | 19,616,749 | 15,750,183 | 3,866,566 |
| Register of deeds | 2,612,677 | 2,700,334 | 2,246,588 | 453,746 |
| Other | 1,592,557 | 2,054,555 | 1,221,681 | 832,874 |
| Total general administration | 89,512,925 | 94,786,726 | 82,296,617 | 12,490,109 |
| Public safety | | | | |
| Criminal justice partnership | 7,411,237 | 6,979,085 | 6,572,306 | 406,779 |
| County sheriff | 28,548,508 | 32,136,464 | 31,023,424 | 1,113,040 |
| County jail | 24,636,936 | 21,158,043 | 18,989,192 | 2,168,851 |
| Youth home | 2,846,571 | 2,805,510 | 2,740,932 | 64,578 |
| Animal control | 2,585,901 | 3,008,581 | 3,066,842 | (58,261) |
| Emergency communications center | 1,800,208 | 1,800,208 | 1,546,410 | 253,798 |
| Office of emergency services | 26,847,674 | 29,299,895 | 26,885,103 | 2,414,792 |
| Medical examiner | 389,900 | 439,950 | 328,100 | 111,850 |
| Total public safety | 95,066,935 | 97,627,736 | 91,152,309 | 6,475,427 |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Positive (Negative) Variance |
|---|------------------|-------------|-------------|------------------------------------|
| | Original | Final | | |
| Transportation | | | | |
| Airport authority | \$ 12,500 | \$ 12,500 | \$ 12,500 | \$ - |
| Go Triangle | 195,768 | 195,768 | 176,761 | 19,007 |
| County transportation | 1,470,815 | 1,796,878 | 1,097,928 | 698,950 |
| Total transportation | 1,679,083 | 2,005,146 | 1,287,189 | 717,957 |
| Environmental protection | | | | |
| Solid waste | 2,723,265 | 2,824,456 | 2,511,088 | 313,368 |
| Environmental engineering | 4,146,103 | 6,696,864 | 4,660,733 | 2,036,131 |
| Other | 95,597 | 113,023 | 43,946 | 69,077 |
| Total environmental protection | 6,964,965 | 9,634,343 | 7,215,767 | 2,418,576 |
| Economic and physical development | | | | |
| Planning | 1,653,302 | 1,653,302 | 1,653,302 | - |
| Cooperative extension | 2,650,400 | 3,408,361 | 2,786,064 | 622,297 |
| Soil and water conservation | 988,126 | 1,122,092 | 990,398 | 131,694 |
| Open space management | 100,000 | 201,214 | 12,088 | 189,126 |
| Industrial extension | 1,974,159 | 1,944,159 | 1,533,367 | 410,792 |
| Other | 1,500,931 | 1,890,673 | 1,856,489 | 34,184 |
| Total economic and physical development | 8,866,918 | 10,219,801 | 8,831,708 | 1,388,093 |
| Human services | | | | |
| Public health | 37,931,161 | 44,634,606 | 39,352,076 | 5,282,530 |
| Mental health | 6,503,802 | 9,678,652 | 9,421,857 | 256,795 |
| Social services | 70,940,426 | 77,372,509 | 72,054,632 | 5,317,877 |
| Community intervention and support services | 3,567,362 | 4,063,348 | 4,234,982 | (171,634) |
| Other | 500,000 | 8,200,722 | 6,977,040 | 1,223,682 |
| Total human services | 119,442,751 | 143,949,837 | 132,040,587 | 11,909,250 |
| Education | | | | |
| Durham public schools | | | | |
| Current | 181,951,627 | 181,951,627 | 181,951,627 | - |
| Capital | 6,000,000 | 6,000,000 | 6,000,000 | - |
| Durham technical community college | | | | |
| Current | 11,164,565 | 11,164,565 | 11,164,565 | - |
| Capital | 542,500 | 542,500 | 542,500 | - |
| Other education | 8,609,723 | 9,154,271 | 8,976,406 | 177,865 |
| Total education | 208,268,415 | 208,812,963 | 208,635,098 | 177,865 |
| Cultural and recreational | | | | |
| Library | 16,275,001 | 16,308,828 | 14,829,470 | 1,479,358 |
| Other | 458,000 | 2,816,124 | 2,558,124 | 258,000 |
| Total cultural and recreational | 16,733,001 | 19,124,952 | 17,387,594 | 1,737,358 |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Continued)
General Fund
Year Ended June 30, 2024

| | Budgeted Amounts | | Actual | Positive (Negative) Variance |
|---|-------------------|-------------------|-----------------------|------------------------------------|
| | Original | Final | | |
| Capital Outlay | | | | |
| General Government | \$ 3,447,211 | \$ 12,221,600 | \$ 4,896,723 | \$ 7,324,877 |
| Public safety | 97,040 | 996,660 | 1,044,500 | (47,840) |
| Environmental protection | 6,000 | 175,152 | 119,809 | 55,343 |
| Economic and physical development | - | 14,000 | 7,463 | 6,537 |
| Human services | 10,000 | 266,179 | 67,217 | 198,962 |
| Cultural and recreational | - | 56,000 | - | 56,000 |
| Total capital outlay | 3,560,251 | 13,729,591 | 6,135,712 | 7,593,879 |
| Total expenditures | 550,095,244 | 599,891,095 | 554,982,581 | 44,908,514 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 76,252,242 | 41,977,919 | 98,290,469 | (33,504,480) |
| Other financing sources (uses) | | | | |
| Transfers in | 5,541,884 | 5,687,224 | 1,764,497 | (3,922,727) |
| Transfers out | (107,320,185) | (107,200,127) | (107,200,127) | - |
| Lease liabilities issued | - | - | 76,686 | 76,686 |
| Appropriated fund balance | 25,526,059 | 59,534,984 | - | (59,534,984) |
| Total other financing uses | (76,252,242) | (41,977,919) | (105,358,944) | (63,381,025) |
| EXCESS OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES AND OTHER USES | \$ - | \$ - | (7,068,475) | \$ (96,885,505) |
| FUND BALANCE - BEGINNING | | | 287,122,391 | |
| ACCOUNTING CHANGES AND ERROR CORRECTIONS (NOTE O): | | | 1,044,865 | |
| FUND BALANCE, BEGINNING OF YEAR, RESTATED | | | 288,167,256 | |
| FUND BALANCE - ENDING | | | \$ 281,098,781 | |

The following table presents a reconciliation of resulting basis differences in the fund balance (budgetary basis) at June 30, 2024 to the fund balance on a modified accrual basis (GAAP):

| | |
|---|-----------------------|
| Fund Balance (Non-GAAP) June 30, 2024 | \$ 277,739,402 |
| Reconciling Adjustments: | |
| Other Financing Sources (Uses) | 3,359,379 |
| Lease and\ SBITA Capital Outlay | (3,359,379) |
| Fund Balance (GAAP Basis) June 30, 2024 | <u>\$ 277,739,402</u> |

The notes to the financial statements are an integral part of this statement.

Statement of Net Position

Proprietary Funds

June 30, 2024

| | Enterprise Funds | | |
|---|--------------------|-----------------------------|--------------------|
| | Sewer Utility Fund | Nonmajor Stormwater Fund | Total |
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents / investments | \$ 50,312,713 | \$ 4,386,607 | \$ 54,699,320 |
| Cash and cash equivalents / investments - restricted | 10,203,666 | - | 10,203,666 |
| Receivables: | | | |
| Stormwater fees receivable | - | 273,445 | 273,445 |
| Accounts receivable | 590,004 | 5,504 | 595,508 |
| Accrued interest receivable | 97,876 | 10,152 | 108,028 |
| Total receivables | 687,880 | 289,101 | 976,981 |
| Due from other governments - federal and state agencies | 171,695 | 1,544 | 173,239 |
| Due from other governments - local | 111,053 | - | 111,053 |
| Prepaid expenses | 4,625 | - | 4,625 |
| Total current assets | 61,491,632 | 4,677,252 | 66,168,884 |
| Noncurrent assets | | | |
| Capital assets: | | | |
| Land | 5,817,902 | - | 5,817,902 |
| Easements | 5,000 | - | 5,000 |
| Land improvements - sewer and water lines | 30,310,100 | - | 30,310,100 |
| Building treatment plant | 56,854,766 | - | 56,854,766 |
| Machinery and equipment | 11,100,789 | 8,070 | 11,108,859 |
| Vehicles | 521,592 | 186,506 | 708,098 |
| Computer hardware | 100,347 | 7,604 | 107,951 |
| Computer software | 73,157 | - | 73,157 |
| Construction in progress | 15,746,095 | - | 15,746,095 |
| Total capital assets | 120,529,748 | 202,180 | 120,731,928 |
| Less accumulated depreciation and amortization | (49,883,477) | (119,794) | (50,003,271) |
| Net capital assets | 70,646,271 | 82,386 | 70,728,657 |
| Total assets | 132,137,903 | 4,759,638 | 136,897,541 |
| Deferred outflows of resources | | | |
| LGERS pension deferrals | 860,302 | 124,327 | 984,629 |
| Deferred charges on refundings | 132,266 | - | 132,266 |
| Total deferred outflows of resources | 992,568 | 124,327 | 1,116,895 |
| Liabilities | | | |
| Current liabilities | | | |
| Current portion of accrued compensated absences | 79,897 | 36,243 | 116,140 |
| Current portion of long-term debt | 1,563,033 | - | 1,563,033 |
| Accounts payable | 699,877 | 7,194 | 707,071 |
| Arbitrage rebate payable | 13,000 | - | 13,000 |
| Accrued interest payable | 26,579 | - | 26,579 |
| Accrued payroll and related amounts withheld | 179,172 | 62,314 | 241,486 |
| Security deposits | - | 46,294 | 46,294 |
| Total current liabilities | 2,561,558 | 152,045 | 2,713,603 |

The notes to the financial statements are an integral part of this statement.

**Statement of Net Position
Proprietary Funds (continued)
June 30, 2024**

| | Enterprise Funds | | |
|--------------------------------------|-----------------------|---------------------|-----------------------|
| | Sewer Utility Fund | Nonmajor | Total |
| Noncurrent liabilities | | | |
| Accrued compensated absences | \$ 96,012 | \$ 34,897 | \$ 130,909 |
| Net pension liability - LGERS | 1,360,771 | 204,853 | 1,565,624 |
| Long-term debt | 7,124,205 | - | 7,124,205 |
| Total noncurrent liabilities | 8,580,988 | 239,750 | 8,820,738 |
| Total liabilities | 11,142,546 | 391,795 | 11,534,341 |
| Deferred inflows of resources | | | |
| Pension deferrals - LGERS | 41,733 | (494) | 41,239 |
| Net position | | | |
| Net investment in capital assets | 62,091,299 | 82,386 | 62,173,685 |
| Restricted for capital projects | 10,203,666 | - | 10,203,666 |
| Unrestricted | 49,651,227 | 4,410,278 | 54,061,505 |
| Total net position | \$ 121,946,192 | \$ 4,492,664 | \$ 126,438,856 |

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

| | Enterprise Funds | | |
|---------------------------------------|--------------------|-----------------|----------------|
| | Sewer Utility Fund | Nonmajor | Total |
| | | Stormwater Fund | |
| Operating revenues | | | |
| Charges for services | \$ 15,718,034 | \$ 2,173,792 | \$ 17,891,826 |
| Operating expenses | | | |
| Personnel services | 3,880,534 | 1,210,895 | 5,091,429 |
| Utilities | 658,678 | - | 658,678 |
| Maintenance and other | 4,384,570 | 1,342,781 | 5,727,351 |
| Depreciation | 5,008,112 | 16,941 | 5,025,053 |
| Total operating expenses | 13,931,894 | 2,570,617 | 16,502,511 |
| Operating income (loss) | 1,786,140 | (396,825) | 1,389,315 |
| Nonoperating revenue (expense) | | | |
| Investment and interest income | 1,027,699 | 89,961 | 1,117,660 |
| Sewer connection fees | 2,879,822 | - | 2,879,822 |
| Construction permits | - | 1,434,309 | 1,434,309 |
| Inspection fees | - | 57,478 | 57,478 |
| Interest and fiscal charges | (240,803) | - | (240,803) |
| Total nonoperating revenue (expense) | 3,666,718 | 1,581,748 | 5,248,466 |
| Income before contributions | 5,452,858 | 1,184,923 | 6,637,781 |
| Capital contributions | 135,576 | - | 135,576 |
| Change in net position | 5,588,434 | 1,184,923 | 6,773,357 |
| Beginning net position | 116,357,758 | 3,307,741 | 119,665,499 |
| Total net position, ending | \$ 121,946,192 | \$ 4,492,664 | \$ 126,438,856 |

The notes to the financial statements are an integral part of this statement.

**Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2024**

| | Enterprise Fund | | |
|---|----------------------|---------------------|----------------------|
| | Sewer Utility Fund | Stormwater Fund | Total |
| Operating activities | | | |
| Cash received from customers | \$ 15,233,889 | \$ 2,057,737 | \$ 17,291,626 |
| Cash paid to employees | (3,706,288) | (1,131,002) | (4,837,290) |
| Cash paid for operating plant | (5,095,374) | (1,356,505) | (6,451,879) |
| Sewer connection fees received | 2,879,822 | - | 2,879,822 |
| Construction permits received | - | 1,434,309 | 1,434,309 |
| Inspection fees received | - | 57,478 | 57,478 |
| Security deposits | - | (4,625) | (4,625) |
| Net cash provided from operating activities | <u>9,312,049</u> | <u>1,057,392</u> | <u>10,369,441</u> |
| Capital and related financing activities | | | |
| Principal payments on long-term debt | (1,511,146) | - | (1,511,146) |
| Interest paid | (232,687) | - | (232,687) |
| Acquisition and construction costs of capital assets | (3,481,937) | (66,137) | (3,548,074) |
| Net cash provided from capital and related financing activities | <u>(5,225,770)</u> | <u>(66,137)</u> | <u>(5,291,907)</u> |
| Investing activities | | | |
| Investment income and dividends | 1,036,685 | 87,368 | 1,124,053 |
| Net cash provided from investing activities | <u>1,036,685</u> | <u>87,368</u> | <u>1,124,053</u> |
| Net increase in cash and cash equivalents/investments | <u>5,122,964</u> | <u>1,078,623</u> | <u>6,201,587</u> |
| Cash and cash equivalents/investments | | | |
| Beginning of year | <u>55,393,415</u> | <u>3,307,984</u> | <u>58,701,399</u> |
| End of year | <u>\$ 60,516,379</u> | <u>\$ 4,386,607</u> | <u>\$ 64,902,986</u> |
| Reconciliation of operating income (loss) to net cash provided from operating activities | | | |
| Operating income (loss) | \$ 1,786,140 | \$ (396,825) | \$ 1,389,315 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | | |
| Depreciation | 5,008,112 | 16,941 | 5,025,053 |
| Nonoperating miscellaneous income (expense) | 2,879,822 | 1,491,787 | 4,371,609 |
| Change in assets, deferred outflows of resources, deferred inflows of resources, and liabilities: | | | |
| Accounts receivable | (459,877) | (116,585) | (576,462) |
| Due from other governments - federal and state agencies | 15,852 | 529 | 16,381 |
| Due from other governments - local | (40,122) | - | (40,122) |
| Deferred outflows of resources for pensions | (76,906) | (76,325) | (153,231) |
| Accounts payable | (74,168) | (13,725) | (87,893) |
| Compensated absences and accrued payroll | 39,891 | 29,491 | 69,382 |
| Total adjustments | <u>7,525,910</u> | <u>1,454,217</u> | <u>8,980,127</u> |
| Net cash provided from operating activities | <u>\$ 9,312,050</u> | <u>\$ 1,057,392</u> | <u>\$ 10,369,442</u> |
| Supplemental Schedule of Noncash Capital and Related Financing Activities: | | | |
| Capital contributions | <u>\$ 135,576</u> | <u>\$ -</u> | <u>\$ 135,576</u> |

The notes to the financial statements are an integral part of this statement.

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

| | Private- Purpose Trust Funds | Custodial Funds |
|---|------------------------------------|----------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 51,769 | \$ 5,737,399 |
| Accounts receivable | - | 153,668 |
| Taxes receivable for other governments, net | - | 1,536,936 |
| Due from governmental agencies | - | 1,631,738 |
| Total assets | <u>51,769</u> | <u>9,059,741</u> |
| Liabilities | | |
| Accounts payable and accrued liabilities | - | 84,648 |
| Due to public schools | - | 200,693 |
| Due to other governments | - | 1,644,869 |
| Unearned revenue | - | 1,273 |
| Total liabilities | <u>-</u> | <u>1,931,483</u> |
| Net position | | |
| Held in trust/restricted for: | | |
| Individuals, organizations, and governments | <u>51,769</u> | <u>7,128,258</u> |
| Total net position | <u><u>\$ 51,769</u></u> | <u><u>\$ 7,128,258</u></u> |

The notes to the financial statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
Year Ended June 30, 2024

| | Private- Purpose Trust Funds | Custodial Funds |
|--|------------------------------------|---------------------|
| Additions | | |
| Employee contributions | \$ 3,415 | \$ - |
| Investment income | 1,523 | 44,258 |
| Collections for public schools | - | 638,260 |
| Tax collections for other governments | - | 243,145,702 |
| Collections on behalf of sheriff | - | 537,204 |
| Collections on behalf of inmates | - | 716,717 |
| Total additions | <u>4,938</u> | <u>245,082,141</u> |
| Deductions | | |
| Benefit payments | 5,300 | - |
| Payments on behalf of sheriff | - | 593,707 |
| Payments on behalf of inmates | - | 710,598 |
| Collection distributions to public schools | - | 628,406 |
| Tax distributions to other governments | - | 235,716,144 |
| Administrative costs | - | 2,822,835 |
| Loss on investment | - | 2,045 |
| Total deductions | <u>5,300</u> | <u>240,473,735</u> |
| Change in net Position | (362) | 4,608,406 |
| Total net position - beginning | <u>52,131</u> | <u>2,519,852</u> |
| Total net position - ending | <u>\$ 51,769</u> | <u>\$ 7,128,258</u> |

The notes to the financial statements are an integral part of this statement.



Notes to the Basic Financial Statements





A. Summary Of Significant Accounting Policies

The County of Durham (the "County") was established in 1881 by the North Carolina General Assembly under North Carolina State Law [General Statute (G.S.) 153A-10]. The County is governed by a five-member board of commissioners and provides the following services: public safety, cultural and recreational, human services, economic and physical development, environmental protection, education and general administration.

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles in the United States. The following is a summary of the more significant accounting policies:

1. Reporting Entity

The County is one of the 100 counties established in North Carolina under State Law [G.S. 153A-10]. The County was incorporated in 1881 and covers an area of 299 square miles and has operated under the Commissioner-Manager form of government since 1930. As required by GAAP, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. The discretely presented component unit below is reported in a separate column in the County's government-wide financial statements to emphasize that it is legally separate from the County.

Discretely Presented Component Unit

Durham County Board of Alcoholic Control (ABC 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 Board of County Commissioners. The ABC Board is required by State Statute to distribute gross receipts remaining after distributions provided for therein to the General Fund of the County. The ABC Board, which has a June 30 year-end, is presented as a business-type activity.

Complete financial statements for the ABC Board may be obtained at its administrative office.

Durham County ABC Board
2634 Durham Chapel Hill Boulevard, Suite #10
Durham, North Carolina 27707

Durham County Industrial Facility and Pollution Control Financing Authority

Durham 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 seven-member board, all of whom are appointed by the County Commissioners. The County can remove any board member of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the financial statements. The Authority does not issue separate financial statements.

2. Government-wide and Fund Financial Statements

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government's net position (the County) and its component unit (the ABC Board). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

A. Summary Of Significant Accounting Policies (Continued)

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 specific function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. 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. 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 displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary funds distinguish operating from nonoperating revenues and expenses. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues, primarily charges for services, result from exchange transactions associated with the principal activities of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating expenses include professional and other services costs; personnel, utilities and maintenance; and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The primary revenue sources are ad valorem taxes and Federal and State grants. The primary expenditures are for public safety, economic and physical development, environmental, human services, education, cultural and recreational and general governmental services.

American Rescue Plan Act. This fund accounts for the financial resources that are kept in a special revenue fund. American Rescue Plan Act (ARPA) revenues are unearned revenue until the Board determines their use. Once the use is determined the funds are transferred to the appropriate fund before being expended.

Opioid Settlement Fund. This fund is to account for revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

Capital Projects Fund. This fund accounts for the financial resources that are restricted, committed or assigned for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations or other governments. The capital projects fund is also used to accumulate funds to finance a capital improvement plan. The capital projects fund budget is adopted project ordinances on a project basis which are multi-year.

Debt Service Fund. This fund accounts for the accumulation of resources that are restricted, committed, or assigned for principal and interest related costs for all general long-term debt other than debt issued for and serviced by proprietary funds.

The County reports the following major enterprise fund:

Sewer Utility Fund. This fund is used to account for and report the revenues and expenses related to the provision of sewer service.

Additionally, the County reports the following fund and fund types:

A. Summary Of Significant Accounting Policies (Continued)

Non-major Funds. The County also reports *Other Governmental Funds*, which are individually nonmajor, in total. The Bethesda Fire District, Lebanon Fire District, Parkwood Fire District, Redwood Fire District, New Hope Fire District, Eno Fire District, Bahama Fire District, Bethesda Service Tax District, Durham County Fire and Rescue Service Tax District, Special Park Tax District, Special Park Tax District - Transportation, and Community Health Trust Fund are all special revenue fund types. Special revenue funds account for and report the proceeds of specific revenue sources that are for specified purposes other than debt service or capital projects. These funds appear on the Combining Balance Sheet for Nonmajor Special Revenue Funds and the activity is shown on the Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Nonmajor Special Revenue Funds. Stormwater is reported as a non-major proprietary fund.

Fiduciary Funds. The County reports two types of fiduciary funds, *Private-Purpose Trust Funds* and *Custodial Funds*.

Private-purpose Trust Funds. Private-purpose trust funds are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria.

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

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange 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. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds 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.

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. The State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes

A. Summary Of Significant Accounting Policies (Continued)

that were billed in periods prior to September 1, 2013 are shown as receivable in these financial statements and are offset by allowance for doubtful accounts.

Sales tax distributions and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then general revenues.

4. Budgetary Data Control

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Debt Service Fund, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Funds and the Enterprise Capital Projects Funds, Opioid Settlement Fund, ARPA, and Special Revenue Fund.

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 the multi-year funds. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

The County Manager is authorized to transfer budgeted amounts within a function up to 15% cumulatively and up to \$20,000 between functions of the same fund with a report to the Board of County Commissioners (BOCC) at the next regularly scheduled meeting. Any revisions that alter the total expenditures of any function which exceed \$20,000 whether by transfer or additional appropriated fund balance within a fund, all transfers between funds, and all transfers from the contingency account must be approved by the BOCC. The General Fund original budget and the amended final budget are reported in the basic financial statements. The original and the amended final budget for all other governmental major funds and nonmajor funds, the schedule of expenditures compared with project authorizations for the capital projects fund and the non-GAAP Basis for the major and nonmajor proprietary funds are reported in the Combining and Individual Fund Statements and Schedules elsewhere in this report.

The following summarizes the supplementary appropriations made for General and Debt Service Funds during fiscal year 2024:

| | <u>Original Budget</u> | <u>Total Amendments</u> | <u>Revised Budget</u> |
|--------------|------------------------|-------------------------|-----------------------|
| General | \$ 757,275,219 | \$ 65,868,140 | \$ 823,143,359 |
| Debt Service | \$ 97,525,519 | \$ 54,305,406 | \$ 151,830,925 |

A. Summary Of Significant Accounting Policies (Continued)**5. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Fund Balance****Cash and Investments**

Pooled cash and investments are maintained and used by all funds except the American Rescue Plan Fund, and certain fiduciary funds. The fiduciary accounts are maintained in demand deposit accounts.

Cash and Cash Equivalents

All cash and investments are considered cash and cash equivalents. The Durham County ABC Board considers demand deposits and all highly liquid investments purchased with an original maturity of three months or less, to be cash and cash equivalents.

Deposits and Investments

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

All of the County's and the ABC Board's deposits are either covered by federal depository insurance or are collateralized by using one of two options. Under the Dedicated Method, all deposits over the federal depository insurance coverage are collateralized with securities held by the County's or the ABC Board's agent in the entity's name.

Under the Pooling Method, all uninsured deposits are collateralized with a pool of securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are considered to be held by their agent in the entities' names. 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 ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for under collateralization, and this risk may increase in periods of high cash flows.

However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depositor using the Pooling Method.

At June 30, 2024, the County's deposits had a carrying amount of \$261,325,345 and bank balances of \$270,611,415. Of the carrying amount, \$5,789,169 was related to fiduciary funds. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$269,861,415 was covered by collateral held under the Pooling Method.

At June 30, 2024, the ABC Board's deposits had a carrying amount of \$1,514,526 and a bank balance of \$2,389,416. All of the bank balance was insured by federal depository insurance or collateralized under the Pooling Method. North Carolina General Statute 159-30 authorizes the County and the ABC Board to invest in obligations of the U.S. Treasury; obligations of any agency of the United States of America, provided the payment of interest and principal of such obligations is fully guaranteed by the United States of America; 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), a SEC-registered money market mutual fund allowable by G.S. 159-30(c)(8). It is the County's policy to hold investments to maturity in order to realize full book value and interest earnings.

A. Summary Of Significant Accounting Policies (Continued)

The County's investments with a maturity of more than one year at acquisition and non-money market investments are reported at fair value as determined by quoted market prices.

The ABC Board's investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by either quoted market prices, significant other observable inputs, or significant unobservable inputs. Non-participation interest earnings contracts and the NCCMT Government Portfolio, an SEC registered 2a-7 external investment pool, are measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued based at fair value as determined by significant other observable inputs. Money market investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

As of June 30, 2024, the County had the following investments and maturities:

| Investment Type | Fair Value | Valuation Measurement Method | Less than 6 Months | 6-12 Months | 1-5 Years |
|--|-----------------------|------------------------------|-----------------------|----------------------|----------------------|
| US Government Agencies | \$ 88,093,504 | Fair Value - Level 2 | \$ 18,779,930 | \$ 6,829,280 | \$ 62,484,294 |
| Commercial Paper | 10,611,909 | Fair Value - Level 2 | 2,909,259 | 7,702,650 | - |
| NC Capital Management Trust - Government Portfolio | 176,438,899 | Fair Value - Level 1 | 176,438,899 | - | - |
| Certificate of Deposit | 2,500,000 | Fair Value - Level 1 | 2,500,000 | - | - |
| Total | <u>\$ 277,644,312</u> | | <u>\$ 200,628,088</u> | <u>\$ 14,531,930</u> | <u>\$ 62,484,294</u> |

All investments 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.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

* The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S&P. Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months.

Interest Rate Risk:

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of 12 months or less. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of not more than five years.

Credit Risk:

The County has no formal policy regarding credit risk but maintains internal management procedures that limit the County's investments to the provisions of North Carolina General Statute 159-30 that restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. The County invests in commercial paper bearing the highest credit rating, as determined by nationally recognized statistical rating organizations (NRSROs) and banker's acceptances where the accepting bank or its holding company are incorporated in North Carolina. As of June 30, 2024, the County held \$10,611,909 investments in commercial paper. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2024. The County's investments in US agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

A. Summary Of Significant Accounting Policies (Continued)**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The County's formal policy indicates that the County shall utilize a third-party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Chief Financial Officer.

The ABC Board has no formal policy regarding custodial credit risk for deposits; however, it is the current informal policy to follow State requirements.

Concentration of Credit Risk:

The County places no limit on investments in Federal Agency issued obligations. The percentage of the County's investments in Federal Farm Credit Bank, Federal Home Loan Mortgage Corp, Federal Home Loan Bank and Fannie Mae are 6.7%, 3.2%, 18.8% and 2.9%, respectively. Investments in these securities comprise 31.7% of the County's total investment portfolio. All of the previously mentioned securities, owned by the County at June 30, 2024, were in a segregated safekeeping account in the County's name in the Trust Department of First Citizens Bank.

Interest rate SWAP:

Effective July 30, 2004, the County entered into a floating-to-floating or basis SWAP on \$125,810,000 of its outstanding fixed-rate Series 2000, 2001, 2002 A&B and 2004 A&B General Obligation Bonds. Effective September 1, 2009, the SWAP was modified to increase the notional amount to \$186,365,000 of its outstanding fixed-rate Series 2000, 2001, 2002 A&B, 2004 A&B, 2006 A&B, 2008A&B General Obligation Bonds and 2009A Certificates of Participation. Effective July 1, 2011, the SWAP was modified to increase the notional amount to \$216,051,000 of its outstanding fixed-rate Series 2000, 2001, 2002 A&B, 2004 A&B, 2006 A&B, 2008 A&B, 2010 A&B General Obligation Bonds and 2009 A&B Certificates of Participation.

On June 22, 2024, due to the scheduled phasing out of the LIBOR index, the County modified its Confirmation with the SWAP counterparty, The Bank of New York Mellon, to substitute the LIBOR based rate for a SOFR base rate. A spread of plus 0.42826% was calculated at the time of closing to create an equivalent effective rate at transition.

The notional amount of the SWAP Agreement is equal to the par value of selected associated bonds. The objective of the SWAP was to create economics (generate present value savings) similar to a 65% of LIBOR synthetic fixed-rate financing without the County having to issue actual refunding bonds. The SWAP Agreement provides for the County to make payments to the counterparty based on the taxable-equivalent Bond Market Association (BMA) index and for the counterparty to make reciprocal payments based on a floating rate priced at six-month LIBOR plus a net amount of 1.132%. In 2006 the Bond Market Association became SIFMA. The agreement matures March 1, 2031. The derivatives contract uses the International SWAP Dealers Association Master Agreement, which includes standard termination events, such as failure to pay and bankruptcy. The basis SWAP agreement is an investment derivative under GASB Statement No. 53.

Fair value:

As of June 30, 2024, the SWAP had a positive fair value totaling \$398,812 estimated using the zero-coupon method. This method calculated the future net settlement payments required by the SWAPs, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments were then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the SWAPs. The positive fair value is reported as an asset, derivative financial instrument, in the Statement of Net Position. The fair value

A. Summary Of Significant Accounting Policies (Continued)

decreased by \$161,466 in fiscal year 2024. The changes in fair value are reported in investment income in the Statement of Activities.

| Associated Bond Issues | (In Thousands) | | | | | | Fair Value | Counterparty Credit Rating |
|--|-----------------|----------------|------------------|--------------------|------------------------|------------|------------|----------------------------|
| | Notional Amount | Effective Date | Termination Date | Variable Rate Paid | Variable Rate Received | | | |
| Series 2000, 2001, 2002 A&B, 2004 A&B, 2006 A&B, 2008 A&B 2009 A Certificates of Participation | \$ - | - | - | SIFMA SWAP Index/ | 1.132% + 6Month | \$ 398,812 | | Aa2/AA-/AA |
| General Obligation Bonds and Certificates of Participation | \$ 216,051,000 | 7/1/11 | 3/1/31 | Divisor* | LIBOR | - | | |

* Divisor equals .065 from Effective Date - 3/1/09 and 0.604 thereafter.

Risks:

The County is exposed to the following risks in connection with the SWAP:

Credit risk:

As of June 30, 2024, the County was exposed to credit risk, or economic loss due to a counterparty default on its outstanding SWAP in the amount of \$398,812 because the SWAP had a positive fair value. However, should the relationship between the tax-exempt and taxable interest rates change and the fair values of the SWAP become negative, the County would not be exposed to credit risk in the amount of the derivative's fair value. Both County and the counterparty's payment obligations under the SWAP are guaranteed by Aa2/AA-(S&P)/AA (Fitch) rated Bank of New York Mellon.

6. Property Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes, in the current fiscal year 2024 levy, are based on the assessed values as of January 1, 2019, effective date of the county's last general reappraisal. A general reappraisal (revaluation) of all real property is required to be performed at least once every eight years to establish market value, however the statutes allow for a shorter reappraisal cycle. The next general reappraisal (revaluation) will be effective January 1, 2026.

Property taxes, other than taxes for special districts and agency funds, are levied under the "single tax levy" concept whereby all tax revenues are recorded as revenues of the General Fund.

As of September 1, 2013, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 are shown as a receivable in these financial statements and are offset by an allowance for uncollectible taxes. In addition, property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows of resources.

7. Lease Receivable

Durham County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded for leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease

A. Summary Of Significant Accounting Policies (Continued)

receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. For additional information, refer to the disclosures below.

8. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. Allowances are based on collection experience and management's evaluation of the current status of existing receivables. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement, the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as a basis of this calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 10% of the outstanding receivable balance.

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A. Summary Of Significant Accounting Policies (Continued)

Receivables for individual major and nonmajor funds at June 30, 2024, were as follows:

| | Accounts | Accrued Interest | Taxes | Stormwater Fees | Solid Waste | Emergency Medical Services | Community Development Mortgage Loans | Lease Receivable | Restricted opioid receivables, net | Parking deck receivable | Due from Other Governments | Total |
|---------------------------------|---------------------|---------------------|---------------------|-------------------|------------------|----------------------------|--------------------------------------|---------------------|------------------------------------|-------------------------|----------------------------|----------------------|
| Governmental funds: | | | | | | | | | | | | |
| General | \$ 1,186,617 | \$ 1,556,237 | \$ 2,665,840 | \$ - | \$ 31,037 | \$ 83,817,917 | \$ 304,467 | \$ 8,140,711 | \$ - | \$ - | \$ 55,138,994 | \$ 152,841,820 |
| Capital projects | 2,550,000 | - | - | - | - | - | - | - | - | 9,765,000 | 2,652,125 | 5,202,125 |
| American Rescue Plan Act | - | - | - | - | - | - | - | - | - | - | 14,797 | 14,797 |
| Opioid | - | - | - | - | - | - | - | - | 16,264,130 | - | - | 16,264,130 |
| Other governmental | - | - | 113,830 | - | - | - | - | - | - | - | 53,342 | 167,172 |
| Total receivables | 3,736,617 | 1,556,237 | 2,779,670 | - | 31,037 | 83,817,917 | 304,467 | 8,140,711 | 16,264,130 | 9,765,000 | 57,859,258 | 174,490,044 |
| Allowance for doubtful accounts | (94,676) | - | (58,374) | - | - | (80,096,677) | (304,467) | - | (1,626,413) | - | - | (82,180,607) |
| Total governmental funds | <u>\$ 3,641,941</u> | <u>\$ 1,556,237</u> | <u>\$ 2,721,296</u> | <u>\$ -</u> | <u>\$ 31,037</u> | <u>\$ 3,721,240</u> | <u>\$ -</u> | <u>\$ 8,140,711</u> | <u>\$ 14,637,717</u> | <u>\$ 9,765,000</u> | <u>\$ 57,859,258</u> | <u>\$ 92,309,437</u> |
| Proprietary funds | | | | | | | | | | | | |
| Sewer utility | \$ 590,004 | \$ 97,876 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 282,748 | \$ 687,880 |
| Stormwater | 5,504 | 10,152 | - | 273,445 | - | - | - | - | - | - | 1,544 | 289,101 |
| Total receivables | 595,508 | 108,028 | - | 273,445 | - | - | - | - | - | - | 284,292 | 976,981 |
| Total proprietary funds | <u>\$ 595,508</u> | <u>\$ 108,028</u> | <u>\$ -</u> | <u>\$ 273,445</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 284,292</u> | <u>\$ 976,981</u> |

The Community Development Mortgage Loans Receivable consists of certain proceeds from bonds that have been used to make non-interest-bearing loans to qualifying individuals in accordance with the County's Community Development Program. These loans contain various provisions, including deferral periods and forgiveness of indebtedness if certain conditions are met. Due to the uncertainty of collectability, the full amount of the outstanding loans receivable balance as of June 30, 2024, of \$304,467 has been included in the allowance for doubtful accounts.

The notes to the financial statements are an integral part of this statement.

A. Summary Of Significant Accounting Policies (Continued)

9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion - deferred charges on refundings and pension and OPEB related deferrals.

In addition to liabilities, the statement of financial position can also report 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 a future period and so will not be recognized as revenue until then. The County has several items that meet the criterion for this category - net property taxes receivable, solid waste receivable, animal taxes receivable, water services receivable, net emergency medical services receivable, WSR loan receivable, beer and wine tax receivable, occupancy tax receivable, leases, and other OPEB and pension related deferrals. In addition, certain unavailable revenues related to opioid settlement receivables are reported as deferred inflows of resources, but only on the balance sheet of the governmental funds.

10. Inventories and Prepaid Items

Inventories of the County are valued at cost using the first-in, first-out (FIFO) method. Inventories of the ABC Board are valued at current replacement cost which approximates the lower cost or net realizable value. The County's General Fund inventory consists of expendable supplies held for consumption that are recorded as expenditures when consumed rather than when purchased. The General Fund inventories reported on the Balance Sheet are offset by non-spendable fund balance, which indicates that it does not constitute a resource available for appropriation even though it is a component of net current assets. The inventory of the ABC Board consists of liquor and wine held for sale. The cost of the ABC Board inventory is recorded as an expense as it is sold.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These outlays are accounted for using the consumption method.

11. Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as tangible or non-consumable assets with an acquisition cost of more than \$5,000 and intangible assets with an acquisition cost or acquisition value, if donated or gifted, of more than \$50,000. The estimated useful life of tangible, non-consumable, and intangible assets must be in excess of one year. Purchased or constructed capital assets are recorded at original cost at the time of acquisition or completion. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not increase the service capacity of the asset or materially extend assets' lives are not capitalized.

The County maintains school construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to these Durham County Board of Education properties, and the construction has not been included in capital assets. The properties are reflected as capital assets in the financial statements of the Durham County Board of Education.

The County maintains museum construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to this Museum of Life and Science property, and the construction has not been included in the capital assets. The property is reflected as a capital asset in the financial statements of the Museum of Life and Science.

A. Summary Of Significant Accounting Policies (Continued)

The County maintains community college construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to this Durham Technical Community College property, and the construction has not been included in the capital assets. The property is reflected as a capital asset in the financial statements of Durham Technical Community College.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets of the County are depreciated or amortized on a straight-line basis over the following estimated useful lives:

| Description | Estimated Useful Lives |
|--|--|
| Buildings | 40 years |
| Office furniture and equipment | 7 years |
| Machinery and equipment | 5 years |
| Vehicles | 5 years |
| Computer hardware | 3 years |
| Computer software | 3 years |
| Sewer system | 50 years |
| Water system | 50 years |
| Construction in progress (CIP) | N/A |
| Right to use lease assets, see Note D | Term of the lease |
| Right of use subscription assets, see Note D | Term of the subscription |
| Easements | Indefinite, to be monitored for impairment |

The ABC Board's capital assets are stated at cost and are being depreciated or amortized over their estimated useful lives on a straight-line basis as follows:

| Description | Estimated Useful Lives |
|----------------------------|------------------------|
| Buildings and Improvements | 10 - 30 years |
| Vehicles | 5 years |
| Furniture and equipment | 5 - 15 years |

The ABC Board defines capital assets as assets with an individual cost in excess of \$5,000 and an estimated life in excess of one year.

Leases and subscriptions are recognized on a straight-line basis over the terms of the lease agreement.

Upon disposition of an asset of the County and the ABC Board, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in the earnings for the period.

The right-to-use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right-to-use lease assets are amortized on a straight-line basis over the life of the related lease. The related leases are discussed in the Leases subsection of the Long-term Obligations section of these notes.

The right-to-use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. The right-to-use subscription assets are amortized on a straight-line basis over the subscription term.

A. Summary Of Significant Accounting Policies (Continued)**12. Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. In addition, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. 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.

13. Compensated Absences

Permanent employees of the County earn vacation leave at rates dependent on their work schedules and service tenure, up to a maximum of 25 days per year after 20 years. The maximum permissible accumulation is 30 days, and employees are paid for any accumulated vacation leave up to the maximum amount upon termination. At the end of each calendar year, accumulated vacation leave in excess of 30 days (in hours, based on an employee's work schedule) is converted to sick leave. Accumulated vacation leave and salary related payments at June 30, 2024 amounted to \$11,958,141. Of this amount, \$11,711,092 is recorded as a liability in the government-wide financial statements for governmental activities, and \$247,049, is recorded as a liability in the proprietary fund financial statements and the government-wide financial statements for business-type activities. ABC Board employees may accumulate up to 30 days earned vacation and such leave is fully vested when earned. The ABC Board's accumulated earned vacation and related expenses at June 30, 2024 amounted to \$187,544. The current portion of the ABC Board's accumulated vacation pay is not considered to be material.

Permanent employees of the County earn sick leave at the rate of 12 days per year. There is no limit on the accumulation of sick leave for either the County or the ABC Board. Accumulated sick leave for the County at June 30, 2024 amounted to \$41,394,937 in total. Sick leave does not vest and accumulated sick leave is not paid upon separation, 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. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is taken, no accruals for sick leave have been made.

14. 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 funds will be front loaded. Per the terms of the memorandum of agreement (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.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction.

Accordingly, the cash received during the year of \$3,181,465 was recognized in the Opioid Settlement Major Special Revenue Fund. Additional revenue was also recognized for Governmental Activities.

A. Summary Of Significant Accounting Policies (Continued)

15. Reimbursements for Pandemic-related Expenditures

In fiscal year 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The American Rescue Plan will deliver \$350 billion for state, local, territorial, and tribal governments to respond to the COVID-19 emergency. Funding will also focus on infrastructure issues that face communities including efforts to bring back jobs. Durham County was allocated \$62,445,275 of fiscal recovery funds paid in two equal installments in July 2021 and July 2022.

A total of \$50,875 and \$16,790,750 in ARPA funds have been expended as of June 30, 2023 and June 30, 2024, respectively. Total ARPA expenditures to-date are \$16,841,625. The BOCC has established an allocation plan and adopted a multi-year budget ordinance for the full amount. Funds must be obligated by a funds reservation by December 31, 2024 and Counties have until December 31, 2026 to expend all remaining funds. ARPA funds can support several priorities including a public health response due to COVID-19, address negative economic impacts, replace public sector revenue loss, and fund premium pay for essential workers. The federal dollars can also address water, sewer, and broadband infrastructure.

16. Encumbrances

As required by North Carolina General Statutes, encumbrance accounting is employed in the governmental funds. The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. These amounts are included in the Stabilization by State Statute and restricted for other purposes in the restricted fund balance. Amounts outstanding at June 30, 2024 are as follows:

| Major Funds | | |
|---------------|---------------|-----------------------|
| General Fund | ARPA Fund | Capital Projects Fund |
| \$ 18,014,122 | \$ 13,683,254 | \$ 35,761,540 |

17. Net Position/Fund Balances

Net Position

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 law through State Statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

- Inventories - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.
- Prepaid expenditures - portion of fund balance that is not an available resource because it represents payments to vendors that are applicable to future accounting periods.

A. Summary Of Significant Accounting Policies (Continued)

- Leases Receivable, net - portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

- Restricted for Stabilization of State Statute - North Carolina 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 preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories, prepaids and lease receivables in excess of deferred inflows of resources for leases, as they are classified as nonspendable. 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 museum - portion of fund balance that is restricted by revenue source for museum purposes.
- Restricted for tax technology - portion of fund balance that is restricted by revenue source for tax technology purposes.
- Restricted for Sheriff - portion of fund balance that is restricted by revenue source for Sheriff and law enforcement purposes.
- Restricted for office of emergency services - portion of the fund balance that is restricted by revenue source for office of emergency services which includes EMS and emergency management.
- Restricted for fire marshal - portion of fund balance that is restricted by revenue source for fire marshal.
- Restricted for social services programs - portion of fund balance that is restricted by revenue source for social services programs.
- Restricted for public health - portion of fund balance that is restricted by revenue source for public health.
- Restricted for library programs - portion of fund balance that is restricted by revenue source for library programs.
- Restricted for criminal justice programs - portion of fund balance that is restricted by revenue source for criminal justice programs.
- Restricted for environmental protection programs - portion of fund balance that is restricted by revenue source for environmental protection programs.
- Restricted for register of deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds Office.
- Restricted for Special Butner - portion of fund balance that is restricted by revenue source for the Special Butner area of Durham County.
- Restricted for Opioid Settlement - portion of the fund balance that is restricted by revenue source to be used toward prevention and treatment of opioid addiction related to a national settlement with four pharmaceutical companies.
- Restricted for education - portion of fund balance restricted by revenue source that can be used only for school capital or school debt service for Durham Public Schools.
- Restricted for capital projects - portion of fund balance that is restricted by revenue source and can only be used for capital outlay in the County.

A. Summary Of Significant Accounting Policies (Continued)

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Durham County's governing body, the Board of County Commissioners (highest level of decision-making authority). Note that only the highest-level action that constitutes the most binding constraint can be considered a commitment for fund balance classification purposes. The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

- Committed for risk management - portion of fund balance that can only be used for catastrophic occurrences.
- Committed for public health - portion of fund balance that can only be used for public health purposes.
- Committed for debt service - portion of fund balance that can only be used for debt service.
- Committed for public arts - portion of fund balance that can only be used for public arts.
- Committed for sheriff inmate - portion of fund balance that can only be used for supporting items or services that directly benefit the inmates.
- Committed for education; article 46 - portion of fund balance that can only be used for education purposes.
- Committed for OPEB - portion of fund balance that can only be used for Other Post-Employment Benefits (OPEB).
- Committed for self-insured health benefits - portion of fund balance that can only be used for the County's self-insured benefits (medical and dental).
- Committed for reappraisal reserve - portion of fund balance that will continue to be used for real property reappraisal.
- Committed for LEO special separation allowance - portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Assigned Fund Balance - portion of fund balance that has been assigned by the County's governing body for specific purposes. Per the County's Fund Balance Policy, only the County's governing body, the Board of County Commissioners, can authorize the assignment of fund balance. The Board has not delegated this level of authority.

- Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified as restricted or committed.
- For remaining unrestricted and uncommitted fund balance for all governmental funds other than the general fund.

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A. Summary Of Significant Accounting Policies (Continued)

The following schedule presents the fund balances at June 30, 2024:

| | Major | | | | | Nonmajor | Total |
|-----------------------------------|----------------|------|------------------------|-----------------------|-------------------|-----------------------|--------------------|
| | General Fund | ARPA | Opioid Settlement Fund | Capital Projects Fund | Debt Service Fund | Special Revenue Funds | Governmental Funds |
| Fund balances | | | | | | | |
| Non-spendable: | | | | | | | |
| Inventories | \$ 2,216,935 | \$ - | \$ - | \$ - | \$ - | \$ - | 2,216,935 |
| Prepaid expenditures | 146,193 | - | - | - | - | - | 146,193 |
| Leases | 429,617 | - | - | - | - | - | 429,617 |
| Restricted: | | | | | | | |
| Stabilization by State Statute | 78,848,848 | - | - | - | - | - | 78,848,848 |
| Tax technology | 56,135 | - | - | - | - | - | 56,135 |
| Sheriff | 310,639 | - | - | - | - | - | 310,639 |
| Office of emergency services | 80,165 | - | - | - | - | - | 80,165 |
| Fire marshal | - | - | - | - | - | 243,528 | 243,528 |
| Public health programs | 696,078 | - | - | - | - | - | 696,078 |
| Museum | 1,217,871 | - | - | - | - | - | 1,217,871 |
| Social services programs | 1,507,248 | - | - | - | - | - | 1,507,248 |
| Library programs | 144,770 | - | - | - | - | - | 144,770 |
| Criminal justice programs | 283,074 | - | - | - | - | - | 283,074 |
| Environmental protection programs | 112,127 | - | - | - | - | - | 112,127 |
| Register of deeds | 384,391 | - | - | - | - | - | 384,391 |
| Special Butner | 8,703 | - | - | - | - | - | 8,703 |
| Opioid settlement funds | - | - | 4,678,662 | - | - | - | 4,678,662 |
| Education | - | - | - | 761 | - | - | 761 |
| Restricted for capital projects | - | - | - | 48,178,665 | - | - | 48,178,665 |
| Committed: | | | | | | | |
| Risk management | 5,183,354 | - | - | - | - | - | 5,183,354 |
| Public health | 151 | - | - | - | - | - | 151 |
| Debt service | 18,923,596 | - | - | - | - | - | 18,923,596 |
| Public arts | 336,835 | - | - | - | - | - | 336,835 |
| Sheriff inmate | 949,073 | - | - | - | - | - | 949,073 |
| Education: Article 46 | 3,937,322 | - | - | - | - | - | 3,937,322 |
| OPEB | 69,314,739 | - | - | - | - | - | 69,314,739 |
| Self-insured health benefits | 844,536 | - | - | - | - | - | 844,536 |
| Reappraisal reserve | 389,914 | - | - | - | - | - | 389,914 |
| LEO Special Separation Allowance | 1,712,079 | - | - | - | - | - | 1,712,079 |
| Assigned, reported in: | | | | | | | |
| General fund | 28,449,479 | - | - | - | - | - | 28,449,479 |
| Capital projects fund | - | - | - | 16,347,775 | - | - | 16,347,775 |
| Debt service | - | - | - | - | 101,950,499 | - | 101,950,499 |
| Assigned, reported in nonmajor: | | | | | | | |
| Special revenue | - | - | - | - | - | 5,505,576 | 5,505,576 |
| Unassigned | 61,255,530 | - | - | - | - | - | 61,255,530 |
| Fund balances Total | \$ 277,739,402 | \$ - | \$ 4,678,662 | \$ 64,527,201 | \$ 101,950,499 | \$ 5,749,104 | \$ 454,644,868 |

Unassigned Fund Balance - portion of fund balance that is the residual classification for amounts not restricted, committed, or assigned to specific purposes within the General Fund. In governmental funds other than the General Fund, it includes any residual negative balances which may not be classified as restricted or committed in those funds.

Durham County has guidelines established whereby the Chief Financial Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local funds, and County funds.

A. Summary Of Significant Accounting Policies (Continued)

Durham County has an adopted fund balance policy. Included in the policy for purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Chief Financial Officer may deviate from this priority after consultation with the County Manager. In addition, per the policy, the goal for the unassigned fund balance of the General Fund is 16% of total actual prior fiscal expenditures and the goal of total fund balance available as a percentage of expenditures is 35%. Once the 35% level has been achieved, the amount over 35% shall be used to fund the annual OPEB contribution to meet the OPEB obligation, pay-as-you-go capital projects or other non-recurring expenditures. In addition, the OPEB portion of the total fund balance for the general fund shall not exceed 25% of the total fund balance to ensure that the committed for OPEB portion of fund balance remains reasonably proportionate to the total fund balance for the general fund as a whole to include unassigned fund balance. Management has been instructed to conduct business in such a manner to achieve these goals. As of June 30, 2024, the County's unassigned fund balance as a percentage of expenditures and the total fund balance available as a percentage of expenditures were 9.27% and 22.24%, respectively.

18. Defined Benefit Pension and OPEB Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Register of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"); and one other postemployment benefit plan (OPEB), the Healthcare Benefits Plan (HCB). The County also administers a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers, the Law Enforcement Officers' Special Separation Allowance (LEOSSA). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/ deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

For purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCB and additions to/ deductions from the HCB's fiduciary net position have been determined on the same basis as they are reported by the HCB. For this purpose, the HCB recognizes benefit payments when due and payable in accordance with the benefit terms.

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B. Reconciliation of Government-Wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(407,274,798) consists of the following:

1. "Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds."

| | | |
|--|----|--------------------|
| Capital assets (net of depreciation) | \$ | 599,084,772 |
| Investment in joint venture | | 8,426,184 |
| Other capital assets (net of amortization) | | <u>7,852,849</u> |
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | \$ | <u>615,363,805</u> |

2. "Other long-term assets used in governmental activities are not a current financial resource and, therefore, are not reported in the funds."

| | | |
|--|----|----------------|
| Derivative financial instrument | \$ | 398,812 |
| Pension asset - ROD | | <u>377,757</u> |
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | \$ | <u>776,569</u> |

3. "Deferred outflows of resources used in governmental activities represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds."

| | | |
|--|----|-------------------|
| Pension deferrals - LGERS | \$ | 62,711,153 |
| Pension deferrals - ROD | | 241,424 |
| Pension deferrals - LEOSSA | | 2,819,170 |
| OPEB deferrals | | 23,545,769 |
| Deferred charges on debt refundings | | <u>9,153,057</u> |
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | \$ | <u>98,470,573</u> |

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B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

4. "Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds."

| | | |
|--|----|-------------------|
| Property taxes receivable (net) | \$ | 2,675,272 |
| Beer and wine tax receivable | | 1,296 |
| Occupancy tax receivable | | 45,774 |
| Solid waste receivable | | 31,037 |
| Animal taxes receivable | | 282 |
| Emergency medical services receivable (net) | | 3,721,240 |
| Water services receivable | | (1,328) |
| WSR loan receivable | | 2,550,000 |
| Opioid settlement receivable | | 14,637,717 |
| Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities | \$ | <u>23,661,290</u> |

5. "Deferred inflows of resources used in governmental activities represents an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds."

| | | |
|--|----|---------------------|
| Pension deferrals — LGERS | \$ | (861,450) |
| Pension deferrals — ROD | | (16,724) |
| Pension deferrals — LEOSSA | | (958,530) |
| Pension deferrals — OPEB | | (50,451,879) |
| Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities | \$ | <u>(52,288,583)</u> |

6. "Long-term liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported in the funds."

| | | |
|--|----|------------------------|
| Bonds and other notes payable due within one year | \$ | (57,874,558) |
| Bonds and other notes payable | | (756,058,176) |
| OPEB liability due within one year | | (4,444,566) |
| Total OPEB liability | | (159,298,803) |
| Net pension liability — LGERS | | (99,963,783) |
| Total pension liability — LEOSSA | | (10,448,687) |
| Accrued compensated absences | | (11,711,092) |
| Accrued interest payable | | (3,223,787) |
| Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities | \$ | <u>(1,103,023,452)</u> |

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B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of \$62,990,249 is comprised of the following:

1. "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current year."

| | |
|--|----------------------|
| Capital outlay | \$ 72,090,642 |
| Less: depreciation expense | (20,084,225) |
| Less: amortization expense | (3,258,858) |
| Plus (less): gain (loss) on capital assets | (10,237) |
| (Plus) less: (decrease) increase in investment in joint venture | <u>(509,713)</u> |
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | <u>\$ 48,227,609</u> |

2. "Deferred outflows of resources used in governmental activities represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then, and therefore, are not reported in the funds."

| | |
|--|----------------------|
| ROD pension deferrals | \$ 25,010 |
| LGERS pension deferrals | 18,965,571 |
| LEOSSA pension deferrals | 352,666 |
| OPEB deferrals | <u>4,444,566</u> |
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | <u>\$ 23,787,813</u> |

3. "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds."

| | |
|--|-----------------------|
| Increase (decrease) in property taxes receivable (net) | \$ (355,426) |
| Increase (decrease) in emergency medical services receivable (net) | 430,036 |
| Increase (decrease) in deferred revenue of solid waste receivable | (3,757) |
| Increase (decrease) in derivative financial instrument | (161,466) |
| Increase (decrease) in water services receivable | (1,650) |
| Opioid settlement funds revenues | (2,849,460) |
| Increase (decrease) in Wine and beer tax receivable | 346 |
| Other | <u>12,431</u> |
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | <u>\$ (2,928,946)</u> |

B. Reconciliation of Government-Wide and Fund Financial Statements (Continued)

4. "Deferred inflows of resources used in governmental activities represents an acquisition of net assets that applies to future periods and so will not be recognized as a revenue until then, and therefore, are not reported in the funds."

| | |
|---|--------------|
| (Increase) decrease in accrued compensated absences | \$ (402,293) |
| (Increase) decrease in accrued interest payable | 211,191 |
| Unamortized loss on debt refundings | (1,148,459) |
| County's portion of collective pension expense - LGERS | (28,631,824) |
| County's portion of collective pension expense - ROD | (174,829) |
| County's portion of collective pension expense - LEOSSA | (1,081,444) |
| County's portion of collective OPEB expense | 395,892 |

| | |
|--|------------------------|
| Net adjustment to increase total fund balance for the governmental funds to arrive at net position for governmental activities | <u>\$ (30,831,766)</u> |
|--|------------------------|

5. "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items."

| | |
|--|-----------------|
| Principal repayments | \$ 49,932,325 |
| Amortization of bond premium | 5,819,213 |
| Increase in premium on the issuance of bonds | (5,510,052) |
| Additional payments on the issuance of bonds | 333,522 |
| Increase in premium from issuance of refinancing | (4,410,688) |
| Additional proceeds on the issuance of refinancing | 386,380 |
| Increase (decrease) in debt (net) | (147,729,210) |
| Termination of lease | 10,237 |
| (Increase) decrease in right to use liabilities | <u>(76,686)</u> |

| | |
|--|-------------------------|
| Net adjustment to decrease total fund balance for the governmental funds to arrive at net position for governmental activities | <u>\$ (101,244,959)</u> |
|--|-------------------------|

C. Lease Receivables

Leases are financing of the right to use an underlying asset. As such, a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The County has entered into lease arrangements to lease buildings and other assets owned by the County to others.

For the fiscal year ending June 30, 2024, the County had 3 active leases. The County recognized lease revenue of \$1,083,682 and interest revenue of \$171,193 under these leases.

D. Capital Assets

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

Governmental Activities:

| | Beginning Balance | Increases | Transfers/ Decreases | Ending Balance |
|---|----------------------|---------------|-------------------------|----------------|
| Nondepreciable capital assets: | | | | |
| Land | \$ 10,001,626 | \$ 119,809 | \$ - | \$ 10,121,435 |
| Easements | 3,053,493 | - | - | 3,053,493 |
| Construction in progress | 191,888,446 | 65,954,929 | (2,519,595) | 255,323,780 |
| Total nondepreciable capital assets | 204,943,565 | 66,074,738 | (2,519,595) | 268,498,708 |
| Depreciable capital assets: | | | | |
| Buildings | 473,988,563 | 257,495 | - | 474,246,058 |
| Water Systems | 2,530,425 | - | - | 2,530,425 |
| Office furniture and Equipment | 2,516,354 | - | - | 2,516,354 |
| Machinery and Equipment | 17,249,615 | 521,354 | - | 17,770,969 |
| Computer Hardware | 25,393,870 | 2,129,699 | - | 27,523,569 |
| Computer Software | 16,544,851 | 407,588 | - | 16,952,439 |
| Vehicles | 25,982,740 | 5,142,677 | (542,660) | 30,582,757 |
| Total depreciable capital assets | 564,206,418 | 8,458,813 | (542,660) | 572,122,571 |
| Less accumulated depreciation for: | | | | |
| Buildings | 150,772,499 | 11,588,331 | - | 162,360,830 |
| Water Systems | 297,577 | 50,610 | - | 348,187 |
| Office furniture and Equipment | 1,619,485 | 156,749 | - | 1,776,234 |
| Machinery and Equipment | 13,534,743 | 1,309,749 | - | 14,844,492 |
| Computer Hardware | 18,666,532 | 4,622,660 | - | 23,289,192 |
| Computer Software | 16,496,088 | 135,315 | - | 16,631,403 |
| Vehicles | 20,606,228 | 2,220,811 | (540,870) | 22,286,169 |
| Total accumulated depreciation | 221,993,152 | 20,084,225 | (540,870) | 241,536,507 |
| Total depreciable capital assets, net | 342,213,266 | (11,625,412) | (1,790) | 330,586,064 |
| Depreciable right-to-use assets: | | | | |
| Right-to-use assets-leased buildings | 6,842,482 | 76,686 | - | 6,919,168 |
| Right-to-use assets-leased equipment | 30,292 | - | (30,292) | - |
| Right-to-use assets-subscriptions | 8,037,483 | - | (2,937,656) | 5,099,827 |
| Total amortizable capital assets | 14,910,257 | 76,686 | (2,967,948) | 12,018,995 |
| Less accumulated amortization for: | | | | |
| Right-to-use assets-leased buildings | 871,602 | 805,603 | - | 1,677,205 |
| Right-to-use assets-leased equipment | 13,020 | 6,510 | (19,530) | - |
| Right-to-use assets-subscriptions | 2,979,852 | 2,446,745 | (2,937,656) | 2,488,941 |
| Total accumulated amortization | 3,864,474 | 3,258,858 | (2,957,186) | 4,166,146 |
| Total amortizable right-to-use assets, net | 11,045,783 | (3,182,172) | (10,762) | 7,852,849 |
| Governmental activities capital assets, net | \$ 558,202,614 | \$ 51,267,154 | \$ (2,532,147) | \$ 606,937,621 |

During 2024, the County incurred expenses of \$79,549,081 for public school construction. The County maintains school construction activity funded through sources provided by the County in the Capital Projects Fund until completion of the projects. However, the County does not hold title to these Durham County Board of Education properties.

D. Capital Assets (Continued)

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

Governmental activities:

| | | |
|---|----|-------------------|
| General government | \$ | 17,788,312 |
| Public safety | | 4,416,449 |
| Environmental protection | | 108,688 |
| Economic and physical development | | 9,343 |
| Human Services | | 429,942 |
| Educational | | 202,024 |
| Cultural and recreational | | 388,325 |
| Total depreciation and amortization expense | \$ | <u>23,343,083</u> |

Business-type Activities:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Transfers/ Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-----------------------|---------------------------------|-----------------------|
| Nondepreciable capital assets: | | | | |
| Land | \$ 5,536,715 | \$ 281,187 | \$ - | \$ 5,817,902 |
| Easements | 5,000 | - | - | 5,000 |
| Construction In Progress | 13,125,261 | 2,853,371 | (232,536) | 15,746,095 |
| Total nondepreciable capital assets | <u>18,666,976</u> | <u>3,134,558</u> | <u>(232,536)</u> | <u>21,568,997</u> |
| Depreciable capital assets: | | | | |
| Land Improvements: Water and Sewer Lines | 29,941,988 | 368,112 | - | 30,310,100 |
| Buildings | 56,854,766 | - | - | 56,854,766 |
| Machinery and Equipment | 10,817,918 | 290,941 | - | 11,108,859 |
| Computer Hardware | 51,511 | 56,440 | - | 107,951 |
| Computer Software | 73,157 | - | - | 73,157 |
| Vehicles | 670,275 | 66,137 | (28,314) | 708,098 |
| Total depreciable capital assets | <u>98,409,615</u> | <u>781,630</u> | <u>(28,314)</u> | <u>99,162,931</u> |
| Less accumulated depreciation for: | | | | |
| Land Improvements: Water and Sewer Lines | 17,491,753 | 587,836 | - | 18,079,589 |
| Buildings | 23,329,976 | 2,372,435 | - | 25,702,411 |
| Machinery and Equipment | 3,525,148 | 2,006,464 | - | 5,531,612 |
| Computer Hardware | 41,732 | 14,439 | - | 56,171 |
| Computer Software | 73,157 | - | - | 73,157 |
| Vehicles | 544,766 | 43,879 | (28,314) | 560,331 |
| Total accumulated depreciation | <u>45,006,532</u> | <u>5,025,053</u> | <u>(28,314)</u> | <u>50,003,271</u> |
| Total depreciable capital assets, net | <u>53,403,083</u> | <u>(4,243,423)</u> | <u>-</u> | <u>49,159,660</u> |
| Business-type activities capital assets, net | <u>\$ 72,070,059</u> | <u>\$ (1,108,865)</u> | <u>\$ (232,536)</u> | <u>\$ 70,728,657</u> |

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D. Capital Assets (Continued)

Capital assets activity for the ABC Board for the year ended June 30, 2024 was as follows:

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Transfers/ Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|-------------------|---------------------------------|-----------------------|
| Nondepreciable capital assets: | | | | |
| Land | \$ 2,930,654 | \$ - | \$ - | \$ 2,930,654 |
| Work in Process | 193,023 | 330,652 | (197,681) | 325,994 |
| Total nondepreciable capital assets | <u>3,123,677</u> | <u>330,652</u> | <u>(197,681)</u> | <u>3,256,648</u> |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 9,942,824 | 67,795 | - | 10,010,619 |
| Furniture and Equipment | 2,487,116 | 197,485 | - | 2,684,601 |
| Vehicles | 348,896 | - | - | 348,896 |
| Total depreciable capital assets | <u>12,778,836</u> | <u>265,280</u> | <u>-</u> | <u>13,044,116</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 1,675,726 | 313,198 | - | 1,988,924 |
| Furniture and Equipment | 1,338,557 | 254,673 | - | 1,593,230 |
| Vehicles | 199,970 | 34,800 | - | 234,770 |
| Total accumulated depreciation | <u>3,214,253</u> | <u>602,671</u> | <u>-</u> | <u>3,816,924</u> |
| Total depreciable capital assets, net | <u>9,564,583</u> | <u>(337,391)</u> | <u>-</u> | <u>9,227,192</u> |
| Depreciable right-to-use assets: | | | | |
| Right-to-use assets-leased buildings | 2,591,973 | 774,406 | (251,250) | 3,115,129 |
| Total amortizable capital assets | <u>2,591,973</u> | <u>774,406</u> | <u>(251,250)</u> | <u>3,115,129</u> |
| Less accumulated amortization for: | | | | |
| Right-to-use assets-leased buildings | 759,028 | 323,775 | (251,250) | 831,553 |
| Total accumulated amortization | <u>759,028</u> | <u>323,775</u> | <u>(251,250)</u> | <u>831,553</u> |
| Total amortizable right-to-use assets, net | <u>1,832,945</u> | <u>450,631</u> | <u>-</u> | <u>2,283,576</u> |
| ABC Board capital assets, net | <u>\$ 14,521,205</u> | <u>\$ 443,892</u> | <u>\$ (197,681)</u> | <u>\$ 14,767,416</u> |

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E. Long-Term Obligations

The following is a summary of transactions affecting the County's long-term obligations for the year ended June 30, 2024:

| | Beginning Balance | Increases | Decreases | Ending Balance | Amounts Due Within One Year |
|--|-----------------------|-----------------------|-----------------------|-------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds | \$ 198,380,000 | \$ 45,980,000 | \$ 22,305,000 | \$ 222,055,000 | \$ 22,320,000 |
| Leases | 6,126,119 | 76,686 | 725,166 | 5,477,639 | 555,843 |
| Subscriptions | 4,370,984 | - | 2,458,684 | 1,912,300 | 1,578,347 |
| Limited Obligations bonds | 382,970,000 | 71,295,000 | 24,115,000 | 430,150,000 | 27,615,000 |
| Bond Anticipation Notes | 42,976,949 | 80,454,210 | 50,000,000 | 73,431,159 | - |
| Unamortized bond premium | 75,798,549 | 9,200,838 | 5,819,213 | 79,180,174 | 5,450,827 |
| Direct installment placement financing | 2,065,174 | - | 338,712 | 1,726,462 | 354,541 |
| Total OPEB Liability | 161,425,607 | 2,317,762 | - | 163,743,369 | 4,444,556 |
| Accrued compensated absences | 11,308,799 | 7,589,299 | 7,187,006 | 11,711,092 | 7,187,006 |
| Net pension liability (LGERS) | 82,682,124 | 17,281,674 | - | 99,963,798 | - |
| Total pension liability (LEOSSA) | 8,768,866 | 1,679,821 | - | 10,448,687 | - |
| Total | \$ 976,873,171 | \$ 235,875,290 | \$ 112,948,781 | \$ 1,099,799,680 | \$ 69,506,120 |
| Business-type activities | | | | | |
| State Revolving Loans | \$ 6,572,553 | \$ - | \$ 671,146 | \$ 5,901,407 | \$ 671,146 |
| Revenue bonds | 3,485,000 | - | 840,000 | 2,645,000 | 860,000 |
| Unamortized bond premium | 172,718 | - | 31,887 | 140,831 | 31,887 |
| Accrued compensated absences | 236,977 | 126,213 | 116,140 | 247,050 | 116,140 |
| Net pension liability (LGERS) | 1,218,341 | 347,283 | - | 1,565,624 | - |
| Total | \$ 11,685,589 | \$ 473,496 | \$ 1,659,173 | \$ 10,499,912 | \$ 1,679,173 |

For governmental activities and business-type activities, the respective portions of the compensated absence liability and the net LGERS pension liability are liquidated by the General Fund, Sewer Utility Fund and Stormwater Fund.

For governmental activities and business-type activities, the total OPEB liability and total LEOSSA pension liability are liquidated by the General Fund.

The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to eight percent (8%) of the appraised value of property subject to taxation less property valued for abatement. At June 30, 2024, such statutory limit for the County was \$4,105,937,180 and applicable debt related to this debt limit was \$222,055,000 resulting in a legal debt margin of \$3,883,882,180.

Leases

The County has entered into lease arrangements for buildings, land, other assets, and equipment. The right to use assets are intangible assets and are recorded in Note D - Capital Assets.

As of June 30, 2024, the County had 6 active leases. The leases have annual payments that range from \$12,746 to \$400,659 and interest rates that range from 0.2370% to 1.5942%. As of June 30, 2024, the total combined value of the lease liability is \$5,477,639.

E. Long-Term Obligations (Continued)

Subscriptions

The County has entered into subscription arrangements. The right to use subscription assets are intangible assets and are recorded in Note D - Capital Assets.

As of June 30, 2024, the County had 8 active subscriptions. The subscriptions have annual payments that range from \$3,181 to \$1,233,749 and interest rates that range from 2.0377% to 2.5827%. As of June 30, 2024, the total combined value of the subscription liability is \$1,912,300.

Installment purchases

When the County enters into a direct installment financing draw program, the County funds the expenditures up front and draws the amount expended on a monthly basis from the financing institution to reimburse County funds per the agreement for the agreed upon project or projects being financed. After the period, as per the agreement, the County issues debt at a fixed rate to repay/refund the financing institution for what was expended and funded in the financing draw program.

In September 2012, the County entered into a \$4,549,999 direct installment placement contract to finance energy and water conservation measures to reduce energy and water consumption and/or energy-related operating cost. The direct financing placement contract required principal and interest payments beginning in fiscal year 2015 with a fixed interest rate of 2.285%. As of June 30, 2024, the debt amount remaining is \$1,726,462.

General Obligation Bonds

Durham County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the County. The County pledges full faith and credit and taxing power as security for general obligation bonds. In August 2023, the County closed on a \$45,980,000 General Bond Obligation issuance (Public improvement refunding, Series 2023), which served as permanent financing for the outstanding balance of the \$50,000,000 BANs draw program entered into in August 2021. The general obligation bond is amortized with level principal over a 20-year term. This financing exhausted the entire capacity authorized under the 2016 general obligation bond referendum.

Interest requirements for the general obligation bonds are payable semi-annually at annual rates varying from 1.25% to 5.00%. General Fund revenues are used to repay general long-term debt obligations.

Limited Obligation Bonds

Durham County issues LOBs for the acquisition and construction of major capital facilities. Limited obligation bonds are collateralized by specific assets of the county.

LOBs issued in fiscal year 2013 are collateralized with the County's Justice Plaza (e.g., Justice Center, Jail and Parking Deck). The amount of debt outstanding for this issuance as of June 30, 2024 was \$3,745,000. LOBs issued in fiscal years 2012 and 2016 were refundings for COPs 2009A and COPs 2009B, respectively, that are collateralized with the County's Health and Human Services Building. The amount of debt outstanding for these issuances as of June 30, 2024 were \$5,380,000 and \$19,975,000, respectively.

LOBs issued in fiscal year 2019 are collateralized with the County's Administrative II Building. The amount of debt outstanding for this issuance as of June 30, 2024 was \$41,135,000.

LOBs issued in fiscal years 2020 partially refunded LOBs issued in fiscal years 2012 and 2013 that are collateralized with the County's Health and Human Services Building and the County's Justice Plaza (e.g., Justice Center, Jail and Parking Deck). The amount of debt outstanding for this issuance as of June 30, 2024 was \$92,095,000.

E. Long-Term Obligations (Continued)

Additional LOBs issued in 2020 are collateralized with the County's Administrative I Building. The amount of debt outstanding for this issuance as of June 30, 2024 was \$13,680,000.

In April of 2023, the County closed on a \$192,465,000 Limited Obligation Bond issuance, which served as permanent financing for the outstanding balance of the \$225,000,000 draw program entered into in 2021 as well as additional "new-money" for a number of projects that were determined to be close to completion. The financing is comprised of a tax-exempt \$168,780,000 Series A and a \$23,685,000 taxable Series B. Both series are amortized with level principal over a 20-year term. This financing permanently closed the draw facility. This financing is collateralized with the Health and Human Services Complex and the new Northern High School. The amounts of debt outstanding for Series A and B as of June 30, 2024 were \$160,345,000 and \$22,500,000, respectively.

In May of 2024, the County closed on a \$71,295,000 Limited Obligation Bond issuance, which served as permanent financing for a number of capital projects that had a significant amount of expenditures made and close enough to completion to provide the remaining funds needed. Both the tax-exempt Series A (\$36,970,000) and taxable Series B (\$34,325,000) are amortized with level principal over a 20-year term. The principal payments are structured to amortize the taxable series. This financing is collateralized with the Health and Human Services Complex and the new Northern High School.

Bond Anticipation Notes

Durham County issues general obligation bond anticipation notes (BANs) for the acquisition and construction of major capital facilities. The BANs are general obligations of the County, and the County has pledged its faith and credit to the payment of principal and interest on the BANs. The BANs will be replaced by general obligation bonds. Interest requirements are payable monthly on the amount outstanding with the interest rates based upon market conditions.

The County authorized issuance of \$50,000,000 in April 2021 which was fully drawn and paid with the August 2023 GO permanent financing. Additionally, in August 2023, the County entered into a new \$185,000,000 BAN agreement as part of the 2022 GO Bond Referendum authorization.

During the fiscal year, there was \$80,454,210 in additional GO BANs drawn down. As of June 30, 2024, there was \$73,431,159 in GO BANs outstanding.

Revenue bonds

The County also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service.

In fiscal year 2003, \$24,515,000 of revenue bonds were issued to finance the construction project to expand the existing wastewater treatment facilities. In fiscal year 2013, \$34,325,000 of refunded revenue bonds were issued to refund the 2003 revenue bonds outstanding. The bonds are payable through 2027. The amount of the pledge is equal to the remaining principal and interest \$2,777,663. Principal and interest paid for the year and total customer revenues were \$926,777 and \$14,176,455, respectively. Interest requirements for the revenue bonds are also payable annually at a fixed rate of 2.49%. These debt obligations are secured by a pledge of and lien upon, and payable solely from, the net receipts of the enterprise system and, in certain circumstances, by proceeds of the revenue bonds, investment earnings and certain net insurance and other proceeds. The revenue bonds are additionally secured by and payable from money and securities of certain funds, accounts and sub-accounts held by the trustee under the trust agreement and the first supplemental trust agreement. Sewer Utility Fund revenues are used to repay sewer utility long-term obligations.

E. Long-Term Obligations (Continued)

General obligation bonds, installment purchases, certificate of participation bonds, revenue bonds and other financing agreements outstanding at June 30, 2024 are as follows:

| Purpose | Interest Rates | Date Issued | Date Series Matures | Amount of Original Issue | Outstanding June 30, 2024 |
|---|------------------|-------------|------------------------|-----------------------------|------------------------------|
| Governmental activities: | | | | | |
| Public improvement refunding, Series 2014 | 2.00% to 5.00% | 6/3/2014 | 4/1/2034 | \$ 44,635,000 | \$ 6,690,000 |
| Public improvement refunding, Series 2015 | 3.00% to 5.00% | 7/9/2015 | 10/1/2026 | 29,340,000 | 13,980,000 |
| Public improvement refunding, Series 2016 | 3.00% to 5.00% | 9/29/2016 | 10/1/2036 | 96,460,000 | 72,315,000 |
| Public improvement, Series 2017 | 3.23% | 3/16/2017 | 10/1/2026 | 3,800,000 | 1,140,000 |
| Public improvement refunding, Series 2019 | 3.00% to 5.00% | 3/5/2019 | 6/1/2039 | 44,220,000 | 33,150,000 |
| Public improvement refunding, Series 2021 | 1.25% to 5.00% | 2/23/2021 | 6/1/2040 | 61,805,000 | 51,095,000 |
| Public improvement refunding, Series 2023 | 4.00% to 5.00%% | 8/17/2023 | 6/1/2043 | 45,980,000 | 43,685,000 |
| Limited Obligation Bonds, 2012 | 2.00% to 5.00% | 3/29/2012 | 6/1/2032 | 63,780,000 | 5,380,000 |
| Limited Obligation Bonds, 2013 | 1.50% to 5.00% | 3/28/2013 | 6/1/2043 | 112,470,000 | 3,745,000 |
| Limited Obligation Bonds, 2016 Refunding | 4.00% to 5.00% | 4/1/2016 | 12/1/2030 | 34,590,000 | 19,975,000 |
| Limited Obligation Bonds, 2018 | 3.00% to 5.00% | 9/6/2018 | 10/1/2038 | 54,860,000 | 41,135,000 |
| Limited Obligation Bonds, 2020A | 2.375% to 3.085% | 1/23/2020 | 6/1/2040 | 17,120,000 | 13,680,000 |
| Limited Obligation Bonds, 2020B Refunding | 1.69% to 3.085% | 1/23/2020 | 12/1/2042 | 100,280,000 | 92,095,000 |
| Limited Obligation Bonds, 2023A | 5.00% | 4/19/2023 | 6/1/2043 | 168,780,000 | 160,345,000 |
| Limited Obligation Bonds, 2023B | 3.985% to 5.064% | 4/19/2023 | 6/1/2043 | 23,685,000 | 22,500,000 |
| Limited Obligation Bonds, 2024A | 5.00% | 5/23/2024 | 6/1/2044 | 36,970,000 | 36,970,000 |
| Limited Obligation Bonds, 2024B | 4.69% to 5.125% | 5/23/2024 | 6/1/2034 | 34,325,000 | 34,325,000 |
| Installment purchase, utility purchase | 2.285% | 9/18/2012 | 9/18/2028 | 4,549,000 | 1,726,462 |
| Bond Anticipation Notes | Variable Rate | 8/10/2021 | 8/21/2024 | 4,066,403 | 73,431,159 |
| Total governmental activities | | | | | <u>\$ 727,362,621</u> |
| Business-type activities: | | | | | |
| Refunding, Revenue Bonds 2012 | | | | | |
| sewer plant expansion/improvements | 2.49% | 8/23/2012 | 6/11/2027 | \$ 13,985,000 | \$ 2,645,000 |
| Enterprise State Revolving Loan I | 2.22% | 10/7/2012 | 5/1/2032 | - | 1,111,270 |
| Enterprise State Revolving Loan II | 2.22% | 1/28/2011 | 5/1/2033 | - | 4,790,137 |
| Total business-type activities | | | | | <u>\$ 8,546,407</u> |
| Total bonded indebtedness | | | | | <u>\$ 735,909,028</u> |

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E. Long-Term Obligations (Continued)

The annual requirements as of June 30, 2024 to amortize outstanding debt and funds available for draw under installment purchase contracts including interest payments, exclusive of accrued compensated absences are as follows:

Governmental activities:

| Year Ending June 30, | General Obligation Bonds | | Limited Obligation Bonds | | Installment Note Payable* | | Lease Liabilities | | Subscription Liabilities | | Total | |
|----------------------|--------------------------|----------------------|--------------------------|-----------------------|---------------------------|-------------------|---------------------|-------------------|--------------------------|------------------|-----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 22,320,000 | \$ 8,601,741 | \$ 27,615,000 | \$ 18,478,772 | \$ 354,541 | \$ 37,459 | \$ 555,843 | \$ 82,916 | \$ 1,578,347 | \$ 46,033 | \$ 52,423,731 | \$ 27,246,921 |
| 2026 | 22,220,000 | 7,614,992 | 27,465,000 | 17,276,498 | 370,735 | 29,265 | 649,034 | 78,895 | 260,558 | 7,299 | 50,965,327 | 25,006,949 |
| 2027 | 20,010,000 | 6,685,168 | 27,410,000 | 16,063,418 | 387,800 | 20,700 | 673,089 | 69,787 | 73,395 | 1,604 | 48,554,284 | 22,840,677 |
| 2028 | 16,380,000 | 5,822,281 | 27,315,000 | 14,925,375 | 405,263 | 11,737 | 656,122 | 60,312 | - | - | 44,756,385 | 20,819,705 |
| 2029 | 16,340,000 | 5,015,981 | 27,175,000 | 13,798,894 | 208,123 | 2,378 | 52,985 | 51,418 | - | - | 43,776,108 | 18,868,671 |
| 2030-2034 | 69,170,000 | 15,728,319 | 119,560,000 | 52,618,320 | - | - | 2,890,566 | 133,033 | - | - | 191,620,566 | 68,479,672 |
| 2035-2039 | 43,240,000 | 6,021,475 | 102,565,000 | 29,253,274 | - | - | - | - | - | - | 145,805,000 | 35,274,749 |
| 2040-2044 | 12,375,000 | 970,038 | 71,045,000 | 8,362,190 | - | - | - | - | - | - | 83,420,000 | 9,332,228 |
| | <u>\$ 222,055,000</u> | <u>\$ 56,459,995</u> | <u>\$ 430,150,000</u> | <u>\$ 170,776,741</u> | <u>\$ 1,726,462</u> | <u>\$ 101,539</u> | <u>\$ 5,477,639</u> | <u>\$ 476,361</u> | <u>\$ 1,912,300</u> | <u>\$ 54,936</u> | <u>\$ 661,321,401</u> | <u>\$ 227,869,572</u> |

NOTE: The installment note payable principal amount on the above schedule amortizing outstanding debt as of June 30, 2024 does not include outstanding bond anticipation notes (BANs) that are included in the summary of transactions affecting the County's long-term obligations for the year ended and in the outstanding debt with interest rates, date of issue, maturity dates, original issue amount and amount outstanding at year end. The BANs are not included in the above schedule because there is no annual payment. The County is authorized to utilize a draw-down program whereby funds are drawn to reimburse the County for capital project expenditures over a three-year period. At the end of the three years (or less), the County issues fixed rate debt to pay off this debt. During the fiscal year, the County had borrowed the remaining \$7,023,051 available from its 2021 BAN and issued \$50,000,000 in permanent GOs to pay off the outstanding balance. In August 2023, the County entered into a new BAN agreement authorized up to \$185,000,000 to which the County had drawn \$73,431,159 as of June 30, 2024.

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The notes to the financial statements are an integral part of this statement.

E. Long-Term Obligations (Continued)**Business-type activities:**

| Year Ending June 30, | State Revolving Loan | | Revenue Bonds | | Total | |
|----------------------|----------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2025 | \$ 671,146 | \$ 131,011 | \$ 860,000 | \$ 65,861 | \$ 1,531,146 | \$ 196,872 |
| 2026 | 671,146 | 116,112 | 880,000 | 44,447 | 1,551,146 | 160,559 |
| 2027 | 671,146 | 101,213 | 905,000 | 22,535 | 1,576,146 | 123,748 |
| 2028 | 671,146 | 86,313 | - | - | 671,146 | 86,313 |
| 2029 | 671,146 | 71,413 | - | - | 671,146 | 71,413 |
| 2030-2034 | 2,545,675 | 136,659 | - | - | 2,545,675 | 136,659 |
| | <u>\$ 5,901,405</u> | <u>\$ 642,721</u> | <u>\$ 2,645,000</u> | <u>\$ 132,843</u> | <u>\$ 8,546,405</u> | <u>\$ 775,564</u> |

Durham County ABC Board:

| Year Ending June 30, | Lease Liabilities | |
|----------------------|---------------------|-------------------|
| | Principal | Interest |
| 2025 | \$ 465,022 | \$ 92,020 |
| 2026 | 513,630 | 64,162 |
| 2027 | 454,346 | 36,185 |
| 2028 | 265,187 | 23,236 |
| 2029 | 267,051 | 16,128 |
| Thereafter | 441,995 | 11,177 |
| | <u>\$ 2,407,231</u> | <u>\$ 242,908</u> |

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The notes to the financial statements are an integral part of this statement.

F. Commitments

1. Industrial Extension Policy

The Industrial Extensions Policy (IEP) provides for the expenditure of public funds for the promotion of local economic development when the BOCC considers such development serves a public purpose. The BOCC considers the promotion of local economic development when it assists in the creation of a more stable economy by providing displaced workers with continuing employment opportunities, attracting better paying and more highly skilled jobs, diversifying the local economy and creating a broader tax base from which Durham County can draw funding for other programs that benefit the general health, safety and welfare of the citizens. Any industrial enterprise seeking to qualify for economic development investment funds must provide the County with a written statement which includes specific information as outlined in the policy. They then must receive approval from the BOCC prior to the undertaking of construction. The Board evaluates each enterprise on a case-by-case basis prior to making a decision whether to provide economic development investment funds. Any enterprise desiring to use economic development investment funds must enter into a performance agreement with Durham County.

The determination of whether satisfactory progress has been made shall be the sole discretion of Durham County based upon the performance guidelines set out in the performance agreement. The BOCC views the promotion of local economic development as an investment in the future of Durham County.

The annual requirements to amortize reimbursements payable under this policy at June 30, 2024 are as follows:

| Year Ending June 30, | Governmental activities | |
|----------------------|-------------------------|-------------|
| | Principal | Interest |
| 2025 | \$ 3,010,587 | \$ - |
| 2026 | 3,010,587 | - |
| 2027 | 3,010,587 | - |
| 2028 | 2,582,016 | - |
| 2029 | 1,653,444 | - |
| 2030-2034 | 2,852,222 | - |
| | <u>\$ 16,119,443</u> | <u>\$ -</u> |

Interest requirements related to the Industrial Extensions Policy are nominal.

2. School Facilities

In 2021, the BOCC revised the approved Capital Improvement Plan (CIP) for fiscal years 2022-2031 that included new Durham Public school projects totaling \$581,000,000 funded through voter-approved general obligation bond referendums in November 2022 and proposed for November 2026. Total construction in progress for fiscal year 2024 for these projects was \$79,549,081 while total combined construction in progress since inception was \$489,604,962.

3. Construction

The total ten-year estimated and funded project costs of the CIP through June of 2031 is \$1,913,277,993. The plan continues to serve as a blueprint to meet the growing facility needs of the County. The funding sources for the CIP include: General Obligation Bonds, Limited Obligation Bonds (LOB's), Bank Financing, County contributions (PayGo), Revenue Bonds (Enterprise Fund), and other miscellaneous revenues.

The CIP allocated funding for fiscal year 2024 in the amount of \$234,800,525. Funds provided approximately \$124,467,362 for education, \$3,265,385 for culture and recreation, \$30,951,165 for public safety, \$54,646,117 for capital projects of general governmental activities, \$9,210,000 for business-type activities, \$4,760,497 for environmental protection activities, and \$7,500,000 for human services activities.

F. Commitments (Continued)

As part of the ten-year CIP for fiscal years 2022-2031, a general obligation bond referendum totaling \$550,240,000 was approved by Durham County citizens as a funding source, and a planned \$258,200,000 general obligation bond referendum in FY 2026-2027. The referendums will fund \$581,000,000 for school facilities, \$56,600,000 for two parking decks with affordable housing, \$19,600,000 for business type activities, and \$22,100,000 for Public Safety. As of fiscal year-end, none (\$0) of the November 2022 voter approved general obligations bonds was issued.

4. Capital commitments

The County had commitments at June 30, 2024 of \$3,803,467 for the expansion of the wastewater treatment plant and construction of sewer distribution systems.

Funding for the active projects for governmental activities and business-type activities include general obligation bonds, limited obligation bonds (LOBs), revenue bonds, general contributions, sewer utility contributions and other miscellaneous revenues.

5. Other commitments

Reimbursement for expenditures incurred from improvements to property of the Durham Public School System, Durham Technical Community College and various not-for-profit organizations are made upon request by the school systems, Community College and organizations. Because Durham County is not a party to the contracts, the unexecuted balances of such contracts are considered obligations of the Durham Public School System, Durham Technical Community College and various not-for-profit organizations. Additional payments, if any, to be made by Durham County, will be from future appropriations.

The County participates in a number of Federal and State of North Carolina awards and grant awards programs. The disbursement of funds under these programs are subject to a single audit in conformity with the provisions of the Single Audit Act, 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 North Carolina state law for state funds.

The amounts, if any, of expenditures which may be disallowed by the granting agencies resulting from such audit cannot be determined at this time, although the County expects they would be immaterial.

G. Interfund Balances and Activities

The following is a schedule of interfund receivable and payable balances as of June 30, 2024:

Due to:

| | |
|---|--------------|
| General Fund from Capital Projects Fund | |
| Amount due per BOCC approved interfund loan | \$ 3,047,554 |

Due from:

| | |
|---|--------------|
| Capital Projects Fund to General Fund | |
| Amount due per BOCC approved interfund loan | \$ 3,047,554 |

The due to General Fund from Capital Projects Fund is because of an interfund loan approved by the BOCC for advance funding to begin construction activity on capital projects.

G. Interfund Balances and Activities (Continued)

Transfers:

The following is a summary of transfers for the year ended June 30, 2024:

| | Transfers in: | | | |
|-----------------------------|---------------|-----------------------|-------------------|----------------|
| | General Fund | Capital Projects Fund | Debt Service Fund | Total |
| Transfers out: | | | | |
| General fund | \$ - | \$ 10,778,100 | \$ 96,422,027 | \$ 107,200,127 |
| Capital projects fund | 92,188 | - | 154,482 | 246,670 |
| Debt service fund | 53,152 | 3,760,237 | - | 3,813,389 |
| Nonmajor governmental funds | 1,619,157 | - | 419,750 | 2,038,907 |
| Total transfers | \$ 1,764,497 | \$ 14,538,337 | \$ 96,996,259 | \$ 113,299,093 |

Transfers from the General Fund to the Capital Projects Fund and the Debt Service Fund are for funding general government construction projects per Durham County's Capital Improvement Plan and general government debt payments, respectively.

Transfers from the Capital Projects Fund to the General Fund and the Debt Service Fund are for unspent unrestricted funds to support future general government construction projects and unspent funds, unrestricted and restricted, to support general government debt payments, respectively.

Transfers from the Debt Service Fund to the Capital Projects Fund are for funding non-capitalizable costs related to a capital project and public safety security and the construction of new capital projects, respectively.

Transfers from Nonmajor Governmental Funds to the General Fund and the Debt Service Fund are for funding public safety and health-related expenditures, and public safety debt service expenditures, respectively.

H. Employee Retirement Systems and Pension Plans

1. North Carolina Local Governmental Employees' Retirement System

Plan Description. The County and the ABC Board are participating employers in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is composed 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, or by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are

H. Employee Retirement Systems and Pension Plans (Continued)

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 workers 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 post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County and ABC 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 required contribution rate for the year ended June 30, 2024, was 14.04% of compensation for law enforcement officers and 12.89% for general employees and firefighters. The ABC Board's required contribution rate for the year ended June 30, 2024, was 12.90% for general employees. Required contribution rates were actuarially determined such that, employer contributions, when combined with employee contributions, are expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$19,327,419 for the year ended June 30, 2024. Contributions to the pension plan from the ABC Board were \$412,426 for the year ended June 30, 2024.

Refunds of Contributions - County employees who have terminated service as contributing members of LGERS, may file an application for a refund of their contributions. By state law, refunds to members include 4% interest per year, regardless of the number of years of retirement service credit. 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 any other retirement or survivor benefit provided by LGERS.

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

On June 30, 2024, the County reported a liability of \$101,529,407 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions used in the valuation. The County's proportionate share of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, (measured as of June 30, 2023) the County's proportionate share was 1.533%, which was an increase of 0.046% from its proportion reported as of June 30, 2023 (measured as of June 30, 2022).

H. Employee Retirement Systems and Pension Plans (Continued)

For the year ended June 30, 2024, the County recognized pension expense of \$29,196,081. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between Expected and Actual Experience | \$ 11,313,382 | \$ 243,557 |
| Changes of Assumptions | 4,314,414 | - |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 27,173,714 | - |
| Changes in Proportion and Differences between County Contributions on Proportionate Share of Contributions | 1,566,853 | 659,132 |
| County Contributions Subsequent to the Measurement Date | 19,327,419 | - |
| Total | \$ 63,695,782 | \$ 902,689 |

\$19,327,419 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30: | |
|---------------------|----------------------|
| 2025 | \$ 15,844,562 |
| 2026 | 7,921,607 |
| 2027 | 18,550,458 |
| 2028 | 1,149,047 |
| | \$ 43,465,674 |

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---------------|
| Inflation | 2.50% |
| Salary Increases | 3.25 to 8.25% |
| Investment Rate of Return | 6.50% |

*includes inflation and productivity of 3.25%

**includes inflation of 2.50%

The plan actuary currently uses mortality rates based on the RP-2014 *Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study as of December 31, 2019. Future and ad hoc cost of living adjustment (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

H. Employee Retirement Systems and Pension Plans (Continued)

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|-------------------|--|
| Fixed Income | 33.0% | 0.9% |
| Global Equity | 38.0% | 6.5% |
| Real Estate | 8.0% | 5.9% |
| Alternatives | 8.0% | 8.2% |
| Credit | 7.0% | 5.0% |
| Inflation Protection | 6.0% | 2.7% |
| | 100% | |

The information above is based on 30-year expectations developed with the consulting actuary and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems.

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 2.25%. 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%, 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 1-percentage-point lower, 5.50%, or 1-percentage-point higher, 7.50%, than the current rate:

| | 1% Decrease 5.50% | Discount Rate 6.50% | 1% Increase 7.50% |
|---|-------------------|---------------------|-------------------|
| County's Proportionate Share of the Net Pension Liability (Asset) | \$ 175,895,708 | \$ 101,529,407 | \$ 40,304,100 |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

2. 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 under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85% 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.

H. Employee Retirement Systems and Pension Plans (Continued)

Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2022, the valuation date, the Separation Allowance's membership consisted of:

| | |
|-----------------------------|------------|
| Retirees Receiving Benefits | 34 |
| Active Plan Members | 175 |
| Total | <u>209</u> |

Basis of Accounting. The County presents the Separation Allowance in the financial statements using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits 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 meet the criteria which are outlined in GASB Statement 73.

Actuarial Assumptions. The entry age normal actuarial cost method was used in the December 31, 2022 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------|---------------|
| Inflation | 2.50% |
| Salary Increases* | 3.25 to 7.75% |
| Discount Rate | 4.00% |
| *includes inflation | |

The discount rate used to measure the total pension liability is the S&P Municipal Bond 20-Year High Grade Rate as of December 31, 2022.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

All mortality rates use Pub-2010 amount-weighted tables and are projected from 2010 using generational improvement with Scale MP-2019.

Deaths after Retirement (Healthy). Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths after Retirement (Disabled Members at Retirement). Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths after Retirement (Survivors of Deceased Members). Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths prior to Retirement. Mortality rates are based on the Safety Mortality Table for Employees.

Contributions. The County is required by Article 12D of G.S. Chapter 143 provides these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions on a pay-as-you-go basis. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administrative costs of the separation allowance are financed through investment earnings. In the year ended June 30, 2024 the County paid \$684,025 as the benefit became due.

H. Employee Retirement Systems and Pension Plans (Continued)**Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

On June 30, 2024, the County reported a total pension liability of \$10,448,687. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expenses of \$1,418,712.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between Expected and Actual Experience | \$ 1,509,533 | \$ - |
| Changes of Assumptions and Other Inputs | 956,971 | 958,530 |
| Benefit Payments and Administrative expenses Subsequent to the Measurement Date | 352,666 | - |
| Total | \$ 2,819,170 | \$ 958,530 |

\$352,666 reported as deferred outflows of resources related to pensions resulting from benefit payments made subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30: | |
|---------------------|---------------------|
| 2025 | \$ 678,804 |
| 2026 | 400,003 |
| 2027 | 58,652 |
| 2028 | 299,560 |
| 2029 | 70,955 |
| | <u>\$ 1,507,974</u> |

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.00% as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower, 3.00%, or 1-percentage-point higher, 5.00% than the current rate:

| | 1% Decrease 3.00% | Discount Rate 4.00% | 1% Increase 5.00% |
|-------------------------|-------------------|------------------------|-------------------|
| Total Pension Liability | \$ 11,225,800 | \$ 10,448,687 | \$ 9,738,796 |

Schedule of Changes in the Total Pension Liability of the Law Enforcement Officers' Special Separation Allowance

| | 2023 |
|--|----------------------|
| Total Pension Liability as of December 31, 2022 | \$ 8,768,866 |
| Service Cost | 333,035 |
| Interest on the Total Pension Liability | 362,859 |
| Differences between Expected and Actual Experience in the Measurement of the Total Pension Liability | 1,470,441 |
| Changes of Assumptions and Other Inputs | 213,224 |
| Benefit Payments | (699,738) |
| Total Pension Liability as of December 31, 2023 | <u>\$ 10,448,687</u> |

H. Employee Retirement Systems and Pension Plans (Continued)

Changes of assumptions and benefit terms. Changes of assumptions and other inputs reflect a change in the discount rate from 4.31% at December 31, 2022 to 4.00% at December 31, 2023. There are no changes in assumed inflation rate, assumed wage inflation or benefit terms since the prior measurement date.

3. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (the Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. 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 12 E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent (5%) of each officer's salary, and all amounts contributed are vested immediately. Law enforcement officers may also make voluntary contributions to the Plan. The County's contributions were calculated using a covered payroll amount of \$14,667,237. Contributions for the year ended June 30, 2024 were \$1,298,457, which consisted of \$733,362 from the County and \$565,095 from the law enforcement officers. The County's required contributions and the officers' voluntary contributions represented 5% and 3.85%, respectively, of the covered payroll.

4. Registers of Deeds' Supplemental Pension Fund

Plan Description. Durham 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 Governmental 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. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981- 5454, or at www.osc.nc.gov.

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 \$25,010 for the year ended June 30, 2024.

H. Employee Retirement Systems and Pension Plans (Continued)

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

On June 30, 2024, the County reported an asset of \$377,757 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2024, the County's proportion was 3.144%, which was a decrease of 0.052% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the County recognized pension expense (revenue) of \$174,829. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Experience | \$ - | \$ 16,724 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 191,880 | - |
| Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions | 24,534 | - |
| County Contributions subsequent to the Measurement Date | 25,010 | - |
| Total | <u>\$ 241,424</u> | <u>\$ 16,724</u> |

\$25,010 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30: | |
|---------------------|-------------------|
| 2025 | \$ 65,207 |
| 2026 | 66,678 |
| 2027 | 55,703 |
| 2028 | <u>12,103</u> |
| | <u>\$ 199,691</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|-----------------|
| Inflation | 2.50% |
| Salary Increases | 3.25 to 8.25% * |
| Investment Rate of Return | 3.00% ** |
| *includes inflation and productivity of 3.25% | |
| **includes inflation | |

The plan currently uses mortality tables that vary by age, gender, 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.

H. Employee Retirement Systems and Pension Plans (Continued)

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study as of 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 Bond Index Investment Pool.

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERs. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 0.78%. 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 will continue to follow the current funding policy. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower, 2.00%, or 1-percentage-point higher, 4.00%, than the current rate:

| | 1% Decrease 2.00% | Discount Rate 3.00% | 1% Increase 4.00% |
|---|----------------------|------------------------|----------------------|
| County's Proportionate Share of the Net Pension Liability (Asset) | \$ (257,863) | \$ (377,757) | \$ (478,852) |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

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

The net pension liability (asset) for LGERs and RODSPF was measured as of December 31, 2022, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022. The County's proportion of the net pension liability (asset) was based on the County's share of contributions to the pension plan relative to the contributions of all participating entities. The following information is related to the County's proportionate share and pension expense (revenue):

H. Employee Retirement Systems and Pension Plans (Continued)

| | LGERS | LEOSSA | RODSPF | Total |
|--|----------------|--------------|--------------|----------------|
| Proportionate share of net pension liability (asset) | \$ 101,529,407 | \$ - | \$ (377,757) | \$ 101,151,650 |
| Proportion of the net pension liability (asset) | 1.533% | N/A | 3.144% | N/A |
| Total pension liability | - | 10,448,687 | - | 10,448,687 |
| Pension expense | \$ 29,196,081 | \$ 1,418,712 | \$ 174,813 | \$ 30,789,606 |

At June 30, 2024 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | LGERS | LEOSSA | RODSPF | Total |
|---|---------------|--------------|---------|---------------|
| Deferred Outflows of Resources | | | | |
| Differences between Expected and Actual Experience | \$ 11,313,382 | \$ 1,509,533 | \$ - | \$ 12,822,915 |
| Changes of Assumptions | 4,314,414 | 956,971 | - | 5,271,385 |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 27,173,714 | - | 191,880 | 27,365,594 |
| Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions | 1,566,853 | - | 24,534 | 1,591,387 |
| County Contributions/Benefit Payments and Administration Costs Subsequent to the Measurement Date* | 19,327,419 | 352,666 | 25,010 | 19,705,095 |
| *Contributions are for LGERS and RODSPF, Benefit and Administration Costs are for LEOSSA | | | | |
| Deferred Inflows of Resources | | | | |
| Differences between Expected and Actual Experience | 243,557 | - | 16,724 | 260,281 |
| Changes of Assumptions | - | 958,530 | - | 958,530 |
| Changes in Proportion and Differences between County Contributions and Proportionate Share of Contributions | 659,132 | - | - | 659,132 |

5. Supplemental Retirement Income Plan for Non-Law Enforcement Personnel

Plan Description. The County provides pension benefits for all its non-law enforcement employees, working more than twenty hours per week, through a defined contribution plan administered by Empower. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate from the date of employment. The Board of County Commissioners (BOCC) has established the plan which requires the County to contribute each month an amount equal to 5% of each employee's salary, and all amounts contributed are vested immediately. Employees are not required to contribute to the plan. The BOCC has the authority to establish and amend the plan's provisions and the authority to establish and amend the contribution requirements to the plan.

Funding Policy. The County's contributions were calculated using a covered payroll amount of \$134,481,950. Total contributions for the year ended June 30, 2024 were \$11,337,717 which consisted of \$6,741,363 from the County and \$4,596,354 from the non-law enforcement personnel. The County's required contribution and the non-law enforcement personnel's voluntary contribution represented 8.43% of the covered payroll amount.

6. Other Post-Employment Benefits

Plan Description. Under the terms of a County resolution, the County administers a single employer defined benefit Healthcare Benefits Plan (HCB Plan). This plan provides post-employment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (LGERS) and have at least 30 years of continuous service with the County. For retirees with at least 30 years of continuous service, the County pays the full cost of the retiree's medical insurance until they become Medicare-eligible. At that time medical coverage is terminated and the County pays the full cost of Medicare Supplement policy. This benefit is also extended to retirees aged 60 or older with at

H. Employee Retirement Systems and Pension Plans (Continued)

least 25 years of continuous service, and to retirees of any age with at least 20 years of continuous service who were hired prior to July 1, 2006.

Retirees with at least ten years of service can purchase coverage at the County's group rates for themselves. The cost is prorated for employees that do not meet the service-hour requirement. Retirees can purchase coverage for their dependents at the County's group rate for healthcare, dental and vision until they become Medicare eligible. In addition, all employees with ten or more years of service will receive a death benefit in the amount of \$10,000 at no cost to the retiree. The BOCC may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation:

| | |
|--|--------------|
| Inactive Members or Beneficiaries Currently Receiving Benefits | 797 |
| Active Members | 1,804 |
| Total Membership | 2,601 |

Benefits Provided. The County pays a portion of the cost of the healthcare benefits for qualified retirees. The County pays 100% of the cost of the Accountable Care Organization (ACO) plan coverage healthcare benefit for qualified retirees. These benefits are provided under a County resolution that can be amended by the BOCC. Retirees with at least ten years of service who do not qualify for coverage to be paid by the County pay monthly for themselves at the County group rate. Dependent coverage is also paid monthly at the County's group rates. For retirees that qualify for coverage to be paid by the County, the monthly rates for healthcare are:

| | Retiree Only | Retiree + Children | Retiree + Spouse | Retiree + Family |
|---|--------------|--------------------|------------------|------------------|
| Health Insurance (Retirees with >20 years) | - | 574 | 857 | 1,553 |
| Health Insurance (Retirees with < 20 years) | 895 | 1,469 | 1,752 | 2,447 |
| Dental Insurance | 53 | 111 | 120 | 151 |
| Vision Insurance | 9 | 16 | 15 | 24 |

Funding Policy. For the current year, the County did not contribute to an irrevocable trust but rather set aside funding for the HCB Plan in the fund balance of the General Fund. The total committed fund balance for OPEB as of fiscal year end for the General Fund was \$69,314,739. The County at this time has chosen to fund the healthcare benefits on a pay-as-you-go basis. The County's total OPEB liability of \$163,743,369 was measured as of June 30, 2023 and was determined based on an actuarial valuation as of June 30, 2022.

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H. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions. The total OPEB liability is based upon an actuarial valuation performed as of the valuation date, June 30, 2022. The total OPEB liability as of the June 30, 2023 measurement date was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurements unless otherwise specified:

| | |
|--|---------------|
| Inflation | 2.50% |
| Real Wage Growth | 0.75% |
| Wage Inflation | 3.25% |
| Salary Increases, including Wage Inflation | |
| General Employees | 3.25 to 8.41% |
| Firefighters | 3.25 to 8.15% |
| Law Enforcement Officers | 3.25 to 7.90% |
| Municipal Bond Index Rate | |
| Prior Measurement Date | 3.54% |
| Measurement Date | 3.65% |
| Healthcare Cost Trends | |
| Pre-Medicare | 7.00% |
| Medicare | 5.125% |

*Listed rate is for 2022, decreasing to an ultimate rate of 4.50% by 2032 for Pre-Medicare and 2025 for Medicare.

The County selected a Municipal Bond Index Rate Equal to the Bond Buyer 20-Year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the total OPEB liability.

Demographic actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions used the June 30, 2023 valuation, which were based on a review of recent plan experience done concurrently with the June 30, 2022 valuation.

Changes in the Total OPEB Liability

| | |
|--|-----------------------|
| Total OPEB Liability as of June 30, 2022 | \$ 161,425,607 |
| Changes for the Year: | |
| Service Cost at the End of the Year | 4,275,757 |
| Interest on Total OPEB Liability, service cost, and Cash Flows | 5,787,493 |
| Difference between Expected and Actual Experience | (475,874) |
| Changes of Assumptions or Other Inputs | (2,805,090) |
| Net Benefit Payments | (4,464,524) |
| Net Changes | 2,317,762 |
| Total OPEB Liability as of June 30, 2023 | \$ 163,743,369 |

Sensitivity of the total OPEB liability to changes in the discount rate. 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 a discount rate that is 1 percentage point lower, 2.65%, or 1-percentage point higher, 4.65%, than the current discount rate, 3.65%:

| | 1% Decrease | Discount Rate | 1% Increase |
|----------------------|--------------------|----------------------|--------------------|
| | 2.65% | 3.65% | 4.65% |
| Total OPEB Liability | \$ 192,215,155 | \$ 163,743,369 | \$ 141,285,978 |

H. Employee Retirement Systems and Pension Plans (Continued)

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

| | 1% Decrease Pre-Medicare 6% Medicare 4.125% | Discount Rate Pre-Medicare 7% Medicare 5.125% | 1% Increase Pre-Medicare 8% Medicare 6.125% |
|----------------------|---|---|---|
| Total OPEB Liability | \$ 139,603,667 | \$ 163,743,369 | \$ 194,895,117 |

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

For the year ended June 30, 2024, the County recognized OPEB revenue of \$395,892. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between Expected and Actual Experience | \$ - | \$ 20,499,597 |
| Changes of Assumptions and Other Inputs | 19,101,203 | 29,952,282 |
| Benefit Payments and Administrative Expenses Subsequent to the Measurement Date | 4,444,566 | - |
| Total | \$ 23,545,769 | \$ 50,451,879 |

\$4,444,566 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date of June 30, 2023, will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30: | |
|---------------------|------------------------|
| 2025 | \$ (8,093,381) |
| 2026 | (5,115,270) |
| 2027 | (6,504,222) |
| 2028 | (8,573,942) |
| 2029 | (2,912,593) |
| Thereafter | (151,268) |
| | <u>\$ (31,350,676)</u> |

7. Other Employment Benefits

Death Benefit Plan. The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer State-administered cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to his/her death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000.

H. Employee Retirement Systems and Pension Plans (Continued)

All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers.

Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. Contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. For the fiscal year ended June 30, 2024 the County made contributions to the State for death benefits of \$74,185. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.04% and 0.14% of covered payroll, respectively. The net position of the Death Benefit Plan is not available for future benefit payments but will be used to reduce future contribution requirements.

Life Insurance Plan. The County provides paid life insurance to all full-time and part-time benefit eligible employees. The life insurance benefit amount is equal to the employee's annual salary on July 1st of the present fiscal year rounded to the next higher \$1,000. Employees can purchase additional amounts to increase the amount in equal increments from \$10,000 to \$500,000, amounts equal to \$150,000 or more may be subject to an earnings cap. Spousal and Domestic partner insurance can be purchased in the same increments, but may not exceed 100% of the employee amount. Life insurance amounts for dependent children can be purchased in amounts from \$2,500 to \$10,000 in \$2,500 increments. The cost of the County-provided life insurance over \$50,000 is considered a fringe benefit by the Internal Revenue Service and is taxable income to the employee based on a life insurance benefit table published by the Internal Revenue Service in Publication 15-B.

Accidental Death & Dismemberment Plan. The County provides paid accidental death & dismemberment insurance to all full-time and part time benefit eligible employees. The AD&D benefit is equal to the employee's annual salary on July 1st of the present fiscal year rounded to the next higher \$1,000.

I. Deferred Outflows and Inflows of Resources

Following are the deferred outflows of resources that are reported in the government-wide financial statements at June 30, 2024:

| | Governmental Activities | Business Type Activities |
|---|----------------------------|-----------------------------|
| Deferred charge on refunding of debt | \$ 9,153,057 | \$ 132,266 |
| Pensions: | | |
| Differences between expected and actual experience | 12,611,103 | 211,809 |
| Net difference between projected and actual investment earnings | 27,064,735 | 300,861 |
| Changes of assumptions | 5,190,610 | 80,775 |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 1,562,052 | 29,335 |
| Benefit payments and administrative costs paid subsequent to the measurement date | 19,343,247 | 361,849 |
| OPEB: | | |
| Changes of assumptions and other inputs | 19,101,203 | - |
| Benefit payments and administrative costs paid subsequent to the measurement date | 4,444,566 | - |
| | <u>\$ 98,470,573</u> | <u>\$ 1,116,895</u> |

I. Deferred Outflows and Inflows of Resources (Continued)

Following are the deferred inflows of resources that are reported in the government-wide financial statements at June 30, 2024:

| | Governmental Activities | Business Type Activities |
|---|----------------------------|-----------------------------|
| Leases where the County is the lessor | \$ 7,711,094 | \$ - |
| Pension: | | |
| Differences between expected and actual experience | 249,154 | 11,127 |
| Changes of assumptions | 958,530 | - |
| Changes in proportion and differences between contributions and proportionate share of contribution | 629,020 | 30,112 |
| OPEB: | | |
| Differences between expected and actual experience | 20,499,597 | - |
| Changes of assumptions | 29,952,282 | - |
| | <u>\$ 59,999,677</u> | <u>\$ 41,239</u> |

Following are the deferred inflows of resources that are reported in the governmental fund financial statements at June 30, 2024:

| | General Fund | Opioid Settlement Fund | Capital Projects Fund | Non-major Governmental Funds |
|--|----------------------|------------------------------|-----------------------------|------------------------------------|
| Taxes received before the period for which property taxes are levied | \$ 2,562,720 | \$ - | \$ - | \$ 112,552 |
| Leases where the County is the lessor | 7,711,094 | - | - | - |
| Prepaid taxes | - | - | - | 27,553 |
| Taxes receivable, net, less penalties | 78,389 | - | - | - |
| WSR loan receivable | - | - | 2,550,000 | - |
| Restricted Opioid settlement receivables, net | - | 14,637,717 | - | - |
| Other receivables | 3,719,912 | - | - | - |
| | <u>\$ 14,072,115</u> | <u>\$ 14,637,717</u> | <u>\$ 2,550,000</u> | <u>\$ 140,105</u> |

J. Risk Management

Durham County's risk management is a coordinated and ongoing effort to assess and respond to risks which affect the achievement of the County's Strategic Plan. This is achieved through risk identification, assessment, and mitigation strategies to protect the County employees, assets, and operations from loss. The County accounts for and finances the risks of loss in the General Fund.

Benefits Plan. The County has a partially self-funded benefits plan. The County funds a core plan (health, dental, vision, life insurance and dependent coverage). The County's health and dental are fully self-funded. The County reports claims expenditures and liabilities in the General Fund. During fiscal year 2024, a total of \$36,980,604 was incurred for benefits and administrative costs of the County's benefit plan. As of June 30, 2024, the incurred but not reported liability for health and dental was \$3,835,770.

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J. Risk Management (Continued)

The following is a reconciliation of changes in liabilities for self-insured claims from amounts reported June 30, 2022 to the current fiscal year ended June 30, 2024:

| | Dental Claims | Health Claims | Total |
|--|---------------|---------------|--------------|
| Balance June 30, 2022 | \$ 219,330 | \$ 3,067,578 | \$ 3,286,908 |
| Claims reported and changes in estimates for FY 2023 | 1,524,151 | 12,132,045 | 13,656,196 |
| Claims paid in FY 2023 | (1,975,005) | (18,290,070) | (20,265,075) |
| Balance June 30, 2023 | 231,524 | 3,090,447 | 3,321,971 |
| Claims reported and changes in estimates for FY 2024 | 1,571,539 | 13,740,139 | 15,311,678 |
| Claims paid in FY 2024 | (2,014,669) | (20,454,750) | (22,469,419) |
| Balance June 30, 2024 | \$ 211,606 | \$ 3,624,164 | \$ 3,835,770 |

The County finances property and workers' compensation exposures using a combination of a deductible/retention and commercial excess insurance. Payments for claims have not exceeded appropriated funds in any of the past three fiscal years. Durham County maintains a committed fund balance for risk management.

In accordance with North Carolina General Statute 159-29, the County's Tax Collector is bonded for \$250,000, and the County's Chief Financial Officer is bonded for \$1,000,000. In addition, the County's Sheriff and Register of Deeds are each individually bonded \$25,000 and \$50,000, respectively. All other employees, which includes those employees who have access to cash and inventory, are covered under a blanket bond in the amount of \$500,000.

Durham County ABC Board is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has commercial property, general liability, auto liability, workers' compensation, data breach, flood, wind & hail, public officials liability/employment practice and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the previous year and settlement claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(I), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000, secured by a corporate surety.

K. Litigation

The County follows the practice of recording liabilities resulting from claims and legal actions only when they become fixed or estimable in amount. There are currently legal actions against the County which are being vigorously defended, that are not fixed and cannot be estimated in amount; however, the County Attorney estimates that any potential liability resulting from this litigation would not have a material adverse effect on the financial position of the County.

L. Jointly Governed Organizations

Central Pines Regional Council

Durham County, in conjunction with five other counties and thirty municipalities, established the Central Pines Regional Council ("Council"). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$62,037 to the Council during the fiscal year ended June 30, 2024. There is no on-going financial interest or responsibility by the County.

L. Jointly Governed Organizations (Continued)

Triangle Transit Authority

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

M. Joint Ventures Without Equity Interest

Durham and Wake Counties Research and Production Service District and Advisory Committee

The Durham and Wake Counties Research and Production Service District Advisory Committee is a special taxing district governed by a ten-member board of which the individuals must be recommended by the Research Triangle Park and Tenants Association. The function of the Board is to make recommendations to the County Commissioners concerning the budget and tax rate to be set for the Special District/Research Triangle Park area. The District is a joint venture of the two Boards of County Commissioners; however, the County does not have an equity interest in the District. The District may issue bonds or other obligations pursuant to the provisions of the Local Government Bond Act of the North Carolina General Statutes and is empowered to cause taxes to be levied upon all taxable property within its district in Durham and Wake Counties sufficient to meet financial obligations. The County does not approve the budget of the District, nor does the County control the collection or disbursement of District funds. Complete financial statements may be obtained at the Durham and Wake Counties Research and Production Service District Advisory Committee, Post Office Box 12255, Research Triangle Park, North Carolina 27709.

Raleigh-Durham Airport Authority

The Raleigh-Durham Airport Authority is governed by a board appointed to plan and conduct the operations of the Raleigh-Durham International Airport (the "Airport Authority"). The eight-member governing body is jointly appointed by the City of Durham, City of Raleigh, County of Durham and County of Wake, with each member government appointing two members to the Airport Authority Board. The Airport Authority Board selects the management and determines the budget and financing requirements for airport operations. The County and other participating governments each appropriate \$12,500 annually to cover administration expenses incurred by the Airport Authority.

The participating governments have no equity interest in the joint venture, so no equity interest is reflected in the County's financial statements. Complete financial statements for the Airport Authority may be obtained from the airport's administrative offices at 1051 Cargo Drive, Raleigh, North Carolina 27623.

Durham Technical Community College

Durham County provides funds to Durham Technical Community College, primarily for capital improvement and maintenance of facilities. In accordance with State law, the County appoints four of the thirteen Board of Trustee members. The County does not designate management or significantly influence operations, and the College is not accountable to the County for its fiscal matters beyond the County's appropriation to the College. The County's fiscal year 2024 appropriation of approximately \$11,164,565 to the College represents approximately 22.3% of its total current non-operating revenues, with the majority of funding being provided by the State of North Carolina Department of Community Colleges. In addition, the County contributed \$542,500 to capital outlay bringing the County's contribution to Durham Technical Community College capital outlay to 34.5%. The County does not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements as of June 30, 2024. Complete financial statements for the College may be obtained at their administrative offices at 1637 Lawson Street, Durham, North Carolina 27703.

N. Joint Ventures with Equity Interest

Durham Convention and Visitors Bureau

The Durham Convention and Visitors Bureau (the "Bureau") was established in fiscal year 1989 in conjunction with a County occupancy tax levy to promote and solicit business, conventions, meetings and tourism in Durham County. The governing body of the Bureau is an eleven-member Board of Directors with five members appointed by the City of Durham, five members appointed by the County of Durham and one member jointly appointed. Funding is derived from the occupancy tax levied upon the rental of rooms, lodging or similar accommodations. Monthly, the County is required to distribute to the Bureau a percentage of the tax collected. The Bureau is a joint venture between the County of Durham and the City of Durham with the County having a 57.5% equity interest and the City having a 42.5% equity interest.

The Durham County Board of Commissioners and the Durham City Council must approve the budget and all amendments.

On June 30, 2024, the County recorded an equity interest in the Bureau of \$931,000 which is included in the investment in the joint venture in the statement of net position. Complete financial statements may be obtained at the administrative offices at 101 East Morgan Street, Durham, North Carolina 27701.

Durham Civic Center Authority

The Durham Civic Center Authority (the "Authority") is a joint venture established by the County and the City and is assigned such powers as necessary, reasonable and practicable for the operation and maintenance of the Civic Center Facility. The Authority consists of seven members who are appointed to three-year terms. Three members are appointed by the County and three members by the City with the seventh member being selected by the six members appointed by the County and City. The members elect from its membership a Chairman and Vice Chairman of the Authority.

Policies, procedures and fees related to the Civic Center operation are recommended by the Authority and approved by the County and City. Employees of the Authority are jointly appointed by the County and City Managers, and any employees so appointed are employees of the City. All budgeting and accounting of the Authority, including collection and disbursement of Authority funds, are a part of the budgeting and accounting system of the City.

On October 9, 1987, the County and City of Durham entered into agreements with a private developer to purchase an eighty-two thousand (82,000) square foot Civic Center. The County and City initially deposited \$17,300,000 (\$3,000,000 by the County and \$14,300,000 by the City) in escrow which together with interest earned was used to purchase the facility. As of June 30, 2006, the County had attained 50% equity interest in the Civic Center by the initial deposit of \$3,000,000 and additional equity purchases of \$8,089,177 per the agreement.

Therefore, the County has fulfilled its agreement regarding the Civic Center and no additional equity purchases are due.

In January 2004, the City of Durham refunded debt that included the Civic Center Authority's long-term debt. Therefore, the Civic Center Authority's long-term debt consists of \$1,110,123 in general obligation bonds issued by the City of Durham, maturing in varying installments from 1997 to 2008 with interest at 2.00% to 4.00%. The debt is being serviced from property tax revenues of the City and amounts for additional equity purchases made by the County. The County's net investment in the Authority is reported in the investment in joint ventures in the statement of net position. At June 30, 2024, the County's equity interest in the Authority was \$7,495,184. The County also shares with the City in funding all costs arising out of the management, operation, maintenance and repair of the Civic Center. In 2024, the amount funded by the County was approximately \$200,000. Complete financial statements for the Authority may be obtained from the City of Durham's administrative offices at 101 City Hall Plaza, Durham, North Carolina 27701.

N. Joint Ventures with Equity Interest (Continued)

The total investment in joint ventures for Durham County recorded in the statement of net position for governmental activities for the above two ventures at June 30, 2024 is \$8,426,184.

O. Accounting Changes and Error Corrections

The County implemented Governmental Accounting Standard Board (GASB) Statement No. 100, "Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024.

Accounting Changes and Error Corrections

During fiscal year 2024 the County performed a comprehensive review of its major funds and applied the criteria established within Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments. As a result, the County's Opioid Settlement Fund has been reclassified as a major fund as it now meets the criteria to be reported as a major fund. Beginning balances related to nonmajor special revenue funds have been adjusted accordingly.

In the prior fiscal year, the County received money from the Opioid Settlement. At that time, the appropriate accounting and financial reporting guidance was thought to be for government- mandated and voluntary nonexchange transactions. As such, revenue recognition could only occur when all eligibility requirements were met. The incurrence of qualifying expenditures was among the eligibility requirements. The County did not incur any qualifying expenditures during FY2023. Accordingly, no revenue was recognized. See note A.14 Opioid Settlement Funds for further discussion of this nationwide settlement.

During FY2024 the conclusion for the appropriate accounting and financial reporting guidance evolved. Instead of a single approach being applicable to the activity, there was realization that the approach needed to be more nuanced. Based on the facts and circumstances of the different distribution methods of the funds, It was determined that the appropriate guidance is either for exchange and exchange-like transactions or that for government-mandated or voluntary nonexchange transactions.

As an exchange/exchange-like transaction, the County should have recognized revenue when they obtained a legal claim to the resources. For the opioid settlement, the County obtains a claim to the resources on an accrual basis as settlements are finalized. On the modified accrual basis of accounting the resources must also be measurable and available for revenue recognition to occur.

After reviewing the method through which the County received the resources, it was determined that the activity should have followed the guidance for exchange and exchange-like transactions. As a result, it was necessary for the County to restate the beginning net position and fund balance for a correction of an error.

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O. Accounting Changes and Error Corrections (Continued)

The following is the prior period adjustments for this change in accounting principle:

| | 6/30/2024 As Previously Reported | Change to or within the Financial Reporting Entity | Error Correction - Opioid - Non- Exchange to Exchange | Error Correction - Opioid - Reclass Opioid Funds to General Fund | Error Correction - Miscellaneous Errors | 6/30/2024 As Restated |
|---------------------------------|--|---|--|--|---|--------------------------|
| Government-Wide | | | | | | |
| Governmental Activities | 48,485,381 | - | 17,487,176 | - | - | 65,972,557 |
| Business-Type Activities | 119,665,499 | - | - | - | - | 119,665,499 |
| Total Primary Government | \$ 168,150,880 | \$ - | \$ 17,487,176 | \$ - | \$ - | \$ 185,638,056 |
| Governmental Funds | | | | | | |
| General Fund | 287,122,391 | - | - | 1,000,000 | 44,865 | 288,167,256 |
| Opioid Fund | - | 2,509,620 | - | (1,000,000) | - | 1,509,620 |
| Capital Projects | 43,178,016 | - | - | - | - | 43,178,016 |
| Debt Service Fund | 82,123,116 | - | - | - | - | 82,123,116 |
| Nonmajor Special Revenue Funds | 7,553,718 | (2,509,620) | - | - | - | 5,044,098 |
| Total Governmental Funds | \$ 419,977,241 | \$ - | \$ - | \$ - | \$ 44,865 | \$ 420,022,106 |

P. Subsequent Events

In connection with the preparation of these financial statements, the County has evaluated subsequent events through April 16, 2025, which is the date the financial statements were available to be issued and no such events were present.

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Required Supplementary Information





Local Governmental Employees' Retirement System
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|
| County's Proportion of the Net Pension Liability (Asset) | 1.533% | 1.487% | 1.545% | 1.522% | 1.520% | 1.576% | 1.552% | 1.581% | 1.503% | (1.430%) |
| County's Proportionate Share of the Net Pension Liability (Asset) | \$ 101,529,407 | \$ 83,900,465 | \$ 23,697,279 | \$ 54,398,283 | \$ 41,504,024 | \$ 37,395,464 | \$ 23,705,697 | \$ 33,574,721 | \$ 6,748,246 | \$ (8,435,963) |
| County's Covered Payroll | \$ 132,003,950 | \$ 117,891,133 | \$ 114,415,107 | \$ 110,735,269 | \$ 105,137,402 | \$ 93,103,342 | \$ 97,510,119 | \$ 97,483,272 | \$ 89,938,408 | \$ 84,777,497 |
| County's Proportion of the Net Pension Liability (Asset) as a Percentage of Covered Payroll | 76.91% | 71.17% | 20.71% | 49.12% | 39.48% | 40.17% | 24.31% | 34.44% | 7.50% | (9.95%) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) | 82.49% | 84.14% | 95.51% | 88.61% | 90.86% | 91.63% | 94.18% | 91.47% | 98.09% | 102.64% |

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

**Local Governmental Employees' Retirement System
Schedule of the County's Contributions
Last Ten Fiscal Years**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|
| Contractually Required Contribution | \$ 19,327,419 | \$ 16,143,247 | \$ 13,503,999 | \$ 11,742,724 | \$ 10,019,489 | \$ 8,217,794 | \$ 7,905,425 | \$ 7,204,103 | \$ 6,610,387 | \$ 6,377,809 |
| Contributions in Relation to the Contractually Required Contribution | 19,327,419 | 16,143,247 | 13,503,999 | 11,742,724 | 10,019,489 | 8,217,794 | 7,905,425 | 7,204,103 | 6,610,387 | 6,377,809 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| County's Covered Payroll | \$ 148,621,014 | \$ 132,003,950 | \$ 117,891,133 | \$ 114,415,107 | \$ 110,735,269 | \$ 105,137,402 | \$ 93,103,342 | \$ 97,510,119 | \$ 97,483,272 | \$ 89,938,408 |
| Contributions as a Percentage of Covered Payroll | 13.00% | 12.23% | 11.45% | 10.26% | 9.05% | 7.82% | 8.49% | 7.39% | 6.78% | 7.09% |

Register of Deeds' Supplemental Pension Fund
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Last Ten Fiscal Years*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|
| County's Proportion of the Net Pension Liability (Asset) % | 3.144% | 3.196% | 3.456% | 4.505% | 3.780% | 3.082% | 3.134% | 3.113% | 3.014% | 2.897% |
| County's Proportionate Share of the Net Pension Liability (Asset) | \$ (377,757) | \$ (423,132) | \$ (663,997) | \$ (1,032,410) | \$ (745,996) | \$ (510,441) | \$ (535,035) | \$ (581,930) | \$ (698,462) | \$ (656,716) |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset) | 135.74% | 139.04% | 156.53% | 173.62% | 164.11% | 153.31% | 153.77% | 160.17% | 197.29% | 193.88% |

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

Note to Schedule: Contributions to the RODSPF plan are not based on a measurement of pay, therefore no payroll measurements are presented.

**Register of Deeds' Supplemental Pension Fund
Schedule of the County's Contributions
Last Ten Fiscal Years**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Contractually Required Contribution | \$ 25,010 | \$ 28,054 | \$ 36,637 | \$ 38,321 | \$ 46,289 | \$ 35,914 | \$ 26,373 | \$ 27,235 | \$ 25,427 | \$ 24,117 |
| Contributions in Relation to the Contractually Required Contribution | 25,010 | 28,054 | 36,637 | 38,321 | 46,289 | 35,914 | 26,373 | 27,235 | 25,427 | 24,117 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Note to Schedule: Contributions to the RODSPF plan are not based on a measurement of pay, therefore no payroll measurements are presented.

**Law Enforcement Officers' Special Separation Allowance
Schedule of Changes in Total Pension Liability
Last Eight Fiscal Years**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|----------------------|---------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| Beginning Balance | \$ 8,768,866 | \$ 10,123,540 | \$ 10,182,265 | \$ 6,842,207 | \$ 6,248,325 | \$ 6,452,405 | \$ 6,214,839 | \$ 6,160,911 |
| Service Cost | 333,035 | 408,552 | 463,953 | 292,259 | 251,631 | 270,911 | 236,502 | 241,762 |
| Interest on the Total Pension Liability | 362,859 | 220,090 | 190,827 | 215,088 | 218,714 | 197,743 | 228,799 | 213,538 |
| Differences between Expected and Actual Experience in the Measurement of the Total Pension Liability | 1,470,441 | 100,416 | 122,058 | 621,465 | 412,107 | (54,529) | (117,655) | - |
| Changes of Assumptions and Other Inputs | 213,224 | (1,400,188) | (245,875) | 2,700,061 | 190,850 | (228,803) | 374,725 | (132,489) |
| Benefit Payments | (699,738) | (683,544) | (589,688) | (488,815) | (479,420) | (389,402) | (394,805) | (358,883) |
| Ending Balance of the Total Pension Liability | <u>\$ 10,448,687</u> | <u>\$ 8,768,866</u> | <u>\$ 10,123,540</u> | <u>\$ 10,182,265</u> | <u>\$ 6,842,207</u> | <u>\$ 6,248,325</u> | <u>\$ 6,542,405</u> | <u>\$ 6,124,839</u> |

Information not available for years prior to 2017. Ten years will be presented when ten years of information are available.

The amounts presented for each fiscal year were determined as of the prior December 31.

Durham County has no assets accumulated in a trust that meets the criteria of GAAP to pay related benefits.

**Law Enforcement Officers' Special Separation Allowance
Schedule of the Total Pension Liability as a Percentage of Covered-Employee Payroll
Last Eight Fiscal Years**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|---------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|
| Total Pension Liability | \$ 10,448,687 | \$ 8,768,866 | \$ 10,123,540 | \$ 10,182,265 | \$ 6,842,207 | \$ 6,248,325 | \$ 6,452,405 | \$ 6,124,839 |
| Covered-employee Payroll | 12,916,495 | 10,834,646 | 11,482,482 | 11,398,113 | 10,421,911 | 10,206,729 | 10,102,994 | 9,604,677 |
| Total Pension Liability as a Percentage of Covered-employee Payroll | 80.89% | 80.93% | 88.17% | 89.33% | 65.65% | 61.22% | 63.87% | 63.77% |

Information not available for years prior to 2017. Ten years will be presented when ten years of information are available.

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

Other Post-Employment Benefits (OPEB)
Schedule of Changes in the Total OPEB Liability
Last Seven Fiscal Years*

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beginning Balance | \$ 161,425,607 | \$ 205,440,549 | \$ 195,593,637 | \$ 173,238,390 | \$ 155,156,262 | \$ 168,664,542 | \$ 177,636,687 |
| Service Cost | 4,275,757 | 7,189,102 | 7,179,886 | 5,754,256 | 5,134,773 | 5,738,411 | 6,568,857 |
| Interest | 5,787,493 | 4,550,953 | 4,438,909 | 6,197,657 | 5,968,815 | 5,939,151 | 5,302,656 |
| Differences between Expected and Actual Experience | (475,874) | (13,363,774) | (550,811) | (20,384,708) | (231,840) | (13,631,775) | (316,743) |
| Changes of Assumptions | (2,805,090) | (38,495,649) | 2,635,824 | 34,654,749 | 10,676,002 | (7,852,805) | (17,567,533) |
| Benefit Payments | (4,464,524) | (3,895,574) | (3,856,896) | (3,866,707) | (3,465,622) | (3,701,262) | (2,959,382) |
| Ending Balance of Total OPEB Liability | <u>\$ 163,743,369</u> | <u>\$ 161,425,607</u> | <u>\$ 205,440,549</u> | <u>\$ 195,593,637</u> | <u>\$ 173,238,390</u> | <u>\$ 155,156,262</u> | <u>\$ 168,664,542</u> |
| Discount Rate** | 3.65% | 3.54% | 2.16% | 2.21% | 3.50% | 3.89% | 3.56% |

*Information not available for years prior to 2018. Ten years will be presented when ten years of information are available.

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

***Changes of assumptions reflect the effects of changes in the discount rate for each period.

Note to Schedule: Contributions to the County's OPEB plan are not based on a measurement of pay, therefore no payroll measurements are presented. The County has no assets accumulated in a trust that meet the criteria of GASB codification page 22.101 or page 52.101 to pay related benefits.



Supplementary Information





Combining and Individual Fund Statements and Schedules





Major Governmental Funds

American Rescue Plan Act – to account for and report financial resources that are kept in a special revenue fund. ARPA revenues are unearned revenue until the Board determines their use. Once the use is determined the funds are transferred to the appropriate fund before being expended.

Opioid Settlement Fund – to account for revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

Debt Service Fund – to account for and report financial resources that are restricted, committed or assigned for principal and interest related costs for all general long-term debt other than debt issued for and serviced by proprietary funds.

Capital Projects Fund – to account for and report financial resources that are restricted, committed or assigned for capital outlays, including the acquisition, construction or improvement of major capital facilities and other capital assets other than those financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.





**Schedule of Expenditures Compared with Project Authorizations
American Rescue Plan Act
From Project Inception and for the Fiscal Years Ended June 30, 2024**

| | Project Authorization | Actual | | |
|--|--------------------------|--------------|-------------|---------------|
| | | Current Year | Prior Years | Total to Date |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | 62,445,275 | 16,790,750 | 50,875 | 16,841,625 |
| Investments | - | - | - | - |
| Charges for services | - | - | - | - |
| Total revenues | 62,445,275 | 16,790,750 | 50,875 | 16,841,625 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 19,845,275 | 14,905,010 | 50,875 | 14,955,885 |
| Public safety | 3,000,000 | - | - | - |
| Environmental protection | 2,303,330 | - | - | - |
| Economic and physical development | 5,500,000 | 1,342,309 | - | 1,342,309 |
| Human services | 22,100,000 | 456,841 | - | 456,841 |
| Education | 8,000,000 | - | - | - |
| Capital Outlay | 1,696,670 | 86,590 | - | 86,590 |
| Total expenditures | 62,445,275 | 16,790,750 | 50,875 | 16,841,625 |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Transfers in | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | \$ - | - | \$ - | \$ - |
| Fund balance - beginning | | - | | |
| Fund balance - ending | | \$ - | | |

**Schedule of Expenditures Compared with Project Authorizations
Opioid Settlement Fund
From Project Inception and for the Fiscal Years Ended June 30, 2024**

| | Project Authorization | Current Year | Actual Prior Years | Total to Date |
|--|--------------------------|---------------------|-----------------------|---------------------|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | 20,958,139 | 3,181,465 | 2,502,545 | 5,684,010 |
| Investments | - | 56,070 | 7,075 | 63,145 |
| Charges for services | - | - | - | - |
| Total revenues | <u>20,958,139</u> | <u>3,237,535</u> | <u>2,509,620</u> | <u>5,747,155</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | - | - | - | - |
| Human services | 20,958,139 | 68,493 | - | 68,493 |
| Capital Outlay | - | - | - | - |
| Total expenditures | <u>20,958,139</u> | <u>68,493</u> | <u>-</u> | <u>68,493</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>3,169,042</u> | <u>2,509,620</u> | <u>5,678,662</u> |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>3,169,042</u> | <u>\$ 2,509,620</u> | <u>\$ 5,678,662</u> |
| Fund balance - beginning | | 2,509,620 | | |
| Accounting Errors and Corrections (See Note O) | | (1,000,000) | | |
| Fund balance, beginning of year, restated | | <u>1,509,620</u> | | |
| Fund balance - ending | | <u>\$ 4,678,662</u> | | |

Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Debt Service Fund
Year Ended June 30, 2024

| | Budget | | Actual | Positive (Negative) Variance |
|--|--------------|--------------|----------------|------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental revenues | \$ 183,742 | \$ 183,742 | \$ - | \$ (183,742) |
| Investments | - | - | 1,939,420 | 1,939,420 |
| Charges for services | 500,000 | 500,000 | 541,432 | 41,432 |
| Other revenues | - | - | 103,698 | 103,698 |
| Total revenues | 683,742 | 683,742 | 2,584,550 | 1,900,808 |
| Expenditures | | | | |
| Debt service: | | | | |
| Principal retirement | 56,521,770 | 56,521,770 | 46,758,712 | 9,763,058 |
| Interest and fiscal charges | 39,830,738 | 39,830,738 | 28,238,256 | 11,592,482 |
| Debt issuance costs | 1,000,000 | 1,390,688 | 1,333,757 | 56,931 |
| Total expenditures | 97,352,508 | 97,743,196 | 76,330,725 | 21,412,471 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (96,668,766) | (97,059,454) | (73,746,175) | 23,313,279 |
| Other financing sources (uses) | | | | |
| Transfers in | 96,841,777 | 96,996,259 | 96,996,259 | - |
| Transfers out | - | (3,813,389) | (3,813,389) | - |
| Premium on issuance of refinancing | - | 4,410,688 | 4,410,688 | - |
| Issuance of refunding bonds | - | 45,980,000 | 45,980,000 | - |
| Payment to refunded debt escrow agent | - | (50,000,000) | (50,000,000) | - |
| Appropriated fund balance | (173,011) | 3,485,896 | - | (3,485,896) |
| Total other financing sources (uses) | 96,668,766 | 97,059,454 | 93,573,558 | (3,485,896) |
| Net change in fund balances | \$ - | \$ - | 19,827,383 | \$ 19,827,383 |
| FUND BALANCE - BEGINNING | | | 82,123,116 | |
| FUND BALANCE - ENDING | | | \$ 101,950,499 | |

Schedule of Expenditures Compared with Project Authorizations
Capital Projects Fund
From Project Inception and for the Fiscal Years Ended June 30, 2024

| Project | Expenditures | | Spent to Date | Remaining Commitment |
|--|---------------|----------------|----------------|----------------------|
| | Current Year | Prior Years | | |
| Durham Public School Projects | \$ 79,549,081 | \$ 257,880,899 | \$ 337,429,980 | \$ 485,378,766 |
| Museum Exhibit Upgrades and Maintenance | - | 2,053,543 | 2,053,543 | - |
| Museum Classrooms Expansion | 31,045 | 3,063,476 | 3,094,521 | - |
| Museum Entry Plaza and Lobby Renovation | - | 1,819,642 | 1,819,642 | - |
| Museum New Parking Deck | - | 7,100,000 | 7,100,000 | - |
| New Youth Home | 5,917,463 | 24,195,055 | 30,112,518 | 1,992,563 |
| EMS Equipment Replacement | 185,762 | 2,771,663 | 2,957,425 | 1,392,575 |
| Elections Equipment | 10,178 | 848,231 | 858,409 | 1,591 |
| Ongoing Parking Resurfacing Project | 847,365 | 1,704,445 | 2,551,810 | 209,494 |
| Ongoing HVAC Replacement Project | 962,724 | 3,022,460 | 3,985,184 | 1,366,161 |
| County Building Envelope Upgrade | 2,922 | 1,657,801 | 1,660,723 | 2,221,439 |
| Stanford L. Warren Library Upgrade | 1,326,840 | 1,993,528 | 3,320,368 | 1,857,714 |
| (Leased) Convenience Center Site Upgrades | 26,778 | 4,051,847 | 4,078,625 | 587,265 |
| Redwood Convenience Center Site Upgrades | 193,711 | 94,475 | 288,186 | 466,432 |
| Durham County Stadium Cap Improvements | 15,832 | 2,914,888 | 2,930,720 | 1,250,918 |
| County Security Improvements | 320,131 | 1,736,629 | 2,056,760 | 577,189 |
| Open Space/Farmland Preservation | 17,660 | 7,535,167 | 7,552,827 | 5,693,193 |
| EMS Station #1 Renovations | 1,270 | 4,586,154 | 4,587,424 | 399,260 |
| Main Library Upgrade | 4,868 | 47,637,659 | 47,642,527 | 118,763 |
| Hollow Rock/New Hope | 1,500 | 222,290 | 223,790 | 349,959 |
| BOCC Chambers AV Upgrade | 4,205 | 383,395 | 387,600 | 29,594 |
| Sheriff Firing Range and Renovations | 46,100 | 921,130 | 967,230 | 287,378 |
| Ongoing Roof Replacement | 5,400 | 3,170,805 | 3,176,205 | 463,961 |
| Duke Fiber Project | 31,348 | 834,519 | 865,867 | 658,298 |
| EMS Land Acquisition | - | 6,100 | 6,100 | 293,900 |
| Administration Building Refurbish | 11,360 | 15,118,116 | 15,129,476 | 216,951 |
| LCHC Phase II Renovations | 9,712 | 2,254,098 | 2,263,810 | 13,803 |
| Alliance Backfill Renovation Project | 3,237 | 1,561,351 | 1,564,588 | 2,812 |
| Public Safety and Service Complex | 4,298 | 57,546 | 61,844 | 107,156 |
| Snow Hill Road Pump Station | 6,002,965 | 17,120,875 | 23,123,840 | 7,171,160 |
| Judicial Annex Building Renovation | 11,153 | 4,618,098 | 4,629,251 | 366,833 |
| 300 Block E Main Redevelopment | 410,239 | 24,141,444 | 24,551,683 | 236,201 |
| 500 Block E Main Redevelopment | 12,755,064 | 14,696,700 | 27,451,764 | 6,592,852 |
| Research Triangle Foundation | - | 19,999,999 | 19,999,999 | - |
| DSS Main Street Renovation | 48,000 | 232,912 | 280,912 | 519,091 |
| Detention Center Window Replacement | 46,834 | 653,551 | 700,385 | 2,359,918 |
| Body Worn Camera Project | 6,745 | 1,173,522 | 1,180,267 | 534,697 |
| Tax Dept Software Replacement | - | 1,312,213 | 1,312,213 | 37,787 |
| Sheriff IT Life Cycle Replacement Project | 731,702 | 731,811 | 1,463,513 | 1,929,708 |
| IST Hardware and Software | 811,926 | 6,017,633 | 6,829,559 | 226,801 |
| County Courthouse Elevator Repair Project | - | 140,000 | 140,000 | - |
| Administration Building II Upgrade | 92,847 | 398,944 | 491,791 | 186,918 |
| 21 IT Hardware Replacement | 6,130,193 | 3,004,235 | 9,134,428 | 1,163,572 |
| 21 Audio-Visual Technologies | 712,200 | 288,954 | 1,001,154 | 519,546 |
| Detention Center Capital Infrastructure | 153,027 | 68,770 | 221,797 | 6,259,106 |
| 21 Telecommunications | 396,126 | 24,180 | 420,306 | 449,694 |
| Bull City United | - | 6,000,000 | 6,000,000 | - |
| Shoppes of Hope Valley | 11,876,897 | 104,625 | 11,981,522 | 10,713 |
| Elections South Roxboro Renovation Project | 16,288,194 | 519,780 | 16,807,974 | 14,114,734 |
| DTCC-Lawson Street Purchase | 2,280,000 | 20,000 | 2,300,000 | - |
| SAP S4 HANA ERP Upgrade | 83,630 | - | 83,630 | - |
| IT Security Program Support | 195,109 | - | 195,109 | 946,921 |
| Multi-Department Radio and Towers | 948,923 | - | 948,923 | 1,551,077 |
| Station#18 Co-Location Project | 1,891,773 | - | 1,891,773 | 576,593 |

**Schedule of Expenditures Compared with Project Authorizations
Capital Projects Fund (Continued)
From Project Inception and for the Fiscal Years Ended June 30, 2024**

| Project | Expenditures | | Spent to Date | Remaining Commitment |
|---|-----------------------|-----------------------|-----------------------|-------------------------|
| | Current Year | Prior Years | | |
| Shoppes of Hope Valley Roofing and HVAC | \$ 278 | \$ - | \$ 278 | \$ 399,722 |
| Orange Factory Road Campus | 2,115,728 | - | 2,115,728 | 21,272 |
| Emergency Operations Center | 116,798 | - | 116,798 | 5,483,203 |
| LCHC Parking Lot Expansion | 121,243 | - | 121,243 | 969,357 |
| DTCC HVAC Systems Retrofit | 1,136,063 | - | 1,136,063 | 733,937 |
| DTCC Life Science Training Facility | 387,026 | - | 387,026 | 34,812,974 |
| DTCC Allied Health Science Bldg | 703,755 | - | 703,755 | 73,296,245 |
| Museum Create, Reinvent, and Renew Learning | 282,188 | - | 282,188 | 7,017,812 |
| Museum Program and Invent Infrastructure | 141,655 | - | 141,655 | 5,708,345 |
| Museum Sustainability Upgrades | 335,736 | - | 335,736 | 462,264 |
| | <u>\$ 156,744,806</u> | <u>\$ 502,465,158</u> | <u>\$ 659,209,964</u> | <u>\$ 680,596,188</u> |



Nonmajor Governmental Funds

Special Revenue Funds - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed or assigned for specified purposes other than debt service or capital projects.

Fire Tax District Funds – to account for and report the proceeds of special district fire taxes for the Bethesda, Lebanon, Parkwood, Redwood, New Hope, Eno, and Bahama Rural Fire Districts. Effective July 1, 2013 and July 1, 2015, fire taxes are no longer the primary funding source for the Bethesda and Parkwood Fire Districts, respectively. Therefore, the activity in these funds is mainly collections of delinquent taxes. Effective July 1, 2015, the Parkwood Rural Fire District was merged into the Durham County Fire and Rescue Rural Fire District.

Bethesda Service Tax District Fund – to account for and report the proceeds of special service district taxes for providing fire protection to the Bethesda Rural Fire District. As of July 1, 2013, service taxes became the primary funding source for providing fire protection to this district. The Bethesda Rural Fire District was merged into the Durham County Fire and Rescue Rural Fire District July 1, 2015.

Durham County Fire and Rescue Service Tax District Fund – to account for and report the proceeds of special district taxes for providing fire protection to the Durham County Fire and Rescue Rural Fire District. As of July 1, 2015, the County merged the Bethesda Rural Fire District and the Parkwood Rural Fire District into one district, the Durham County Fire and Rescue Rural Fire District.

Special Park Tax District Fund – to account for and report the proceeds of special district taxes for maintenance and beautification of the Research Triangle Park. Payments of the amounts appropriated are made on a monthly basis during the fiscal year.

Special Park Tax District Fund - Transportation (RTP Transportation) - to account for and report the proceeds of special district taxes for public transportation services and projects in Research Triangle Park. Payments of the amounts appropriated are made on a monthly basis during the fiscal year.

Community Health Trust Fund - to account for and report the proceeds of financial resources acquired through the leasing of Duke Regional Hospital to Duke University and the earnings of these financial resources and ensure the financial resources are used for health-related operating and capital expenditures.



**Combined Balance Sheet
Nonmajor Governmental Funds
June 30, 2024**

| | <u>Nonmajor Special Revenue Funds</u> |
|--|---|
| Assets | |
| Cash and cash equivalents / investments | \$ 5,503,864 |
| Cash and cash equivalents / investments - restricted | 243,528 |
| Net property taxes receivable | 112,552 |
| Due from other governments - federal and state agencies | 53,342 |
| Total assets | <u>5,913,286</u> |
| Liabilities | |
| Accounts payable | 24,077 |
| Total liabilities | <u>24,077</u> |
| Deferred inflows of resources | |
| Prepaid taxes | 27,553 |
| Net property taxes receivable | 112,552 |
| Total deferred inflows of resources | <u>140,105</u> |
| Fund balances | |
| Restricted: | |
| Restricted for other purposes | 243,528 |
| Assigned | 5,505,576 |
| Total fund balances | <u>5,749,104</u> |
| Total liabilities, deferred inflow of resources and fund balances | <u>\$ 5,913,286</u> |

**Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024**

| | Nonmajor Special Revenue Funds |
|--|---|
| Revenues | |
| Taxes | \$ 14,416,741 |
| Investments | 199,063 |
| Charges for services | 1,250,000 |
| Total revenues | <u>15,865,804</u> |
| Expenditures | |
| Current: | |
| Public safety | 10,411,035 |
| Economic and physical development | 2,710,856 |
| Total expenditures | <u>13,121,891</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>2,743,913</u> |
| Other financing sources (uses) | |
| Transfers out | <u>(2,038,907)</u> |
| Total other financing sources (uses) | <u>(2,038,907)</u> |
| Net change in fund balances | 705,006 |
| FUND BALANCE - BEGINNING, as previously stated | 7,553,718 |
| Change within financial reporting entity (nonmajor to major) (Note O): | (2,509,620) |
| FUND BALANCE - BEGINNING, as restated | <u>5,044,098</u> |
| FUND BALANCE - ENDING | <u>\$ 5,749,104</u> |



Combining Balance Sheet Nonmajor Special Revenue Funds June 30, 2024

| | Fire Tax Districts | | | | |
|---|--------------------|-------------------|---------------|-------------------|------------------|
| | Bethesda | Lebanon | Parkwood | Redwood | New Hope |
| Assets | | | | | |
| Cash and cash equivalents / investments | \$ 289 | \$ 215,086 | \$ 54 | \$ 362,603 | \$ 30,506 |
| Cash and cash equivalents / investments - restricted | - | - | - | - | - |
| Net property taxes receivable | - | 13,136 | 56 | 26,946 | 257 |
| Due from other governments - federal and state agencies | - | 17,666 | - | 9,059 | 463 |
| Total assets | <u>289</u> | <u>245,888</u> | <u>110</u> | <u>398,608</u> | <u>31,226</u> |
| Liabilities | | | | | |
| Accounts payable | - | 78 | - | - | - |
| Total liabilities | <u>-</u> | <u>78</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred inflows of resources | | | | | |
| Prepaid taxes | - | 4,914 | - | 739 | - |
| Net property taxes receivable | - | 13,136 | 56 | 26,946 | 257 |
| Total deferred inflows of resources | <u>-</u> | <u>18,050</u> | <u>56</u> | <u>27,685</u> | <u>257</u> |
| Fund balances | | | | | |
| Restricted: | | | | | |
| Restricted for other purposes | - | - | - | - | - |
| Assigned | 289 | 227,760 | 54 | 370,923 | 30,969 |
| Total fund balances | <u>289</u> | <u>227,760</u> | <u>54</u> | <u>370,923</u> | <u>30,969</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 289</u> | <u>\$ 245,888</u> | <u>\$ 110</u> | <u>\$ 398,608</u> | <u>\$ 31,226</u> |

Combining and Individual Fund Statements and Schedules

| Eno | Bahama | Bethesda Service Tax District | Durham County Fire and Rescue Service Tax District | Special Park Tax District | Special Park Tax District - Transportation | Community Health Trust Fund | Total Nonmajor Special Revenue Funds |
|------------------|-------------------|-------------------------------------|---|------------------------------|--|-----------------------------------|--|
| \$ 51,400 | \$ 772,468 | \$ 340,299 | \$ 3,120,129 | \$ 459,786 | \$ 86,714 | \$ 64,530 | \$ 5,503,864 |
| - | - | - | 243,528 | - | - | - | 243,528 |
| 4 | 9,487 | 179 | 51,388 | 9,695 | 1,404 | - | 112,552 |
| 502 | 5,755 | - | 19,207 | 540 | 150 | - | 53,342 |
| <u>51,906</u> | <u>787,710</u> | <u>340,478</u> | <u>3,434,252</u> | <u>470,021</u> | <u>88,268</u> | <u>64,530</u> | <u>5,913,286</u> |
| - | - | - | 62 | 23,937 | - | - | 24,077 |
| - | - | - | 62 | 23,937 | - | - | 24,077 |
| - | 304 | - | 12,209 | 7,310 | 2,077 | - | 27,553 |
| 4 | 9,487 | 179 | 51,388 | 9,695 | 1,404 | - | 112,552 |
| 4 | 9,791 | 179 | 63,597 | 17,005 | 3,481 | - | 140,105 |
| - | - | - | 243,528 | - | - | - | 243,528 |
| 51,902 | 777,919 | 340,299 | 3,127,065 | 429,079 | 84,787 | 64,530 | 5,505,576 |
| <u>51,902</u> | <u>777,919</u> | <u>340,299</u> | <u>3,370,593</u> | <u>429,079</u> | <u>84,787</u> | <u>64,530</u> | <u>5,749,104</u> |
| <u>\$ 51,906</u> | <u>\$ 787,710</u> | <u>\$ 340,478</u> | <u>\$ 3,434,252</u> | <u>\$ 470,021</u> | <u>\$ 88,268</u> | <u>\$ 64,530</u> | <u>\$ 5,913,286</u> |

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds Year Ended June 30, 2024

| | Fire Tax Districts | | | | |
|---|--------------------|--------------|----------|--------------|------------|
| | Bethesda | Lebanon | Parkwood | Redwood | New Hope |
| Revenues | | | | | |
| Taxes | \$ - | \$ 1,697,437 | \$ - | \$ 1,434,660 | \$ 104,672 |
| Investments | - | 12,131 | - | 23,245 | 1,586 |
| Charges for services | - | - | - | - | - |
| Total revenues | - | 1,709,568 | - | 1,457,905 | 106,258 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | - | 1,286,677 | - | 1,647,163 | 101,839 |
| Economic and physical development | - | - | - | - | - |
| Total expenditures | - | 1,286,677 | - | 1,647,163 | 101,839 |
| Other financing sources (uses) | | | | | |
| Transfers out | - | (369,157) | - | - | - |
| Total other financing sources (uses) | - | (369,157) | - | - | - |
| Net change in fund balances | - | 53,734 | - | (189,258) | 4,419 |
| FUND BALANCE - BEGINNING, as previously stated | 289 | 174,026 | 54 | 560,181 | 26,550 |
| Change within financial reporting entity (nonmajor to major) (Note O): | \$ - | \$ - | \$ - | \$ - | \$ - |
| FUND BALANCE - BEGINNING, as restated | \$ 289 | \$ 174,026 | \$ 54 | \$ 560,181 | \$ 26,550 |
| FUND BALANCE - ENDING | \$ 289 | \$ 227,760 | \$ 54 | \$ 370,923 | \$ 30,969 |

Combining and Individual Fund Statements and Schedules

| Eno | Bahama | Bethesda Service Tax District | Durham County Fire and Rescue Service Tax District | Special Park Tax District | Special Park Tax District - Transportation | Community Health Trust Fund | Opioid Settlement Fund | Total Nonmajor Special Revenue Funds |
|-----------|--------------|-------------------------------------|--|------------------------------|--|-----------------------------------|------------------------------|--|
| \$ 38,699 | \$ 2,180,771 | \$ 39 | \$ 6,007,485 | \$ 2,301,724 | \$ 651,254 | \$ - | \$ - | \$ 14,416,741 |
| 1,468 | 23,183 | 7,310 | 70,164 | 25,484 | 5,643 | 28,849 | - | 199,063 |
| - | - | - | - | - | - | 1,250,000 | - | 1,250,000 |
| 40,167 | 2,203,954 | 7,349 | 6,077,649 | 2,327,208 | 656,897 | 1,278,849 | - | 15,865,804 |
| 37,808 | 2,223,100 | - | 5,114,448 | - | - | - | - | 10,411,035 |
| - | - | - | - | 2,138,746 | 572,110 | - | - | 2,710,856 |
| 37,808 | 2,223,100 | - | 5,114,448 | 2,138,746 | 572,110 | - | - | 13,121,891 |
| - | - | - | (419,750) | - | - | (1,250,000) | - | (2,038,907) |
| - | - | - | (419,750) | - | - | (1,250,000) | - | (2,038,907) |
| 2,359 | (19,146) | 7,349 | 543,451 | 188,462 | 84,787 | 28,849 | - | 705,006 |
| 49,543 | 797,065 | 332,950 | 2,827,142 | 240,617 | - | 35,681 | 2,509,620 | 7,553,718 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (2,509,620) | \$ (2,509,620) |
| \$ 49,543 | \$ 797,065 | \$ 332,950 | \$ 2,827,142 | \$ 240,617 | \$ - | \$ 35,681 | \$ - | \$ 5,044,098 |
| \$ 51,902 | \$ 777,919 | \$ 340,299 | \$ 3,370,593 | \$ 429,079 | \$ 84,787 | \$ 64,530 | \$ - | \$ 5,749,104 |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Bethesda Fire Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|----------|-------|--------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | - | - |
| Charges for services | - | - | - | - |
| Total revenues | - | - | - | - |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | - | \$ - |
| FUND BALANCE - BEGINNING | | | 289 | |
| FUND BALANCE - ENDING | | | \$ 289 | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual- Lebanon Fire Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|--------------|--------------|--------------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ 1,656,146 | \$ 1,656,146 | \$ 1,697,437 | \$ 41,291 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 12,131 | 12,131 |
| Charges for services | - | - | - | - |
| Total revenues | 1,656,146 | 1,656,146 | 1,709,568 | 53,422 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 1,249,902 | 1,286,989 | 1,286,677 | 312 |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | 1,249,902 | 1,286,989 | 1,286,677 | 312 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 406,244 | 369,157 | 422,891 | 53,734 |
| Other financing sources (uses) | | | | |
| Transfers out | (406,244) | (369,157) | (369,157) | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | (406,244) | (369,157) | (369,157) | - |
| Net change in fund balances | \$ - | \$ - | 53,734 | \$ 53,734 |
| FUND BALANCE - BEGINNING | | | 174,026 | |
| FUND BALANCE - ENDING | | | \$ 227,760 | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Parkwood Fire Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|----------|-------|--------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | - | - |
| Charges for services | - | - | - | - |
| Total revenues | - | - | - | - |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | - | - | - |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | - | \$ - |
| FUND BALANCE - BEGINNING | | | 54 | |
| FUND BALANCE - ENDING | | | \$ 54 | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Redwood Fire Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|--------------|--------------|--------------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ 1,430,347 | \$ 1,430,347 | \$ 1,434,660 | \$ 4,313 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 23,245 | 23,245 |
| Charges for services | - | - | - | - |
| Total revenues | 1,430,347 | 1,430,347 | 1,457,905 | 27,558 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 1,647,110 | 1,647,110 | 1,647,163 | (53) |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | 1,647,110 | 1,647,110 | 1,647,163 | (53) |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (216,763) | (216,763) | (189,258) | 27,505 |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | 216,763 | 216,763 | - | (216,763) |
| Total other financing sources (uses) | 216,763 | 216,763 | - | (216,763) |
| Net change in fund balances | \$ - | \$ - | (189,258) | \$ (189,258) |
| FUND BALANCE - BEGINNING | | | 560,181 | |
| FUND BALANCE - ENDING | | | \$ 370,923 | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - New Hope Fire Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|------------|------------|------------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ 101,872 | \$ 101,872 | \$ 104,672 | \$ 2,800 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 1,586 | 1,586 |
| Charges for services | - | - | - | - |
| Total revenues | 101,872 | 101,872 | 106,258 | 4,386 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 101,872 | 101,872 | 101,839 | 33 |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | 101,872 | 101,872 | 101,839 | 33 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | 4,419 | 4,419 |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | 4,419 | \$ 4,419 |
| FUND BALANCE - BEGINNING | | | 26,550 | |
| FUND BALANCE - ENDING | | | \$ 30,969 | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Eno Fire Tax District Special Revenue
Fund Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|---------------|---------------|------------------|------------------------------------|
| Revenues | | | | |
| Taxes | \$ 37,813 | \$ 37,813 | \$ 38,699 | \$ 886 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 1,468 | 1,468 |
| Charges for services | - | - | - | - |
| Total revenues | <u>37,813</u> | <u>37,813</u> | <u>40,167</u> | <u>2,354</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 37,813 | 37,813 | 37,808 | 5 |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | <u>37,813</u> | <u>37,813</u> | <u>37,808</u> | <u>5</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>-</u> | <u>-</u> | <u>2,359</u> | <u>2,359</u> |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>2,359</u> | <u>\$ 2,359</u> |
| FUND BALANCE - BEGINNING | | | <u>49,543</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 51,902</u> | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Bahama Fire Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|------------------|------------------|-------------------|------------------------------------|
| Revenues | | | | |
| Taxes | \$ 1,770,109 | \$ 1,770,109 | \$ 2,180,771 | \$ 410,662 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 23,183 | 23,183 |
| Charges for services | - | - | - | - |
| Total revenues | <u>1,770,109</u> | <u>1,770,109</u> | <u>2,203,954</u> | <u>433,845</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 2,223,249 | 2,223,249 | 2,223,100 | 149 |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | <u>2,223,249</u> | <u>2,223,249</u> | <u>2,223,100</u> | <u>149</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(453,140)</u> | <u>(453,140)</u> | <u>(19,146)</u> | <u>433,994</u> |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | 453,140 | 453,140 | - | (453,140) |
| Total other financing sources (uses) | <u>453,140</u> | <u>453,140</u> | <u>-</u> | <u>(453,140)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(19,146)</u> | <u>\$ (19,146)</u> |
| FUND BALANCE - BEGINNING | | | 797,065 | |
| FUND BALANCE - ENDING | | | <u>\$ 777,919</u> | |

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Bethesda Service Tax District Special Revenue Fund
Year Ended June 30, 2024

| | Original | Final | Actual | Positive (Negative) Variance |
|--|----------|-------|------------|------------------------------------|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ 39 | \$ 39 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 7,310 | 7,310 |
| Charges for services | - | - | - | - |
| Total revenues | - | - | 7,349 | 7,349 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | - | - | 7,349 | 7,349 |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | \$ - | \$ - | 7,349 | \$ 7,349 |
| FUND BALANCE - BEGINNING | | | 332,950 | |
| FUND BALANCE - ENDING | | | \$ 340,299 | |

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Durham County Fire and Rescue Service Tax District Special
Revenue Fund
Year Ended June 30, 2024

| | Original | Final | Actual | Positive (Negative) Variance |
|--|--------------|--------------|--------------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ 5,610,607 | \$ 5,610,607 | \$ 6,007,485 | \$ 396,878 |
| Intergovernmental revenues | - | - | - | - |
| Investments | 20,001 | 20,001 | 70,164 | 50,163 |
| Charges for services | - | - | - | - |
| Total revenues | 5,630,608 | 5,630,608 | 6,077,649 | 447,041 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | 5,138,696 | 5,115,227 | 5,114,448 | 779 |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | 5,138,696 | 5,115,227 | 5,114,448 | 779 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 491,912 | 515,381 | 963,201 | 447,820 |
| Other financing sources (uses) | | | | |
| Transfers out | (419,750) | (419,750) | (419,750) | - |
| Appropriated fund balance | (72,162) | (95,631) | - | 95,631 |
| Total other financing sources (uses) | (491,912) | (515,381) | (419,750) | 95,631 |
| Net change in fund balances | \$ - | \$ - | 543,451 | \$ 543,451 |
| FUND BALANCE - BEGINNING | | | 2,827,142 | |
| FUND BALANCE - ENDING | | | \$ 3,370,593 | |

**Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Special Park Tax District Special Revenue Fund
Year Ended June 30, 2024**

| | Original | Final | Actual | Positive (Negative) Variance |
|--|--------------|--------------|--------------|---------------------------------|
| Revenues | | | | |
| Taxes | \$ 2,019,109 | \$ 2,019,109 | \$ 2,301,724 | \$ 282,615 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 25,484 | 25,484 |
| Charges for services | - | - | - | - |
| Total revenues | 2,019,109 | 2,019,109 | 2,327,208 | 308,099 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | 2,136,109 | 2,139,109 | 2,138,746 | 363 |
| Capital Outlay | - | - | - | - |
| Total expenditures | 2,136,109 | 2,139,109 | 2,138,746 | 363 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (117,000) | (120,000) | 188,462 | 308,462 |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | 117,000 | 120,000 | - | (120,000) |
| Total other financing sources (uses) | 117,000 | 120,000 | - | (120,000) |
| Net change in fund balances | \$ - | \$ - | 188,462 | \$ 188,462 |
| FUND BALANCE - BEGINNING | | | 240,617 | |
| FUND BALANCE - ENDING | | | \$ 429,079 | |

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual- Special Park Tax District - Transportation Special Revenue Fund
Year Ended June 30, 2024

| | Original | Final | Actual | Positive (Negative) Variance |
|--|----------------|----------------|------------------|------------------------------------|
| Revenues | | | | |
| Taxes | \$ 573,610 | \$ 573,610 | \$ 651,254 | \$ 77,644 |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 5,643 | 5,643 |
| Charges for services | - | - | - | - |
| Total revenues | <u>573,610</u> | <u>573,610</u> | <u>656,897</u> | <u>83,287</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | 572,110 | 572,110 | 572,110 | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | <u>572,110</u> | <u>572,110</u> | <u>572,110</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,500</u> | <u>1,500</u> | <u>84,787</u> | <u>83,287</u> |
| Other financing sources (uses) | | | | |
| Transfers out | - | - | - | - |
| Appropriated fund balance | (1,500) | (1,500) | - | 1,500 |
| Total other financing sources (uses) | <u>(1,500)</u> | <u>(1,500)</u> | <u>-</u> | <u>1,500</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>84,787</u> | <u>\$ 84,787</u> |
| Fund balance - beginning | | | <u>-</u> | |
| FUND BALANCE - ENDING | | | <u>\$ 84,787</u> | |

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Community Health Trust Fund
Year Ended June 30, 2024

| | Original | Final | Actual | Positive (Negative) Variance |
|--|-------------|-------------|-------------|------------------------------------|
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental revenues | - | - | - | - |
| Investments | - | - | 28,849 | 28,849 |
| Charges for services | 1,250,000 | 1,250,000 | 1,250,000 | - |
| Total revenues | 1,250,000 | 1,250,000 | 1,278,849 | 28,849 |
| Expenditures | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Economic and physical development | - | - | - | - |
| Capital Outlay | - | - | - | - |
| Total expenditures | - | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 1,250,000 | 1,250,000 | 1,278,849 | 28,849 |
| Other financing sources (uses) | | | | |
| Transfers out | (1,250,000) | (1,250,000) | (1,250,000) | - |
| Appropriated fund balance | - | - | - | - |
| Total other financing sources (uses) | (1,250,000) | (1,250,000) | (1,250,000) | - |
| Net change in fund balances | \$ - | \$ - | 28,849 | \$ 28,849 |
| FUND BALANCE - BEGINNING | | | 35,681 | |
| FUND BALANCE - ENDING | | | \$ 64,530 | |



Enterprise Funds

Sewer Utility Fund – to account for the provision of sewer utility services in the County which are financed in a manner similar to private business enterprises – where the intent is that costs of providing services be recovered primarily through user charges.

Stormwater Fund – to account for the provision of stormwater services in the County which are financed in a manner similar to private business enterprises – where the intent is that costs of providing services be recovered primarily through user charges.





**Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Sewer Utility Fund
Year Ended June 30, 2024**

| | Budget | Actual | Positive (Negative) Variance |
|---|---------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Charges for services | \$ 13,101,580 | \$ 15,233,888 | \$ 2,132,308 |
| Expenditures: | | | |
| Operating | 9,137,657 | 8,309,367 | 748,510 |
| Repairs and maintenance | 696,981 | 440,167 | 256,814 |
| Excess (deficiency) of revenues over (under) expenditures | 3,266,942 | 6,484,354 | 3,217,412 |
| Other Financing Sources (Uses): | | | |
| Capital expenses | (941,440) | (3,481,937) | (2,540,497) |
| Debt service - principal | (1,511,146) | (1,511,146) | - |
| Debt service - interest and fiscal charges | (237,688) | (232,687) | 5,001 |
| Investment income | - | 1,036,691 | 1,036,691 |
| Sewer connection fees | 3,250,000 | 2,879,822 | (370,178) |
| Total other financing sources (uses) | 559,726 | (1,309,257) | (1,868,983) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 3,826,668 | 5,175,097 | 1,348,429 |
| Fund balance appropriated | 477,667 | - | 477,667 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>\$ 4,304,335</u> | <u>\$ 5,175,097</u> | <u>\$ 870,762</u> |

**Reconciliation of Modified Accrual Basis to Full Accrual Basis -
Enterprise Fund - Sewer Utility Fund
Year Ended June 30, 2024**

| | |
|--|----------------------------|
| Excess Of Revenues and Other Financing Sources Over Expenditures and Other Uses (Budgetary Basis) | \$ 5,175,097 |
| Reconciling Items: | |
| Capital outlay | 3,481,937 |
| Capital contributions | 135,576 |
| Debt principal payments | 1,511,146 |
| Increase (decrease) in accrued interest payable | 4,087 |
| Increase (decrease) in accrued vacation | (404) |
| Increase (decrease) in accrued payroll | (39,487) |
| Increase (decrease) in accrued interest receivable | (8,993) |
| (Increase) decrease in accounts receivable | 459,877 |
| (Increase) decrease in due from other governments - federal & state agencies | (15,852) |
| (Increase) decrease in due from other governments - local | 40,122 |
| Depreciation | (5,008,112) |
| Pension expense | (397,493) |
| Deferred outflows of resources for pensions, current fiscal year contributions | 263,135 |
| Amortization of loss on refundings | (44,089) |
| Amortization of bond premium | 31,887 |
| Change in Net Position (GAAP Basis) | <u>\$ 5,588,434</u> |

**Schedule of Revenues and Expenditures - Budget and Actual -
(Non-GAAP Basis) Enterprise Fund - Stormwater
Fund Year Ended June 30, 2024**

| | Budget | Actual | Positive (Negative) Variance |
|---|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Charges for services | \$ 2,241,056 | \$ 2,057,736 | \$ (183,320) |
| Expenditures: | | | |
| Operating | 3,463,021 | 2,471,292 | 932,749 |
| Repairs and maintenance | 1,300 | 2,490 | (1,190) |
| Excess (deficiency) of revenues over (under) expenditures | (1,223,265) | (416,046) | 807,219 |
| Other Financing Sources (Uses): | | | |
| Capital expenses | (71,729) | (66,137) | 5,592 |
| Investment income | - | 87,368 | 87,368 |
| Intergovernmental | 625,000 | - | (625,000) |
| Construction permits | 592,000 | 1,434,309 | 842,309 |
| Inspection fees | 7,500 | 57,478 | 49,978 |
| Miscellaneous | 500 | - | (500) |
| Total other financing sources (uses) | 1,153,271 | 1,513,018 | 359,747 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (69,994) | 1,096,972 | 1,166,966 |
| Fund balance appropriated | 69,994 | - | 69,994 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | \$ - | \$ 1,096,972 | \$ 1,096,972 |

**Reconciliation of Modified Accrual Basis to Full Accrual Basis -
Enterprise Fund - Stormwater Fund
Year Ended June 30, 2024**

| | |
|--|----------------------------|
| Excess Of Revenues and Other Financing Sources Over Expenditures and Other Uses (Budgetary Basis) | \$ 1,096,972 |
| Reconciling Items: | |
| Capital outlay | 66,137 |
| Increase (decrease) in accrued vacation | (9,670) |
| Increase (decrease) in accrued payroll | (19,820) |
| Increase (decrease) in accrued interest receivable | 2,593 |
| (Increase) decrease in accounts receivable | 116,585 |
| (Increase) decrease in due from other governments - federal & state agencies | (529) |
| Depreciation | (16,941) |
| Pension expense | (149,117) |
| Deferred outflows of resources for pensions, current fiscal year contributions | 98,713 |
| Change in Net Position (GAAP Basis) | <u>\$ 1,184,923</u> |

Fiduciary Funds

George R. Linder Memorial Private-Purpose Trust Fund – to account for and report resources legally held in trust for the use of acquiring public speakers/lecturers for the Library and functions sponsored by the Library. The fund also receives gift donations to purchase books in the honor of individuals.

Vic Pearson Emergency Medical Services (EMS) Memorial Private-Purpose Trust Fund – to account for and report resources legally held in trust for use in assisting EMS employees and/or their families after serious injuries, sickness and/or deaths to them or immediate family members.

Custodial Funds – To account for funds held in trust on behalf of jail inmates; to account for funds held on behalf of the Sheriff's Office as a result of seized evidence; to account for funds collected for the civil division held on behalf of the Sheriff's Office until disbursed to plaintiffs; to account for late list penalties collected on taxes by the County on behalf of the Durham Public Schools; and to account for taxes collected by the County on behalf of the City of Durham, the Town of Chapel Hill, the City of Raleigh, the Town of Cary, and the Town of Morrisville.





**Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2024**

| | George R. Linder Memorial Private-Purpose Trust Fund | Vic Pearson EMS Memorial Private-Purpose Trust Fund | Total Private- Purpose Trust Funds |
|---|---|--|--|
| Assets | | | |
| Cash and cash equivalents | \$ 6,302 | \$ 45,467 | \$ 51,769 |
| Total assets | <u>6,302</u> | <u>45,467</u> | <u>51,769</u> |
| Net position | | | |
| Held in trust/restricted for: | | | |
| Individuals, organizations, and governments | 6,302 | 45,467 | 51,769 |
| Total net position | <u>\$ 6,302</u> | <u>\$ 45,467</u> | <u>\$ 51,769</u> |

**Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
Year ended June 30, 2024**

| | George R. Linder Memorial Private- Purpose Trust Fund | Vic Pearson EMS Memorial Private- Purpose Trust Fund | Total Private- Purpose Trust Funds |
|---------------------------------------|--|---|---|
| Additions | | | |
| Employee contributions | \$ - | \$ 3,415 | \$ 3,415 |
| Investment income | 153 | 1,370 | 1,523 |
| Total Additions | <u>153</u> | <u>4,785</u> | <u>4,938</u> |
| Deductions | | | |
| Benefit payments | - | 5,300 | 5,300 |
| Total Deductions | <u>-</u> | <u>5,300</u> | <u>5,300</u> |
| Change in net Position | 153 | (515) | (362) |
| Total net position - beginning | <u>6,149</u> | <u>45,982</u> | <u>52,131</u> |
| Total net position - ending | <u>\$ 6,302</u> | <u>\$ 45,467</u> | <u>\$ 51,769</u> |



**Combining Statement of Fiduciary Net Position
Custodial Funds
Year ended June 30, 2024**

| | Sheriff's Evidence Fund | Jail Inmate Fund | Sheriff's Fund | Durham Public Schools Fund |
|---|----------------------------|------------------|----------------|-------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 601,526 | \$ 53,229 | \$ 16,902 | \$ - |
| Accounts receivable | - | - | - | 153,668 |
| Taxes receivable for other governments, net | - | - | - | - |
| Due from governmental agencies | - | - | - | - |
| Total assets | 601,526 | 53,229 | 16,902 | 153,668 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | - | - | - | 76,149 |
| Due to public schools | - | - | - | 200,693 |
| Due to other governments | - | - | - | - |
| Unearned revenue | - | 1,273 | - | - |
| Total liabilities | - | 1,273 | - | 276,842 |
| NET POSITION | | | | |
| Held in trust/restricted for: | | | | |
| Individuals, organizations, and governments | \$ 601,526 | \$ 51,956 | \$ 16,902 | \$ (123,174) |

Combining and Individual Fund Statements and Schedules

| Town of Chapel Hill Tax Fund | City of Durham Tax Fund | City of Raleigh Tax Fund | Town of Morrisville Tax Fund | Town of Cary Tax Fund | Total Custodial Funds |
|---------------------------------|----------------------------|-----------------------------|---------------------------------|--------------------------|--------------------------|
| \$ 145,921 | \$ 4,838,842 | \$ 72,955 | \$ 7,913 | \$ 111 | \$ 5,737,399 |
| - | - | - | - | - | 153,668 |
| 6,219 | 1,528,460 | 2,248 | 9 | - | 1,536,936 |
| 18,843 | 1,603,346 | 9,549 | - | - | 1,631,738 |
| <u>170,983</u> | <u>7,970,648</u> | <u>84,752</u> | <u>7,922</u> | <u>111</u> | <u>9,059,741</u> |
| 112 | 8,387 | - | - | - | 84,648 |
| - | - | - | - | - | 200,693 |
| 6,231 | 1,634,093 | 4,327 | 9 | 209 | 1,644,869 |
| - | - | - | - | - | 1,273 |
| <u>6,343</u> | <u>1,642,480</u> | <u>4,327</u> | <u>9</u> | <u>209</u> | <u>1,931,483</u> |
| | | | | | |
| <u>\$ 164,640</u> | <u>\$ 6,328,168</u> | <u>\$ 80,425</u> | <u>\$ 7,913</u> | <u>\$ (98)</u> | <u>\$ 7,128,258</u> |

Combining Statement of Changes in Fiduciary Net Position Custodial Funds June 30, 2024

| | Sheriff's Evidence Fund | Jail Inmate Fund | Sheriff's Fund | Durham Public Schools Fund |
|--|----------------------------|-------------------------|-------------------------|-------------------------------|
| Additions | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ - |
| Collections for public schools | - | - | - | 638,260 |
| Tax collections for other governments | - | - | - | - |
| Collections on behalf of sheriff | 83,912 | - | 453,292 | - |
| Collections on behalf of inmates | - | 716,717 | - | - |
| Total additions | <u>83,912</u> | <u>716,717</u> | <u>453,292</u> | <u>638,260</u> |
| Deductions | | | | |
| Payments on behalf of sheriff | 108,967 | - | 484,740 | - |
| Payments on behalf of inmates | - | 710,598 | - | - |
| Collection distributions to public schools | - | - | - | 628,406 |
| Tax distributions to other governments | - | - | - | - |
| Administrative costs | - | - | - | 56,879 |
| Loss on investment | - | - | - | 2,045 |
| Total Deductions | <u>108,967</u> | <u>710,598</u> | <u>484,740</u> | <u>687,330</u> |
| Change in net Position | <u>(25,055)</u> | <u>6,119</u> | <u>(31,448)</u> | <u>(49,070)</u> |
| Total net position - beginning | <u>626,581</u> | <u>45,837</u> | <u>48,350</u> | <u>(74,104)</u> |
| Total net position - ending | <u><u>\$ 601,526</u></u> | <u><u>\$ 51,956</u></u> | <u><u>\$ 16,902</u></u> | <u><u>\$ (123,174)</u></u> |

Combining and Individual Fund Statements and Schedules

| Town of Chapel Hill Tax Fund | City of Durham Tax Fund | City of Raleigh Tax Fund | Town of Morrisville Tax Fund | Town of Cary Tax Fund | Total Custodial Funds |
|---------------------------------|----------------------------|-----------------------------|---------------------------------|--------------------------|--------------------------|
| \$ 7,423 | \$ 18,466 | \$ 12,374 | \$ 5,852 | \$ 143 | \$ 44,258 |
| - | - | - | - | - | 638,260 |
| 3,394,523 | 238,108,897 | 1,199,780 | 426,442 | 16,060 | 243,145,702 |
| - | - | - | - | - | 537,204 |
| - | - | - | - | - | 716,717 |
| <u>3,401,946</u> | <u>238,127,363</u> | <u>1,212,154</u> | <u>432,294</u> | <u>16,203</u> | <u>245,082,141</u> |
| - | - | - | - | - | 593,707 |
| - | - | - | - | - | 710,598 |
| - | - | - | - | - | 628,406 |
| 3,280,734 | 230,840,869 | 1,158,651 | 420,033 | 15,857 | 235,716,144 |
| 53,693 | 2,686,133 | 19,485 | 6,404 | 241 | 2,822,835 |
| - | - | - | - | - | 2,045 |
| <u>3,334,427</u> | <u>233,527,002</u> | <u>1,178,136</u> | <u>426,437</u> | <u>16,098</u> | <u>240,473,735</u> |
| 67,519 | 4,600,361 | 34,018 | 5,857 | 105 | 4,608,406 |
| 97,121 | 1,727,807 | 46,407 | 2,056 | (203) | 2,519,852 |
| <u>\$ 164,640</u> | <u>\$ 6,328,168</u> | <u>\$ 80,425</u> | <u>\$ 7,913</u> | <u>\$ (98)</u> | <u>\$ 7,128,258</u> |



Capital
Assets, Long-
Term Debt
and Other
Information



Capital Assets Used in the Operation of Governmental Funds Schedule by Function and Activity¹ as of June 30, 2024

| | Total Assets | Land | Easements | Buildings | Office Furniture and Equipment |
|---|--------------|-----------|-----------|--------------|--------------------------------------|
| General Government: | | | | | |
| County commissioners | \$ 948,128 | \$ - | \$ - | \$ - | \$ - |
| Board of Elections | 947,766 | - | - | - | 10,117 |
| Finance | 4,647,560 | - | - | 417,874 | - |
| Tax administration | 4,115,618 | - | - | - | - |
| Legal | 121,809 | - | - | - | - |
| Risk management | 128,254 | - | - | 38,200 | - |
| Court facilities | 13,751,926 | - | - | 13,739,306 | 12,620 |
| Register of deeds | 2,482,962 | - | - | - | 944,572 |
| General services | 403,153,887 | 4,790,491 | - | 392,205,134 | 359,642 |
| Information systems and technology | 35,866,684 | - | - | - | 29,298 |
| Veteran's services | 32,447 | - | - | - | - |
| Human resources | 17,660 | - | - | - | - |
| Total general government | 466,214,701 | 4,790,491 | - | 406,400,514 | 1,356,249 |
| Public Safety: | | | | | |
| Sheriff | 59,232,035 | 1,398,962 | - | 40,737,831 | 1,002,713 |
| County fire protection | 1,765,063 | - | - | 1,244,463 | 6,744 |
| Emergency management | 5,291,046 | - | - | 1,144,636 | 45,635 |
| Animal control | 4,007,958 | - | - | 3,259,400 | 20,704 |
| Criminal justice partnership | 980,428 | - | - | 844,521 | - |
| Youth home | 558,065 | - | - | 367,000 | - |
| Office of emergency services | 21,266,389 | - | - | 2,856,008 | - |
| Total public safety | 93,100,984 | 1,398,962 | - | 50,453,859 | 1,075,796 |
| Environmental Protection: | | | | | |
| Environmental engineering | 11,844,947 | 2,730,566 | 1,857,992 | 77,873 | 7,315 |
| Open space and real estate | 2,382,917 | 1,187,416 | 1,195,501 | - | - |
| Total Environmental Protection | 14,227,864 | 3,917,982 | 3,053,493 | 77,873 | 7,315 |
| Economic and Physical Development: | | | | | |
| Cooperative extension | 7,463 | - | - | - | - |
| Planning | 30,684 | 6,500 | - | - | - |
| Soil and water conservation | 84,511 | - | - | - | - |
| Total Economic and Physical Development | 122,658 | 6,500 | - | - | - |
| Human Services: | | | | | |
| Public health | 2,115,809 | - | - | - | 47,868 |
| Mental health | 713,709 | - | - | - | - |
| Community intervention and support services | 172,575 | - | - | - | - |
| Social services | 4,565,309 | - | - | 3,101,314 | - |
| Other human services | 22,762 | - | - | - | - |
| Total human services | \$ 7,590,164 | \$ - | \$ - | \$ 3,101,314 | \$ 47,868 |

Capital Assets, Long-Term Debt and Other Information

| Machinery and Equipment | Computer Hardware | Vehicles | Computer Software | Water System | Right-to-use Lease Assets | Right-to-use Subscription Assets | Construction in Progress |
|-------------------------|-------------------|--------------|-------------------|--------------|---------------------------|----------------------------------|--------------------------|
| \$ 948,128 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 117,816 | - | 30,839 | - | - | 788,994 | - | - |
| 27,381 | 26,450 | - | 4,044,548 | - | - | 131,307 | - |
| 107,284 | 37,911 | 255,208 | 2,978,717 | - | - | 736,498 | - |
| - | 6,190 | - | - | - | - | 115,619 | - |
| 33,091 | - | 56,963 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 62,520 | 110,272 | - | 1,365,598 | - | - | - | - |
| 2,912,651 | 19,374 | 2,793,208 | 73,387 | - | - | - | - |
| 133,905 | 26,218,442 | - | 5,796,090 | - | - | 3,688,949 | - |
| - | - | 32,447 | - | - | - | - | - |
| 6,840 | 10,820 | - | - | - | - | - | - |
| 4,349,616 | 26,429,459 | 3,168,665 | 14,258,340 | - | 788,994 | 4,672,373 | - |
| 2,567,876 | 760,441 | 11,736,194 | 634,392 | - | 393,626 | - | - |
| 166,391 | - | 281,376 | 66,089 | - | - | - | - |
| 3,670,029 | 60,429 | 293,317 | 77,000 | - | - | - | - |
| 21,420 | - | 668,411 | 38,023 | - | - | - | - |
| - | 72,696 | 63,211 | - | - | - | - | - |
| 111,468 | - | 79,597 | - | - | - | - | - |
| 1,511,497 | 74,221 | 10,825,129 | 544,104 | - | 5,455,430 | - | - |
| 8,048,681 | 967,787 | 23,947,235 | 1,359,608 | - | 5,849,056 | - | - |
| 4,597,445 | 8,998 | 34,333 | - | 2,530,425 | - | - | - |
| - | - | - | - | - | - | - | - |
| 4,597,445 | 8,998 | 34,333 | - | 2,530,425 | - | - | - |
| 7,463 | - | - | - | - | - | - | - |
| - | - | 24,184 | - | - | - | - | - |
| - | - | 56,795 | 27,716 | - | - | - | - |
| 7,463 | - | 80,979 | 27,716 | - | - | - | - |
| 447,666 | 13,666 | 1,500,613 | 61,997 | - | 43,999 | - | - |
| 42,324 | 6,165 | - | 665,220 | - | - | - | - |
| - | - | 172,575 | - | - | - | - | - |
| 39,757 | 79,126 | 907,211 | 200,782 | - | 237,119 | - | - |
| - | - | 22,762 | - | - | - | - | - |
| \$ 529,747 | \$ 98,957 | \$ 2,603,161 | \$ 927,999 | \$ - | \$ 281,118 | \$ - | \$ - |

**Capital Assets Used in the Operation of Governmental Funds Schedule
by Function and Activity¹ as of June 30, 2024 (continued)**

| | <u>Total Assets</u> | <u>Land</u> | <u>Easements</u> | <u>Buildings</u> | <u>Office Furniture and Equipment</u> |
|-----------------------------------|-------------------------|----------------------|---------------------|-----------------------|---|
| Education: | | | | | |
| Durham public schools | \$ 8,080,942 | \$ - | \$ - | \$ 8,080,942 | \$ - |
| Cultural and Recreational: | | | | | |
| Library | 7,979,180 | 7,500 | - | 6,131,555 | 29,126 |
| Capital Projects: | | | | | |
| Construction in progress | 255,323,780 | - | - | - | - |
| Total Capital Assets | <u>\$ 852,640,274</u> | <u>\$ 10,121,435</u> | <u>\$ 3,053,493</u> | <u>\$ 474,246,058</u> | <u>\$ 2,516,354</u> |

¹This schedule presents only the capital asset balances related to governmental funds.

Capital Assets, Long-Term Debt and Other Information

| <u>Machinery and Equipment</u> | <u>Computer Hardware</u> | <u>Vehicles</u> | <u>Computer Software</u> | <u>Water System</u> | <u>Right-to-use Lease Assets</u> | <u>Right-to-use Subscription Assets</u> | <u>Construction in Progress</u> |
|------------------------------------|------------------------------|----------------------|------------------------------|---------------------|--------------------------------------|---|-------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 238,017 | 18,368 | 748,384 | 378,776 | - | - | 427,454 | - |
| - | - | - | - | - | - | - | 255,323,780 |
| <u>\$ 17,770,969</u> | <u>\$ 27,523,569</u> | <u>\$ 30,582,757</u> | <u>\$ 16,952,439</u> | <u>\$ 2,530,425</u> | <u>\$ 6,919,168</u> | <u>\$ 5,099,827</u> | <u>\$ 255,323,780</u> |

Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity¹ Year Ended June 30, 2024

| | Capital Assets July 1, 2023 | Additions | Transfers and Deletions | Capital Assets June 30, 2024 |
|---|--------------------------------|----------------------|----------------------------|---------------------------------|
| General Government: | | | | |
| Board of county commissioners | \$ 948,128 | \$ - | \$ - | \$ 948,128 |
| Board of elections | 158,772 | - | - | 158,772 |
| Finance | 4,516,253 | - | - | 4,516,253 |
| Tax administration | 3,386,114 | 17,474 | (24,468) | 3,379,120 |
| Legal | 6,190 | - | - | 6,190 |
| Risk management and insurance | 128,254 | - | - | 128,254 |
| Court facilities | 13,751,926 | - | - | 13,751,926 |
| Register of deeds | 2,482,962 | - | - | 2,482,962 |
| General services | 402,615,495 | 598,162 | (59,769) | 403,153,888 |
| Information systems and technology | 29,658,140 | 2,519,595 | - | 32,177,735 |
| Veterans services | 32,447 | - | - | 32,447 |
| Human resources | 10,820 | 6,840 | - | 17,660 |
| Total general government | 457,695,501 | 3,142,071 | (84,237) | 460,753,335 |
| Public Safety: | | | | |
| County sheriff | 55,942,096 | 3,158,796 | (262,483) | 58,838,409 |
| Fire marshal | 1,793,240 | - | (28,177) | 1,765,063 |
| Criminal justice partnership | 980,428 | - | - | 980,428 |
| Animal control | 4,007,958 | - | - | 4,007,958 |
| Youth home | 582,595 | - | (24,530) | 558,065 |
| Office of emergency services | 19,374,844 | 1,809,783 | (82,622) | 21,102,005 |
| Total public safety | 82,681,161 | 4,968,579 | (397,812) | 87,251,928 |
| Environmental Protection: | | | | |
| Environmental engineering | 11,871,145 | - | (26,198) | 11,844,947 |
| Open space management | 2,263,108 | 119,809 | - | 2,382,917 |
| Total Environmental Protection | 14,134,253 | 119,809 | (26,198) | 14,227,864 |
| Economic and Physical Development: | | | | |
| Cooperative extension | 24,184 | 7,463 | - | 31,647 |
| Planning | 6,500 | - | - | 6,500 |
| Soil and water conservation | 84,511 | - | - | 84,511 |
| Total Economic and Physical Development | 115,195 | 7,463 | - | 122,658 |
| Human Services: | | | | |
| Public health | 1,800,701 | 271,109 | - | 2,071,810 |
| Community intervention and support services | 102,285 | 70,290 | - | 172,575 |
| Mental health | 713,709 | - | - | 713,709 |
| Social services | 4,328,889 | - | (699) | 4,328,190 |
| Other human services | 22,762 | - | - | 22,762 |
| Total human services | 6,968,346 | 341,399 | (699) | 7,309,046 |
| Education: | | | | |
| Durham public schools | 8,080,942 | - | - | 8,080,942 |
| Cultural and Recreational: | | | | |
| Library | 7,586,139 | - | (34,413) | 7,551,726 |
| Capital Projects: | | | | |
| Construction in progress | 191,888,446 | 65,954,929 | (2,519,595) | 255,323,780 |
| Total Capital Assets | \$ 769,149,983 | \$ 74,534,250 | \$ (3,062,954) | \$ 840,621,279 |

¹This schedule presents only the capital asset balances related to governmental funds.

**Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity¹
Year Ended June 30, 2024**

| | Right-to- Use Assets July 1, 2023 | Additions | Transfers and Deletions | Right-to-Use Assets June 30, 2024 |
|------------------------------------|---|------------------|-------------------------------|--------------------------------------|
| General Government: | | | | |
| Finance | \$ 131,307 | \$ - | \$ - | \$ 131,307 |
| Tax administration | 736,498 | - | - | 736,498 |
| Legal | 115,619 | - | - | 115,619 |
| Elections | 820,037 | - | 31,043 | 788,994 |
| General services | 30,292 | - | 30,292 | - |
| Information systems and technology | 6,090,615 | - | 2,401,665 | 3,688,950 |
| Total general government | <u>7,924,368</u> | <u>-</u> | <u>2,463,000</u> | <u>5,461,368</u> |
| Public Safety: | | | | |
| Sheriff | 393,626 | - | - | 393,626 |
| Office of emergency services | 5,378,744 | 76,686 | - | 5,455,430 |
| Total public safety | <u>5,772,370</u> | <u>76,686</u> | <u>-</u> | <u>5,849,056</u> |
| Environmental Protection: | | | | |
| Environmental engineering | <u>3,715</u> | <u>-</u> | <u>3,715</u> | <u>-</u> |
| Human Services: | | | | |
| Public health | 43,999 | - | - | 43,999 |
| Social services | 237,119 | - | - | 237,119 |
| Total human services | <u>281,118</u> | <u>-</u> | <u>-</u> | <u>281,118</u> |
| Cultural and Recreational: | | | | |
| Library | <u>928,686</u> | <u>-</u> | <u>501,233</u> | <u>427,453</u> |
| Total Right-to-Use Assets | <u>\$ 14,910,257</u> | <u>\$ 76,686</u> | <u>\$ 2,967,948</u> | <u>\$ 12,018,995</u> |

¹This schedule presents only the capital asset balances related to governmental funds.

Gross Bonded Debt and Other Long-Term Debt For the Fiscal Year Ended June 30, 2024

| Description | Interest Rate | Issue Date | Amount Outstanding 6-30-23 | Issued During Year | Adjusted During Year |
|---|------------------|------------|----------------------------------|-----------------------|-------------------------|
| General Long-Term Debt: | | | | | |
| Bonded Debt: | | | | | |
| Public Improvement Refunding, Series 2014 | 2.00%-5.00% | 06/03/14 | \$ 8,920,000 | \$ - | \$ - |
| Public Improvement Refunding, Series 2015 | 3.00%-5.00% | 07/09/15 | 19,335,000 | - | - |
| Public Improvement Refunding, Series 2016 | 3.00%-5.00% | 09/29/16 | 78,955,000 | - | - |
| Public Improvement Refunding, Series 2017 | 3.23% | 03/16/17 | 1,520,000 | - | - |
| Public Improvement Refunding, Series 2019 | 3.00%-5.00% | 03/05/19 | 35,360,000 | - | - |
| Public Improvement Refunding, Series 2021 | 1.25%-5.00% | 02/23/21 | 54,290,000 | - | - |
| Public Improvement Refunding, Series 2023 | 2.74%-4.08% | 08/17/23 | - | 45,980,000 | - |
| Unamortized Bond Premium | | | 29,210,505 | 4,024,308 | - |
| Total Bonded Debt: | | | 227,590,505 | 50,004,308 | - |
| Other Long-Term Debt: | | | | | |
| Installment Purchase Agreements: | | | | | |
| Limited Obligation Bonds: | | | | | |
| Lobs 2012 | 2.00%-5.00% | 03/29/12 | 5,380,000 | - | - |
| Lobs 2013 | 1.50%-5.00% | 03/28/13 | 7,495,000 | - | - |
| Lobs 2016 | 4.00%-5.00% | 04/01/16 | 22,860,000 | - | - |
| Lobs 2018 | 4.00%-5.00% | 09/06/18 | 43,880,000 | - | - |
| Lobs 2020A | 2.375%-5.00% | 01/23/20 | 14,540,000 | - | - |
| Lobs 2020B | 1.668%-3.085% | 01/23/20 | 96,350,000 | - | - |
| Lobs 2023A | 5.00% | 04/19/23 | 168,780,000 | - | - |
| Lobs 2023B | 3.985% to 5.064% | 04/19/23 | 23,685,000 | - | - |
| LOBs 2024A | 5.00% | 05/23/2024 | - | 36,970,000 | - |
| LOBs 2024B | 4.690%-5.125% | 05/23/2024 | - | 34,325,000 | - |
| Unamortized Bond Premium | | | 46,588,044 | 5,176,530 | - |
| Total Limited Obligation Bonds: | | | 429,558,044 | 76,471,530 | - |
| Other Financing Agreements | | | | | |
| Bond Anticipation Notes (BANs) FY22 | | | 42,976,949 | 7,023,051 | - |
| Bond Anticipation Notes (BANs) FY23 | | | - | 73,431,159 | - |
| Total Bond Anticipation Notes | | | 42,976,949 | 80,454,210 | - |
| Other Agreements | | | | | |
| Leases | | | 6,126,119 | 76,686 | - |
| Subscription | | | 4,370,984 | - | - |
| Utility Performance Contract (direct install placement financing) | | | 2,065,174 | - | - |
| Total Other Agreements | | | 12,562,277 | 76,686 | - |
| Total Other Financing Agreements | | | 55,539,226 | 80,530,896 | - |
| Total Installment Purchase Agreements: | | | 485,097,270 | 157,002,426 | - |
| Earned Vacation Pay | | | 11,308,799 | 7,589,299 | - |
| Net Pension Liabilities (LGERS) | | | 82,682,124 | 17,266,004 | 15,670 |
| Total Pension Liability (LEOSSA) | | | 8,768,866 | 1,679,821 | - |
| Total OPEB Liability | | | 161,425,607 | 2,317,762 | - |
| Total Other Long-Term Debt: | | | 749,282,666 | 185,855,312 | 15,670 |
| Total General Long-Term Debt: | | | \$ 976,873,171 | \$ 235,859,620 | \$ 15,670 |

Capital Assets, Long-Term Debt and Other Information

| Deceased During Year | Due Fiscal Year 2023-2024 | | Amount Outstanding 6-30-24 | Due Fiscal Year 2024-2025 | | Long-Term Principal Due Thereafter |
|-------------------------|---------------------------|----------------------|----------------------------------|---------------------------|----------------------|--|
| | Principal | Interest | | Principal | Interest | |
| \$ - | \$ 2,230,000 | \$ 362,375 | \$ 6,690,000 | \$ - | \$ 250,875 | \$ 6,690,000 |
| - | 5,355,000 | 832,875 | 13,980,000 | 5,370,000 | 564,750 | 8,610,000 |
| - | 6,640,000 | 2,945,100 | 72,315,000 | 8,865,000 | 2,601,800 | 63,450,000 |
| - | 380,000 | 42,959 | 1,140,000 | 380,000 | 30,685 | 760,000 |
| - | 2,210,000 | 1,574,625 | 33,150,000 | 2,210,000 | 1,464,125 | 30,940,000 |
| - | 3,195,000 | 1,724,906 | 51,095,000 | 3,195,000 | 1,597,106 | 47,900,000 |
| - | 2,295,000 | 1,741,196 | 43,685,000 | 2,300,000 | 2,092,400 | 41,385,000 |
| - | 2,994,321 | - | 30,240,492 | 2,625,935 | - | 27,614,557 |
| - | 25,299,321 | 9,224,036 | 252,295,492 | 24,945,935 | 8,601,741 | 227,349,557 |
| - | - | 180,088 | 5,380,000 | 2,190,000 | 180,188 | 3,190,000 |
| - | 3,750,000 | 309,213 | 3,745,000 | - | 121,713 | 3,745,000 |
| - | 2,885,000 | 1,070,875 | 19,975,000 | 2,880,000 | 926,750 | 17,095,000 |
| - | 2,745,000 | 1,791,875 | 41,135,000 | 2,745,000 | 1,685,875 | 38,390,000 |
| - | 860,000 | 622,213 | 13,680,000 | 855,000 | 587,813 | 12,825,000 |
| - | 4,255,000 | 2,426,127 | 92,095,000 | 5,755,000 | 2,329,694 | 86,340,000 |
| - | 8,435,000 | 9,423,550 | 160,345,000 | 8,440,000 | 8,017,250 | 151,905,000 |
| - | 1,185,000 | 1,199,362 | 22,500,000 | 1,185,000 | 1,026,715 | 21,315,000 |
| - | - | - | 36,970,000 | - | 1,889,578 | 36,970,000 |
| - | - | - | 34,325,000 | 3,565,000 | 1,713,298 | 30,760,000 |
| - | 2,824,892 | - | 48,939,682 | 2,824,892 | - | 46,114,790 |
| - | 26,939,892 | 17,023,303 | 479,089,682 | 30,439,892 | 18,478,874 | 448,649,790 |
| 50,000,000 | - | - | - | - | - | - |
| - | - | - | 73,431,159 | - | - | - |
| 50,000,000 | - | - | 73,431,159 | - | - | - |
| 10,236 | 714,930 | 94,152 | 5,477,639 | 555,843 | 82,916 | 4,921,796 |
| - | 2,458,684 | 91,615 | 1,912,300 | 1,578,347 | 46,033 | 333,953 |
| - | 338,712 | 45,288 | 1,726,462 | 354,541 | 37,459 | 1,371,921 |
| 10,236 | 3,512,326 | 231,054 | 9,116,401 | 2,488,731 | 166,408 | 6,627,670 |
| 50,010,236 | 3,512,326 | 231,054 | 82,547,560 | 2,488,731 | 166,408 | 6,627,670 |
| 50,010,236 | 30,452,218 | 17,254,357 | 561,637,242 | 32,928,623 | 18,645,282 | 455,277,460 |
| - | 7,187,006 | - | 11,711,092 | 7,187,006 | - | 4,524,086 |
| - | - | - | 99,963,798 | - | - | 99,963,798 |
| - | - | - | 10,448,687 | - | - | 10,448,687 |
| - | - | - | 163,743,369 | 4,444,556 | - | 159,298,813 |
| 50,010,236 | 37,639,224 | 17,254,357 | 847,504,188 | 44,560,185 | 18,645,282 | 729,512,844 |
| \$ 50,010,236 | \$ 62,938,545 | \$ 26,478,393 | \$ 1,099,799,680 | \$ 69,506,120 | \$ 27,247,023 | \$ 956,862,401 |

**Gross Bonded Debt and Other Long-Term Debt
For the Fiscal Year Ended June 30, 2024 (continued)**

| Description | Interest Rate | Issue Date | Amount Outstanding 6-30-23 | Issued During Year | Adjusted During Year |
|---|---------------|------------|----------------------------------|-----------------------|-------------------------|
| Proprietary Debt: | | | | | |
| Enterprise Fund: | | | | | |
| Enterprise Revolving Loan | 2.22% | 07/01/10 | \$ 1,250,179 | \$ - | \$ - |
| Enterprise Revolving Loan II | 2.22% | 07/01/10 | 5,322,374 | - | - |
| Revenue Bonds Refunding, Series 2012 | 2.49% | 08/23/12 | 3,485,000 | - | - |
| Unamortized Bond Premium | | | 172,718 | - | - |
| Total Enterprise Fund Bounded Debt: | | | 10,230,271 | - | - |
| Earned Vacation Pay | | | 236,977 | 126,213 | - |
| Net Pension Liability (LGERS) | | | 1,218,341 | 362,953 | (15,670) |
| Total Proprietary Debt: | | | 11,685,589 | 489,166 | (15,670) |
| Total General Long-Term Debt and Proprietary Debt: | | | \$ 988,558,760 | \$ 236,348,786 | \$ - |

Capital Assets, Long-Term Debt and Other Information

| Defeased During Year | Due Fiscal Year 2023-2024 | | Amount Outstanding 6-30-24 | Due Fiscal Year 2024-2025 | | Long-Term Principal Due Thereafter |
|-------------------------|---------------------------|----------------------|----------------------------------|---------------------------|----------------------|--|
| | Principal | Interest | | Principal | Interest | |
| \$ - | \$ 138,909 | \$ 27,754 | \$ 1,111,270 | \$ 138,909 | \$ 24,670 | \$ 972,361 |
| - | 532,237 | 118,157 | 4,790,137 | 532,237 | 106,341 | 4,257,900 |
| - | 840,000 | 86,777 | 2,645,000 | 860,000 | 65,861 | 1,785,000 |
| - | 31,887 | - | 140,831 | 31,887 | - | 108,944 |
| - | 1,543,033 | 232,688 | 8,687,238 | 1,563,033 | 196,872 | 7,124,205 |
| - | 116,140 | - | 247,050 | 116,140 | - | 130,910 |
| - | - | - | 1,565,624 | - | - | 1,565,624 |
| - | 1,659,173 | 232,688 | 10,499,912 | 1,679,173 | 196,872 | 8,820,739 |
| \$ 50,010,236 | \$ 64,597,718 | \$ 26,711,081 | \$ 1,110,299,592 | \$ 71,185,293 | \$ 27,443,895 | \$ 965,683,140 |

Analysis of Current Tax Levy Fiscal Year Ending June 30, 2024

Property Valuations

| | |
|---|--------------------------|
| Real property | \$ 41,898,662,716 |
| Personal property | 5,583,640,062 |
| Public service | 522,340,633 |
| DMV-registered vehicles | 3,319,571,344 |
| Total subject to tax | <u>\$ 51,324,214,755</u> |
| Real property/personal property/corporate excess levy | \$ 584,371,279 |
| DMV - registered vehicles levy | <u>40,455,091</u> |
| Gross Levy | <u>\$ 624,826,370</u> |
| Abatements/discoveries | <u>2,048,441</u> |
| Net Levy | <u>\$ 626,874,811</u> |
| Uncollected at June 30, 2024 | <u>1,841,104</u> |
| Current year taxes collected | <u>\$ 625,033,707</u> |
| Percent of current taxes collected | <u>99.71%</u> |

**Schedule of Ad Valorem Taxes Receivable by Fund
Year Ended June 30, 2024**

| Year of Levy | Uncollected Balance July 1, 2023 | Current Year Gross Levy | Collections | Abatements/ Discoveries | Uncollected Balance June 30, 2024 |
|---------------------|---|------------------------------------|-----------------------|------------------------------------|--|
| 2023 | \$ - | \$ 624,826,370 | \$ 625,033,707 | \$ (2,048,441) | \$ 1,841,104 |
| 2022 | 2,825,196 | - | 2,200,630 | (90,436) | 534,130 |
| 2021 | 322,169 | - | 62,713 | (5,697) | 253,759 |
| 2020 | 233,872 | - | 30,358 | (6,596) | 196,918 |
| 2019 | 570,105 | - | 39,890 | (40,054) | 490,161 |
| 2018 | 448,154 | - | 32,609 | (816) | 414,729 |
| 2017 and prior | 516,700 | - | 55,750 | - | 460,950 |
| | <u>\$ 4,916,195</u> | <u>\$ 624,826,370</u> | <u>\$ 627,455,657</u> | <u>\$ (2,192,040)</u> | <u>4,191,751</u> |

| | |
|--|---------------------|
| Less allowance for uncollectible ad valorem taxes receivable | (93,040) |
| Ad valorem taxes receivable (net) | <u>\$ 4,098,711</u> |

Receivable by fund, net:

| | | |
|---------------------|----------------|---------------------|
| General Fund | \$ 2,238,175 | |
| Capital financing | <u>324,542</u> | |
| General Fund | | 2,562,717 |
| City of Durham | 1,528,460 | |
| Town of Chapel Hill | 6,219 | |
| City of Raleigh | 2,248 | |
| Town of Morrisville | 9 | |
| Town of Cary | <u>-</u> | |
| Custodial funds | | 1,536,936 |
| | | <u>\$ 4,099,653</u> |

Note: This schedule includes the general fund and custodial funds.

Schedule of Ad Valorem Taxes Receivable by Year Year Ended June 30, 2024

| Fiscal Year | Uncollected Balance July 1, 2023 | Additions | Collections | Abatements/ Discoveries | Uncollected Balance June 30, 2024 |
|---|---|-----------------------|-----------------------|------------------------------------|--|
| 2023-2024 | \$ - | \$ 624,826,370 | \$ 625,033,707 | \$ (2,048,441) | \$ 1,841,104 |
| 2022-2023 | 2,825,196 | - | 2,200,630 | (90,436) | 534,130 |
| 2021-2022 | 322,169 | - | 62,713 | (5,697) | 253,759 |
| 2020-2021 | 233,872 | - | 30,358 | (6,596) | 196,918 |
| 2019-2020 | 570,105 | - | 39,890 | (40,054) | 490,161 |
| 2018-2019 | 448,154 | - | 32,609 | (816) | 414,729 |
| 2017 and prior | 516,700 | - | 55,750 | - | 460,950 |
| | <u>\$ 4,916,196</u> | <u>\$ 624,826,370</u> | <u>\$ 627,455,657</u> | <u>\$ (2,192,040)</u> | <u>4,191,751</u> |
| Less allowance for uncollectible ad valorem taxes receivable | | | | | <u>(93,040)</u> |
| Ad valorem taxes receivable (net) | | | | | <u>\$ 4,098,711</u> |
| Reconcilement with revenues: | | | | | |
| Taxes - ad valorem - governmental funds | | | | | \$ 388,648,327 |
| Taxes - ad valorem - custodial funds | | | | | <u>238,807,330</u> |
| Total collections and credits | | | | | <u>\$ 627,455,657</u> |

Note: This schedule includes the general fund and custodial funds.



Statistical Section

Annual Comprehensive Financial Report
for the year ended June 30, 2024



Financial Trends Information

Schedule of Net Position by Component

This schedule is a summary of the County's net position for the last 10 fiscal years. Information can be obtained from the Statement of Net Position in the financial statements for each of the fiscal years. The Net Position must be presented in the three different components and in the aggregate.

Schedule of Changes in Net Position

This schedule is a summary of the changes in net position for the last 10 fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

Schedule of Fund Balances, Governmental Funds

This schedule is a summary of the governmental funds fund balances for the last 10 fiscal years. Information can be obtained from the Governmental Funds Balance Sheet in the financial statements for each of the fiscal years. The General Fund is reported in five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent; nonspendable, restricted, committed, assigned and unassigned fund balance. The remaining Governmental Funds are grouped together but split out into the appropriate fund balance classifications.

Schedule of Changes in Fund Balances of Governmental Funds

This schedule is required to show three items: the net change in fund balance over the last 10 fiscal years, provide the debt service as a percentage of non capital expenditures ratio, and debt service must be broken out into principal and interest. The schedule also shows the revenues by source and expenditures by function. This information can be obtained from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements for each of the fiscal years.

Government-wide Expenses by Function

This schedule is a summary of the expenses by functional area for the last 10 fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

Government-wide Revenues

This schedule is a summary of the revenues by source for the last 10 fiscal years. Information can be obtained from the Statement of Activities in the financial statements for each of the fiscal years.

General Government Expenditures by Function

This schedule is a summary of general government expenditures by function for the last 10 fiscal years for all governmental fund types consisting of General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Community Health Trust Fund. This information can be obtained from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements for each of the fiscal years.

General Government Revenues by Source

This schedule is a summary of general government revenues by source for the last 10 fiscal years for all governmental fund types consisting of General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund and Community Health Trust Fund. This information can be obtained from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances in the financial statements for each of the fiscal years.



Net Position by Component Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 53,700,724 | \$ 114,466,733 | \$ 108,073,865 | \$ 183,610,404 | \$ 136,546,994 | \$ 169,099,967 | \$ 62,072,041 | \$ 171,070,634 | \$ 120,531,058 | \$ 34,987,961 |
| Restricted | 107,068,865 | 132,542,994 | 100,410,092 | 97,332,350 | 68,391,721 | 64,193,834 | 57,833,938 | 52,646,580 | 56,579,115 | 57,772,872 |
| Unrestricted | (123,164,519) | (198,524,346) | (144,942,446) | (221,962,274) | (151,535,380) | (192,337,701) | (96,020,674) | (112,774,836) | (89,071,940) | (44,425,284) |
| Total governmental activities net position | <u>\$ 37,605,070</u> | <u>\$ 48,485,381</u> | <u>\$ 63,541,511</u> | <u>\$ 58,980,480</u> | <u>\$ 53,403,335</u> | <u>\$ 40,956,100</u> | <u>\$ 23,885,305</u> | <u>\$ 110,942,378</u> | <u>\$ 88,038,233</u> | <u>\$ 48,335,549</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 62,173,685 | \$ 61,663,435 | \$ 60,383,228 | \$ 54,524,004 | \$ 55,060,180 | \$ 53,816,232 | \$ 53,624,526 | \$ 53,217,258 | \$ 53,957,575 | \$ 49,473,281 |
| Restricted | 10,203,666 | 8,746,694 | 7,265,351 | 10,508,607 | 2,108,332 | 3,374,189 | 688,047 | 1,332,847 | 952,588 | 5,781,893 |
| Unrestricted | 54,061,505 | 49,255,370 | 41,022,643 | 36,203,632 | 39,353,018 | 36,995,955 | 36,741,062 | 33,334,232 | 28,459,495 | 25,993,181 |
| Total business-type activities net position | <u>\$ 126,438,856</u> | <u>\$ 119,665,499</u> | <u>\$ 108,671,222</u> | <u>\$ 101,236,243</u> | <u>\$ 96,521,530</u> | <u>\$ 94,186,376</u> | <u>\$ 91,053,635</u> | <u>\$ 87,884,337</u> | <u>\$ 83,369,658</u> | <u>\$ 81,248,355</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 115,874,409 | \$ 176,130,168 | \$ 168,457,093 | \$ 238,134,408 | \$ 191,607,174 | \$ 222,916,199 | \$ 115,696,567 | \$ 224,287,892 | \$ 174,488,633 | \$ 84,461,242 |
| Restricted | 117,272,531 | 141,289,688 | 107,675,443 | 107,840,957 | 70,500,053 | 67,568,023 | 58,521,985 | 53,979,427 | 57,531,703 | 63,554,765 |
| Unrestricted | (69,103,014) | (149,268,976) | (103,919,803) | (185,758,642) | (112,182,362) | (155,341,746) | (59,279,612) | (79,440,604) | (60,612,445) | (18,432,103) |
| Total primary government net position | <u>\$ 164,043,926</u> | <u>\$ 168,150,880</u> | <u>\$ 172,212,733</u> | <u>\$ 160,216,723</u> | <u>\$ 149,924,865</u> | <u>\$ 135,142,476</u> | <u>\$ 114,938,940</u> | <u>\$ 198,826,715</u> | <u>\$ 171,407,891</u> | <u>\$ 129,583,904</u> |

Changes in Net Position Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-----------------------------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 112,974,080 | \$ 123,351,253 | \$ 114,410,610 | \$ 101,205,831 | \$ 89,530,531 | \$ 65,306,869 | \$ 67,278,145 | \$ 64,194,870 | \$ 60,091,561 | \$ 57,622,575 |
| Public safety | 109,677,188 | 95,153,607 | 81,778,636 | 98,843,230 | 96,780,516 | 86,231,267 | 83,743,115 | 75,533,420 | 69,100,186 | 63,834,548 |
| Transportation | 1,311,317 | 912,757 | 800,206 | 291,640 | 228,549 | 244,338 | 238,948 | 353,001 | 205,873 | 309,017 |
| Economic and physical development | 13,130,041 | 16,179,664 | 16,303,883 | 13,107,386 | 9,416,002 | 5,996,057 | 5,761,844 | 7,368,799 | 7,343,752 | 4,773,955 |
| Environmental protection | 13,396,439 | 13,452,988 | 12,584,107 | 9,573,869 | 8,349,531 | 6,760,218 | 5,997,974 | 5,966,371 | 4,303,325 | 3,860,175 |
| Human services | 136,690,860 | 101,071,341 | 110,942,747 | 105,617,896 | 101,256,274 | 91,657,739 | 86,632,504 | 93,649,136 | 92,160,946 | 87,852,834 |
| Education | 292,887,030 | 259,618,044 | 245,537,946 | 181,869,621 | 182,574,991 | 172,358,720 | 155,678,995 | 149,192,760 | 144,524,127 | 137,832,688 |
| Cultural and recreational | 19,510,407 | 17,445,261 | 16,313,104 | 16,001,339 | 17,520,440 | 15,782,278 | 20,693,870 | 14,802,765 | 12,762,810 | 12,240,868 |
| Interest and fiscal charges | 24,155,932 | 22,396,244 | 14,794,595 | 14,578,173 | 254,616 | 19,100,202 | 16,547,326 | 12,999,003 | 19,749,259 | 20,880,870 |
| Total governmental activities | 723,733,294 | 649,581,159 | 613,465,834 | 541,088,985 | 505,911,450 | 463,437,688 | 442,572,721 | 424,060,125 | 410,241,839 | 389,207,530 |
| Business-type activities: | | | | | | | | | | |
| Sewer utility | 14,172,698 | 12,110,564 | 10,470,472 | 9,864,971 | 9,705,514 | 10,123,859 | 8,302,269 | 7,970,882 | 7,447,186 | 7,187,975 |
| Stormwater | 2,570,617 | 1,277,471 | 1,220,996 | 984,943 | - | - | - | - | - | - |
| Total business-type activities | 16,743,315 | 13,388,035 | 11,691,468 | 10,849,914 | 9,705,514 | 10,123,859 | 8,302,269 | 7,970,882 | 7,447,186 | 7,187,975 |
| Total primary government expenses | 740,476,609 | 662,969,194 | 625,157,302 | 551,938,899 | 515,616,964 | 473,561,547 | 450,874,990 | 432,031,007 | 417,689,025 | 396,395,505 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 17,124,546 | 18,358,823 | 20,839,897 | 18,384,547 | 15,462,682 | 13,568,132 | 14,528,090 | 13,196,914 | 13,473,564 | 13,672,364 |
| Public safety | 18,437,080 | 17,369,014 | 15,347,858 | 13,282,256 | 12,335,220 | 12,933,084 | 13,190,898 | 12,301,993 | 11,700,522 | 11,029,058 |
| Transportation | 2,933 | 1,881 | 2,429 | - | - | - | - | - | - | - |
| Economic and physical development | 58,356 | 53,528 | 42,721 | 38,873 | 34,022 | 47,202 | 44,544 | 52,116 | 67,361 | 68,673 |

Changes in Net Position Last Ten Fiscal Years (Continued)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Environmental protection | \$ 3,295,272 | \$ 3,060,834 | \$ 3,078,358 | \$ 3,108,944 | \$ 3,875,824 | \$ 3,911,415 | \$ 3,830,149 | \$ 3,298,084 | \$ 3,217,315 | \$ 2,862,153 |
| Human services | 1,460,453 | 1,416,356 | 1,350,360 | 1,198,229 | 2,420,120 | 3,830,491 | 5,251,427 | 5,096,785 | 5,306,527 | 5,359,752 |
| Education | 41,210 | 1,881 | 1,881 | 1,332 | - | - | - | - | - | - |
| Cultural and recreational | 271,055 | 247,836 | 219,251 | 183,507 | 314,749 | 402,152 | 398,319 | 386,919 | 456,385 | 473,764 |
| Operating grants and contributions: | | | | | | | | | | |
| General government | 29,703,429 | 15,951,884 | 14,666,474 | 15,250,936 | 9,075,077 | 6,297,110 | 5,260,234 | 5,686,528 | 3,499,215 | 4,683,445 |
| Public safety | 6,478,652 | 6,034,693 | 6,090,007 | 11,623,397 | 5,905,052 | 4,863,835 | 4,249,789 | 4,840,111 | 5,270,013 | 4,789,575 |
| Transportation | 615,593 | 559,289 | 599,383 | - | - | - | - | - | - | - |
| Economic and physical development | 1,646,264 | 320,560 | 337,685 | 799,373 | 285,930 | 899,686 | 591,505 | 334,540 | 542,097 | 618,300 |
| Environmental protection | - | 20,160 | 24,000 | 174,107 | - | 99,569 | 119,019 | 74,244 | 169,636 | 193,511 |
| Human services | 56,159,817 | 50,407,176 | 68,852,541 | 47,856,947 | 38,442,882 | 36,776,037 | 36,437,658 | 48,568,587 | 47,419,147 | 46,346,963 |
| Education | - | - | 2,000 | - | - | - | - | - | - | - |
| Cultural and recreational | 459,572 | 655,142 | 423,716 | 525,562 | 423,926 | 516,005 | 251,390 | 287,840 | 355,168 | 240,335 |
| Capital grants and contributions: | | | | | | | | | | |
| General government | - | - | - | - | - | 1,000,000 | 999,880 | 1,260,807 | 2,361,838 | 1,639,435 |
| Public safety | - | - | - | - | - | - | - | - | - | 655,147 |
| Environmental protection | 313,688 | - | - | 30,693 | - | - | 446,622 | 2,004,287 | 24,007 | 233,750 |
| Education | 1,950,119 | 4,467,661 | 1,157,830 | 720,245 | 1,130,189 | 1,322,406 | 1,088,886 | 1,821,738 | 1,978,837 | 907,707 |
| Cultural and recreational | - | - | - | - | 400,000 | 800,000 | - | - | - | - |
| Total governmental activities program revenues | 138,018,039 | 118,926,718 | 133,036,391 | 113,178,948 | 90,105,673 | 87,267,124 | 86,688,410 | 99,211,493 | 95,841,632 | 93,773,932 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Sewer utility | 18,597,857 | 20,023,410 | 15,918,770 | 13,928,001 | 11,658,657 | 12,659,769 | 10,199,023 | 12,331,995 | 9,200,098 | 11,243,175 |
| Stormwater | 3,665,579 | 2,853,679 | 2,236,163 | 1,639,669 | - | - | - | - | - | - |

Changes in Net Position Last Ten Fiscal Years (Continued)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Capital grants and contributions: | | | | | | | | | | |
| Sewer utility | \$ 135,576 | \$ 869,362 | \$ 892,852 | \$ 5,805 | \$ - | \$ - | \$ 959,110 | \$ 42,925 | \$ 284,195 | \$ 600,000 |
| Stormwater | - | - | - | 17,116 | - | - | - | - | - | - |
| Total business-type activities program revenues | 22,399,012 | 23,746,451 | 19,047,785 | 15,590,591 | 11,658,657 | 12,659,769 | 11,158,133 | 12,374,920 | 9,484,293 | 11,843,175 |
| Total primary government program revenues | 160,417,051 | 142,673,169 | 152,084,176 | 128,769,539 | 101,764,330 | 99,926,893 | 97,846,543 | 111,586,413 | 105,325,925 | 105,617,107 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | (585,715,255) | (530,654,441) | (480,429,443) | (427,910,037) | (415,805,777) | (376,170,564) | (355,884,311) | (324,848,632) | (314,400,207) | (295,433,598) |
| Business-type activities | 5,655,697 | 10,358,416 | 7,356,317 | 4,740,677 | 1,953,143 | 2,535,910 | 2,855,864 | 4,404,038 | 2,037,107 | 4,655,200 |
| Total primary government net expense | (580,059,558) | (520,296,025) | (473,073,126) | (423,169,360) | (413,852,634) | (373,634,654) | (353,028,447) | (320,444,594) | (312,363,100) | (290,778,398) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property taxes, levied for general purposes | 389,361,162 | 359,670,953 | 341,750,218 | 325,474,847 | 316,894,035 | 292,291,159 | 278,719,636 | 262,886,545 | 259,451,036 | 252,758,385 |
| Property taxes, levied for fire districts | 11,479,155 | 11,010,075 | 9,933,127 | 9,218,291 | 8,807,839 | 8,296,148 | 7,823,215 | 7,870,019 | 7,826,322 | 7,482,408 |
| Property taxes, levied for other districts purposes | 2,960,715 | 1,757,764 | 1,532,491 | 1,477,449 | 1,133,988 | 1,070,763 | 1,145,501 | 1,219,855 | 959,142 | 754,365 |
| Local option sales tax | 128,164,806 | 126,051,649 | 114,631,886 | 97,605,674 | 87,505,306 | 84,521,869 | 83,808,889 | 76,855,214 | 74,471,794 | 70,484,647 |
| Occupancy tax | 4,887,179 | 4,806,722 | 3,397,090 | 1,680,342 | 3,622,475 | 4,310,529 | 3,970,516 | 3,961,343 | 3,509,649 | 3,014,169 |
| Gross receipts tax | 833,101 | 697,021 | 624,673 | 546,969 | 485,215 | 571,291 | 483,133 | 479,899 | 429,419 | 410,964 |
| Vehicle registration tax | 176,761 | 192,600 | 191,524 | 223,347 | 216,049 | 231,838 | 226,448 | 340,501 | 193,373 | 296,517 |
| Investment and interest income | 18,141,726 | 10,368,982 | (3,572,981) | (3,767,330) | 8,800,011 | 965,567 | 7,430,012 | (1,149,566) | 4,684,275 | 13,472,042 |
| Other revenues | 1,343,163 | 1,042,545 | 16,502,446 | 1,027,593 | 788,094 | 982,195 | 1,062,967 | 1,090,502 | 953,890 | 1,300,117 |
| Total governmental activities | 557,347,768 | 515,598,311 | 484,990,474 | 433,487,182 | 428,253,012 | 393,241,359 | 384,670,317 | 353,554,312 | 352,478,900 | 349,973,614 |

**Changes in Net Position
Last Ten Fiscal Years (Continued)**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------------------|------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Business-type activities: | | | | | | | | | | |
| Investment and interest income | \$ 1,117,660 | \$ 635,861 | \$ 65,231 | \$ (38,941) | \$ 382,011 | \$ 600,355 | \$ 320,391 | \$ 110,656 | \$ 71,355 | \$ 16,054 |
| Other revenues | - | - | 13,431 | 12,977 | - | (3,524) | (6,957) | - | 12,841 | - |
| Total business-type activities | 1,117,660 | 635,861 | 78,662 | (25,964) | 382,011 | 596,831 | 313,434 | 110,656 | 84,196 | 16,054 |
| Total primary government | 558,465,428 | 516,234,172 | 485,069,136 | 433,461,218 | 428,635,023 | 393,838,190 | 384,983,751 | 353,664,968 | 352,563,096 | 349,989,668 |
| Change in Net Position | | | | | | | | | | |
| Government activities | (28,367,487) | (15,056,130) | 4,561,031 | 5,577,145 | 12,447,235 | 17,070,795 | 28,786,006 | 28,705,680 | 38,078,693 | 54,540,016 |
| Business-type activities | 6,773,357 | 10,994,277 | 7,434,979 | 4,714,713 | 2,335,154 | 3,132,741 | 3,169,298 | 4,514,694 | 2,121,303 | 4,671,254 |
| Total primary government | <u>\$ (21,594,130)</u> | <u>\$ (4,061,853)</u> | <u>\$ 11,996,010</u> | <u>\$ 10,291,858</u> | <u>\$ 14,782,389</u> | <u>\$ 20,203,536</u> | <u>\$ 31,955,304</u> | <u>\$ 33,220,374</u> | <u>\$ 40,199,996</u> | <u>\$ 59,211,270</u> |

Fund Balances, Governmental Funds Last Ten Fiscal Years

| June 30 | General Fund | | | | | | All Other Governmental Funds | | | | | | All Governmental Funds Total |
|------------|--------------|---------------|---------------|---------------|---------------|---------------|------------------------------|---------------|-----------|----------------|------------|----------------|------------------------------------|
| | Nonspendable | Restricted | Committed | Assigned | Unassigned | Total | Nonspendable | Restricted | Committed | Assigned | Unassigned | Total | |
| 2024 | \$ 2,792,745 | \$ 83,650,049 | \$101,591,599 | \$ 28,449,479 | \$ 61,255,530 | \$277,739,402 | \$ - | \$ 53,101,616 | \$ - | \$ 123,803,850 | \$ - | \$ 176,905,466 | \$ 454,644,868 |
| 2023 | 2,461,304 | 75,148,402 | 101,740,227 | 29,754,613 | 78,017,845 | 287,122,391 | - | 14,676,597 | - | 118,178,253 | - | 132,854,850 | 419,977,241 |
| 2022 | 2,081,799 | 43,177,825 | 112,730,123 | 28,509,242 | 119,311,952 | 305,810,941 | - | 33,431,634 | - | 40,579,730 | - | 74,011,364 | 379,822,305 |
| 2021 | 1,613,780 | 44,788,849 | 80,259,921 | 24,220,752 | 102,218,572 | 253,101,874 | - | 10,041,605 | - | 51,865,500 | - | 61,907,105 | 315,008,979 |
| 2020 | 1,108,957 | 42,986,245 | 83,674,910 | 17,936,191 | 74,406,187 | 220,112,490 | - | 7,250,997 | - | 83,623,756 | - | 90,874,753 | 310,987,243 |
| 2019 | 1,360,180 | 46,298,508 | 82,956,424 | 18,081,595 | 62,456,569 | 211,153,276 | - | 8,766,241 | - | 63,728,074 | - | 72,494,315 | 283,647,591 |
| 2018 | 1,013,215 | 43,359,986 | 87,367,837 | 19,497,586 | 56,164,833 | 207,403,457 | - | 7,177,485 | - | 37,385,982 | - | 44,563,467 | 251,966,924 |
| 2017 | 1,010,444 | 37,293,252 | 80,631,128 | 14,421,763 | 61,442,303 | 194,798,890 | - | 5,353,342 | - | 38,432,063 | - | 43,785,405 | 238,584,295 |
| 2016 | 972,635 | 38,115,182 | 67,133,359 | 13,289,584 | 63,235,816 | 182,746,576 | - | 6,079,462 | - | 38,122,417 | - | 44,201,879 | 226,948,455 |
| 2015 | 995,989 | 34,787,668 | 66,909,089 | 11,521,144 | 57,461,506 | 171,675,396 | - | 7,438,733 | - | 36,197,068 | - | 43,635,801 | 215,311,197 |

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------|------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 538,275,001 | \$ 503,409,049 | \$ 473,878,569 | \$ 436,076,567 | \$ 417,138,314 | \$ 390,922,436 | \$ 376,306,638 | \$ 353,995,914 | \$ 347,348,935 | \$ 336,011,104 |
| Licenses and permits | 305,958 | 363,350 | 428,244 | 626,990 | 1,622,962 | 1,679,317 | 1,638,616 | 1,393,097 | 1,535,091 | 1,119,886 |
| Intergovernmental | 100,176,247 | 78,416,567 | 92,153,636 | 76,981,260 | 55,663,056 | 52,574,648 | 49,444,983 | 64,878,682 | 61,619,958 | 61,652,361 |
| Investments | 18,303,191 | 7,864,210 | 2,249,715 | 2,196,480 | 5,441,723 | 6,947,307 | 4,645,417 | 3,985,884 | 4,181,190 | 4,233,162 |
| Rent | 874,157 | 256,953 | 182,652 | 723,085 | 729,374 | 902,528 | 1,134,280 | 972,562 | 988,807 | 1,058,153 |
| Charges for services | 39,017,035 | 40,119,468 | 40,227,111 | 34,062,116 | 32,700,705 | 32,175,804 | 34,182,908 | 31,855,249 | 31,035,290 | 31,092,863 |
| Other revenues | 1,343,162 | 1,042,545 | 16,502,446 | 1,027,593 | 788,094 | 982,195 | 1,062,967 | 1,090,502 | 953,890 | 1,300,117 |
| Total revenues | 698,294,751 | 631,472,142 | 625,622,373 | 551,694,091 | 514,084,228 | 486,184,235 | 468,415,809 | 458,171,890 | 447,663,161 | 436,467,646 |
| Expenditures | | | | | | | | | | |
| General government | 97,228,159 | 88,217,739 | 84,303,102 | 74,240,947 | 68,053,928 | 66,464,213 | 64,068,864 | 60,722,635 | 57,491,702 | 54,099,981 |
| Public safety | 101,563,344 | 116,655,092 | 90,996,345 | 88,498,753 | 86,712,694 | 78,549,477 | 80,538,865 | 70,917,455 | 67,063,053 | 64,652,305 |
| Transportation | 1,287,189 | 911,796 | 818,605 | 291,640 | 228,549 | 244,338 | 238,948 | 353,001 | 205,873 | 309,017 |
| Economic and physical development | 12,884,873 | 15,840,494 | 16,052,338 | 17,331,081 | 9,108,007 | 5,816,772 | 5,643,177 | 7,350,476 | 7,364,572 | 4,841,896 |
| Environmental protection | 13,219,153 | 31,708,729 | 32,894,330 | 28,032,436 | 14,050,736 | 18,258,082 | 26,246,637 | 23,860,525 | 7,207,867 | 5,771,300 |
| Human services | 132,565,921 | 108,474,971 | 118,399,585 | 95,511,667 | 91,434,044 | 86,525,498 | 83,234,656 | 92,909,696 | 93,140,635 | 89,516,898 |
| Education | 292,691,023 | 285,475,541 | 245,330,079 | 201,860,785 | 182,372,967 | 172,330,527 | 155,476,971 | 151,366,905 | 144,322,104 | 137,630,665 |
| Cultural and recreational | 18,178,218 | 20,464,283 | 18,335,820 | 15,308,823 | 24,846,253 | 37,320,280 | 32,283,359 | 15,509,314 | 13,202,921 | 12,197,724 |
| Debt service: | | | | | | | | | | |
| Principal retirement | 49,932,325 | 49,280,826 | 45,537,546 | 43,574,785 | 41,300,728 | 36,131,116 | 37,322,892 | 37,427,611 | 35,596,413 | 36,159,495 |
| Interest and fiscal charges | 28,424,022 | 20,417,159 | 17,937,476 | 18,337,916 | 19,709,824 | 20,122,333 | 19,606,512 | 18,653,456 | 20,599,097 | 22,573,434 |
| Debt issuance costs | 1,333,757 | 1,567,111 | 115,256 | 619,803 | 770,191 | 929,899 | 247 | 1,002,975 | 741,165 | 23,000 |
| Capital Outlay ⁽²⁾ | 72,090,641 | | | | | | | | | |
| Total expenditures | 821,398,625 | 739,013,741 | 670,720,482 | 583,608,636 | 538,587,921 | 522,692,535 | 504,661,128 | 480,074,049 | 446,935,402 | 427,775,715 |
| Excess of revenues over (under) expenditures | (123,103,874) | (107,541,599) | (45,098,109) | (31,914,545) | (24,503,693) | (36,508,300) | (36,245,319) | (21,902,159) | 727,759 | 8,691,931 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 113,299,093 | 132,184,168 | 101,669,808 | 81,148,457 | 84,493,665 | 92,854,680 | 85,501,782 | 83,641,265 | 77,667,072 | 76,982,606 |
| Transfers out | (113,299,093) | (132,184,168) | (101,669,808) | (81,148,457) | (84,493,665) | (92,854,680) | (85,501,782) | (83,641,250) | (77,667,072) | (76,982,606) |
| Lease liabilities issued | 76,686 | 5,208,652 | - | - | - | - | - | - | - | - |
| Subscription liabilities | - | 7,987,232 | - | - | - | - | - | - | - | - |
| Premium on issuance of debt | - | - | - | - | - | 5,284,798 | - | - | - | - |
| Issuance of bonds | - | - | - | - | - | - | - | 3,800,000 | - | - |

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Continued)

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Premium on issuance of refinancing | \$ 75,705,688 | \$ 104,818,374 | \$ 108,013,952 | \$ 35,536,643 | \$ 3,274,674 | \$ 6,109,622 | \$ - | \$ 17,940,846 | \$ 13,031,538 | \$ - |
| Issuance of refunding bonds | 126,434,210 | 247,802,593 | - | 8,594,638 | 117,400,000 | 87,720,000 | - | 96,460,000 | 63,930,000 | - |
| Payment to refunded debt escrow agent | (50,000,000) | (218,120,316) | - | 61,805,000 | (109,879,936) | (93,500,000) | - | (115,022,770) | (77,226,102) | - |
| Issuance of installment purchases | - | - | 1,897,483 | (70,000,000) | 41,048,607 | 62,574,540 | 49,627,948 | 30,359,908 | 9,550,072 | 9,720,717 |
| Total other financing sources (uses) | 152,216,584 | 147,696,535 | 109,911,435 | 35,936,281 | 51,843,345 | 68,188,960 | 49,627,948 | 33,537,999 | 9,285,508 | 9,720,717 |
| Net change in fund balances | \$ 34,622,762 | \$ 40,154,936 | \$ 64,813,326 | \$ 4,021,736 | \$ 27,339,652 | \$ 31,680,660 | \$ 13,382,629 | \$ 11,635,840 | \$ 10,013,267 | \$ 18,412,648 |
| Debt service as a percentage of noncapital expenditures | 10.46% | 10.28% | 9.82% | 11.10% | 12.00% | 11.80% | 12.41% | 12.49% | 12.95% | 14.10% |

Notes:

⁽²⁾ FY24 is the first year of reporting Capital Outlay as a stand-alone number. In the prior years, Capital Outlay was included within the other categories.



Government-wide Expenses by Function Last Ten Fiscal Years

| Fiscal Year Ended | General Government | Public Safety | Transportation | Economic and Physical Development | Environmental Protection |
|----------------------|--------------------|----------------|----------------|---|-----------------------------|
| 2024 | \$ 112,974,080 | \$ 109,677,188 | \$ 1,311,317 | \$ 13,130,041 | \$ 13,396,439 |
| 2023 | 123,351,253 | 95,153,607 | 912,757 | 16,179,664 | 13,452,988 |
| 2022 | 114,410,610 | 81,778,636 | 800,206 | 16,303,883 | 12,584,107 |
| 2021 | 101,205,831 | 98,843,230 | 291,640 | 13,107,386 | 9,573,869 |
| 2020 | 89,530,531 | 96,780,516 | 228,549 | 9,416,002 | 8,349,531 |
| 2019 | 65,306,869 | 86,231,267 | 244,338 | 5,996,057 | 6,760,218 |
| 2018 | 67,278,145 | 83,743,115 | 238,948 | 5,761,844 | 5,997,974 |
| 2017 | 64,194,870 | 75,533,420 | 353,001 | 7,368,799 | 5,966,371 |
| 2016 | 60,091,561 | 69,100,186 | 205,873 | 7,343,752 | 4,303,325 |
| 2015 | 57,622,575 | 63,834,548 | 309,017 | 4,773,955 | 3,860,175 |

| Human Services | Education | Cultural and Recreational | Interest and Fiscal Charges | Sewer Utility | Stormwater | Total |
|----------------|----------------|------------------------------|-----------------------------------|---------------|--------------|----------------|
| \$ 136,690,860 | \$ 292,887,030 | \$ 19,510,407 | \$ 24,155,932 | \$ 14,172,698 | \$ 2,570,617 | \$ 740,476,609 |
| 101,071,341 | 259,618,044 | 17,445,261 | 22,396,244 | 12,110,564 | 1,277,471 | 662,969,194 |
| 110,942,747 | 245,537,946 | 16,313,104 | 14,794,595 | 10,470,472 | 1,220,996 | 625,157,302 |
| 105,617,896 | 181,869,621 | 16,001,339 | 14,578,173 | 9,864,971 | 984,943 | 551,938,899 |
| 101,256,274 | 182,574,991 | 17,520,440 | 254,616 | 9,705,514 | - | 515,616,964 |
| 91,657,739 | 172,358,720 | 15,782,278 | 19,100,202 | 10,123,859 | - | 473,561,547 |
| 86,632,504 | 155,678,995 | 20,693,870 | 16,547,326 | 8,302,269 | - | 450,874,990 |
| 93,649,136 | 149,192,760 | 14,802,765 | 12,999,003 | 7,970,882 | - | 432,031,007 |
| 92,160,946 | 144,524,127 | 12,762,810 | 19,749,259 | 7,447,186 | - | 417,689,025 |
| 87,852,834 | 137,832,688 | 12,240,868 | 20,880,870 | 7,187,975 | - | 396,395,505 |

Government-wide Revenues Last Ten Fiscal Years

| Fiscal Year Ended | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Taxes | Investment and Interest Income | Other Revenues | Total |
|----------------------|----------------------|---------------------------------------|-------------------------------------|----------------|-----------------------------------|-------------------|----------------|
| 2024 | \$ 62,954,341 | \$ 95,063,327 | \$ 2,399,383 | \$ 537,862,879 | \$ 19,259,386 | \$ 1,343,163 | \$ 718,882,479 |
| 2023 | 63,387,242 | 73,948,904 | 5,337,023 | 504,186,784 | 11,004,843 | 1,042,545 | 658,907,341 |
| 2022 | 59,037,688 | 90,995,806 | 2,050,682 | 472,061,009 | (3,507,750) | 16,515,877 | 637,153,312 |
| 2021 | 36,197,688 | 76,230,322 | 773,859 | 436,226,919 | (3,806,271) | 1,040,570 | 546,663,087 |
| 2020 | 34,442,617 | 54,132,867 | 1,530,189 | 418,664,907 | 8,800,011 | 788,094 | 518,358,685 |
| 2019 | 47,352,245 | 49,452,242 | 3,122,406 | 391,293,597 | 1,565,922 | 978,671 | 493,765,083 |
| 2018 | 47,442,450 | 46,909,595 | 3,494,498 | 376,177,338 | 7,750,403 | 1,056,010 | 482,830,294 |
| 2017 | 46,664,806 | 59,791,850 | 5,129,757 | 353,613,376 | (1,038,910) | 1,090,502 | 465,251,381 |
| 2016 | 43,421,772 | 57,255,276 | 4,648,877 | 346,840,735 | 4,755,630 | 966,731 | 457,889,021 |
| 2015 | 44,708,939 | 56,872,129 | 4,036,039 | 335,201,455 | 13,488,096 | 1,300,117 | 455,606,775 |

Governmental Expenditures by Function⁽¹⁾ Last Ten Fiscal Years

| Fiscal Year Ended June 30 | General Government | Public Safety | Transpor- tation | Environmental Protection | Education | Human Services | Economic and Physical Development | Cultural and Recreational | Debt Service | Capital Outlay ⁽²⁾ | Total |
|---------------------------------|-----------------------|------------------|---------------------|-----------------------------|----------------|-------------------|---|------------------------------|-----------------|----------------------------------|----------------|
| 2024 | \$ 97,228,159 | \$ 101,563,344 | \$ 1,287,189 | \$ 13,219,153 | \$ 292,691,023 | \$ 132,565,921 | \$ 12,884,873 | \$ 18,178,218 | \$ 79,690,104 | \$ 72,090,641 | \$ 821,398,625 |
| 2023 | 88,217,739 | 116,655,092 | 911,796 | 31,708,730 | 285,475,541 | 108,474,972 | 15,840,492 | 20,464,283 | 71,265,096 | - | 739,013,741 |
| 2022 | 84,303,102 | 90,996,345 | 818,605 | 32,894,330 | 245,330,079 | 118,399,585 | 16,052,338 | 18,335,820 | 63,590,278 | - | 670,720,482 |
| 2021 | 74,240,947 | 88,498,753 | 291,640 | 28,032,436 | 201,860,785 | 95,511,667 | 17,331,081 | 15,308,823 | 62,532,504 | - | 583,608,636 |
| 2020 | 68,053,928 | 86,712,694 | 228,549 | 14,050,736 | 182,372,967 | 91,434,044 | 9,108,007 | 24,846,253 | 61,780,743 | - | 538,587,921 |
| 2019 | 66,464,213 | 78,549,477 | 244,338 | 18,258,082 | 172,330,527 | 86,525,498 | 6,816,772 | 37,320,280 | 57,183,348 | - | 523,692,535 |
| 2018 | 64,068,864 | 80,538,865 | 238,948 | 26,246,637 | 155,476,971 | 83,234,656 | 5,643,177 | 32,283,359 | 56,929,651 | - | 504,661,128 |
| 2017 | 60,722,635 | 70,917,455 | 353,001 | 23,860,525 | 151,366,905 | 92,909,696 | 7,350,476 | 15,509,314 | 57,084,042 | - | 480,074,049 |
| 2016 | 57,491,702 | 67,063,053 | 205,873 | 7,207,867 | 144,322,104 | 93,140,635 | 7,364,572 | 13,202,921 | 56,936,675 | - | 446,935,402 |
| 2015 | 54,099,981 | 64,652,305 | 309,017 | 5,771,300 | 137,630,665 | 89,516,898 | 4,841,896 | 12,197,724 | 58,755,929 | - | 427,775,715 |

Notes:

⁽¹⁾ General government expenditures include all governmental fund types consisting of General Fund, American Rescue Plan Act, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.

⁽²⁾ FY24 is the first year of reporting Capital Outlay as a stand-alone number. In the prior years, Capital Outlay was included within the other categories.

General Government Revenues by Source⁽¹⁾ Last Ten Fiscal Years

| Fiscal Year Ended June 30, | General Property Taxes | Other Local Taxes | Licenses and Permits | Intergovern- mental Revenues | Rental Income | Investment Income | Charges for Services | Other Revenues | Total |
|----------------------------------|---------------------------|-------------------|-------------------------|---------------------------------|------------------|----------------------|-------------------------|----------------|----------------|
| 2024 | \$ 523,858,260 | \$ 14,416,741 | \$ 305,958 | \$ 100,176,247 | \$ 874,157 | \$ 18,303,191 | \$ 39,017,035 | \$ 1,343,162 | \$ 698,294,751 |
| 2023 | 490,660,505 | 12,748,544 | 363,350 | 78,416,567 | 256,953 | 7,864,210 | 40,119,468 | 1,042,545 | 631,472,142 |
| 2022 | 462,351,377 | 11,527,192 | 428,244 | 92,153,636 | 182,652 | 2,249,715 | 40,227,111 | 16,502,446 | 625,622,373 |
| 2021 | 425,405,583 | 10,670,984 | 626,990 | 76,981,260 | 723,085 | 2,196,480 | 34,062,116 | 1,027,593 | 551,694,091 |
| 2020 | 407,242,844 | 9,895,470 | 1,622,962 | 55,663,056 | 729,374 | 5,441,723 | 32,700,705 | 788,094 | 514,084,228 |
| 2019 | 301,233,754 | 89,688,682 | 1,679,317 | 52,574,648 | 902,528 | 6,947,307 | 32,175,804 | 982,195 | 486,184,235 |
| 2018 | 287,741,392 | 88,565,246 | 1,638,616 | 49,444,983 | 1,134,280 | 4,645,417 | 34,182,908 | 1,062,967 | 468,415,809 |
| 2017 | 272,300,032 | 81,695,882 | 1,393,097 | 64,878,682 | 972,562 | 3,985,884 | 31,855,249 | 1,090,502 | 458,171,890 |
| 2016 | 268,685,962 | 78,662,973 | 1,535,091 | 61,619,958 | 988,807 | 4,181,190 | 31,035,290 | 953,890 | 447,663,161 |
| 2015 | 261,746,652 | 74,264,452 | 1,119,886 | 61,652,361 | 1,058,153 | 4,233,162 | 31,092,863 | 1,300,117 | 436,467,646 |

Notes:

⁽¹⁾ General government revenues include all governmental fund types consisting of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Fund.

Revenue Capacity Information

Principal Property Taxpayers

This schedule lists the largest taxpayers in the County. The GASB requires the ten largest be listed, unless less than ten are needed to reach 50% of the County's equalized assessed valuation. This information is to be presented for the current levy year and the levy year nine years prior. This information can be obtained from the County Tax Assessor's Office.

Schedule of Assessed Value and Actual Value of Taxable Property

This schedule presents real estate classes by type for the last 10 levy years as well as the county-wide tax rate, the range of special tax districts tax rates and the average County Tax Rate. This information can be obtained from the County Tax Assessor's Office.

Property Tax Levies and Collections

This schedule presents information for levies (original, adjustments and adjusted levies), amounts collected within the fiscal year of the levy with the percentage collection of original levy, and total amounts collected as of this fiscal year end with a percentage collection of adjusted levy. This information is provided for the last 10 fiscal years.

Property Tax Levies Direct and Overlapping Local Government Jurisdictions

This schedule lists the final adjusted tax levy direct and overlapping for all local government jurisdictions for the last 10 fiscal years.

Direct and Overlapping Property Tax Rates

This schedule presents information for direct and overlapping property tax rates for the last 10 fiscal years.



Principal Property Taxpayers
June 30, 2024
Current Year and Nine Years Ago

| | Fiscal Year 2024 | | | Fiscal Year 2015 | | |
|-----------------------------------|-------------------------|------|---|-------------------------|------|---|
| | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation | Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation |
| WOLFSPEED INC | \$ 755,848,400 | 1 | 1.47% | \$ - | - | - |
| MERCK SHARP & DOHME CORP | 486,289,325 | 2 | 0.95% | 246,229,825 | 6 | 0.80% |
| ELI LILLY AND COMPANY | 435,164,579 | 3 | 0.85% | - | - | 0.69% |
| KBI BIOPHARMA INC | 265,253,635 | 4 | 0.52% | - | - | 0.00% |
| BIOGEN US CORPORATION | 254,808,774 | 5 | 0.50% | - | - | 0.00% |
| DUKE ENERGY CAROLINAS, LLC | 249,871,772 | 6 | 0.49% | 216,575,643 | 7 | 0.00% |
| ARE-NC REGION NO. 19 HOLDING, LLC | 229,052,378 | 7 | 0.45% | - | - | 0.00% |
| AISIN NORTH CAROLINA CORPORATION | 208,506,287 | 8 | 0.41% | - | - | 0.00% |
| SOUTHPOINT MALL LLC | 185,830,435 | 9 | 0.36% | 171,969,004 | 9 | 0.58% |
| EMC CORPORATION | 184,012,500 | 10 | 0.36% | 182,375,517 | 8 | 0.59% |
| IBM CORPORATION | - | - | 0.00% | 301,481,023 | 4 | 1.93% |
| CREE INC | - | - | 0.00% | 314,729,615 | 3 | 1.29% |
| GLAXOSMITHKLINE | - | - | 0.00% | 350,547,835 | 1 | 1.23% |
| AW NORTH CAROLINA INC | - | - | 0.00% | 320,581,925 | 2 | 1.00% |
| INTERNATIONAL BUSINESS MACHINE | - | - | 0.00% | 261,198,906 | 5 | 0.39% |
| HIGHWOODS/FORSYTH LIMITED PART | - | - | 0.00% | 106,397,876 | 10 | 0.37% |
| | <u>\$ 3,254,638,085</u> | | <u>6.34%</u> | <u>\$ 2,472,087,169</u> | | <u>8.87%</u> |

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

| Fiscal Year | Real Property | Personal Property | Public Service Companies | Registered Vehicles | Total | County Direct Tax Rate | Special Tax Districts Tax Rate | Average County Tax Rate |
|-------------|-------------------|-------------------|-----------------------------|------------------------|-------------------|---------------------------|-----------------------------------|----------------------------|
| 2024 | \$ 41,898,662,716 | \$ 5,583,640,062 | \$ 522,340,633 | \$ 3,319,571,344 | \$ 51,324,214,755 | 0.7522 | 0.0756-0.2579 | 0.7841 |
| 2023 | 40,573,912,713 | 5,015,567,148 | 677,619,677 | 3,137,333,083 | 49,404,432,621 | 0.7222 | 0.0756-0.2329 | 0.7522 |
| 2022 | 39,132,997,771 | 4,351,409,488 | 670,716,745 | 2,921,224,229 | 47,076,348,233 | 0.7222 | 0.0756-0.2329 | 0.7428 |
| 2021 | 38,075,875,096 | 4,048,724,118 | 630,273,733 | 2,855,433,137 | 45,610,306,084 | 0.7122 | 0.0756-0.2229 | 0.7398 |
| 2020 | 37,068,818,904 | 3,829,445,315 | 607,015,073 | 2,501,803,406 | 44,007,082,698 | 0.7122 | 0.0786-0.1978 | 0.7398 |
| 2019 | 30,692,283,357 | 3,619,859,514 | 580,268,564 | 2,469,097,142 | 37,361,508,577 | 0.7779 | 0.0778-0.2080 | 0.8070 |
| 2018 | 29,641,340,413 | 3,594,119,882 | 575,537,361 | 2,348,224,018 | 36,159,221,674 | 0.7679 | 0.0778-0.1880 | 0.7987 |
| 2017 | 28,894,972,479 | 3,483,300,069 | 565,369,921 | 2,286,702,778 | 35,230,345,247 | 0.7404 | 0.0778-0.1880 | 0.7727 |
| 2016 | 26,213,161,494 | 3,524,686,233 | 553,248,101 | 2,163,704,337 | 32,454,800,165 | 0.7931 | 0.0799-0.1779 | 0.8276 |
| 2015 | 25,730,862,172 | 3,462,350,676 | 510,732,429 | 2,032,233,042 | 31,736,178,319 | 0.7931 | 0.0799-0.1514 | 0.8073 |

Notes

⁽¹⁾ All taxable property is subject to the County direct rate. Most property in unincorporated areas is subject to one of the seven fire district taxes. The County's property tax is levied each July 1 on the assessed value listed as of the prior January 1 for all real and personal property located in the County except for certain registered motor vehicles which are assessed and collected throughout the year. Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value for real property and 100% of estimated actual value for personal property. Public service company property is certified by the State of North Carolina at 100% of actual value, with no distinction between real and personal property values.

⁽²⁾ A revaluation of real property is required by N.C. General Statutes at least every eight years. The last revaluation was occurred on January 1, 2019.

⁽³⁾ Per \$100 of assessed value.

Property Tax Levies and Collections Last Ten Fiscal Years

| Fiscal Year | Taxes Levied for the Fiscal Year (Original Levy) | Adjustments | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in the Subsequent | Total Collections to Date | |
|-------------|--|--------------|---------------------|---|--------------------------------|----------------------------------|------------------------------|--------------------------------|
| | | | | Amount | Percentage of Adjusted Levy | | Amount | Percentage of Adjusted Levy |
| 2024 | \$ 624,826,370 | \$ 2,048,441 | \$ 626,874,811 | \$ 625,033,707 | 99.71% | \$ - | \$ 625,033,707 | 99.71% |
| 2023 | 592,441,908 | (2,253,407) | 590,188,501 | 587,363,305 | 99.52% | 2,276,404 | 589,639,709 | 99.52% |
| 2022 | 556,881,985 | 3,290,433 | 560,172,418 | 559,131,786 | 99.81% | 560,641 | 559,692,427 | 99.91% |
| 2021 | 530,841,726 | (23,019) | 530,818,707 | 527,954,594 | 99.46% | 2,182,526 | 530,137,120 | 99.87% |
| 2020 | 512,055,634 | 2,403,140 | 514,458,774 | 510,808,652 | 99.29% | 1,179,536 | 511,988,188 | 99.52% |
| 2019 | 469,060,647 | 1,813,738 | 470,874,385 | 469,334,909 | 99.67% | 729,677 | 470,064,586 | 99.83% |
| 2018 | 449,249,843 | 467,101 | 449,716,944 | 448,937,493 | 99.83% | 446,608 | 449,384,101 | 99.93% |
| 2017 | 422,882,431 | 133,369 | 423,015,800 | 422,143,612 | 99.79% | 181,536 | 422,325,148 | 99.84% |
| 2016 | 411,676,610 | 1,001,471 | 412,678,081 | 411,447,291 | 99.70% | 854,574 | 412,301,865 | 99.91% |
| 2015 | 402,438,892 | 373,436 | 402,812,328 | 401,244,673 | 99.61% | 1,181,131 | 402,425,804 | 99.90% |

Property Tax Levies Direct and Overlapping Local Government Jurisdictions Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Durham County | Fire Tax Districts | | | | | | |
|-------------------------------|------------------|--------------------|--------------|-----------|--------------|-----------|-------------|--------------|
| | | Bethesda | Lebanon | Parkwood | Redwood | Eno | New Hope | Bahama |
| 2024 | \$ 363,785,007 | \$ - | \$ 1,501,402 | \$ - | \$ 1,308,461 | \$ 34,707 | \$ 99,773 | \$ 2,103,064 |
| 2023 | 336,522,246 | - | 1,499,478 | - | 1,304,598 | 35,092 | 98,119 | 1,715,651 |
| 2022 | 320,125,424 | - | 1,491,529 | - | 1,141,513 | 35,019 | 97,492 | 1,508,632 |
| 2021 | 305,801,999 | - | 1,390,263 | - | 1,070,454 | 34,560 | 98,831 | 1,486,575 |
| 2020 | 298,377,888 | - | 1,389,612 | - | 1,031,514 | 34,168 | 98,389 | 1,650,509 |
| 2019 | 272,768,246 | - | 1,192,442 | 3,262 | 963,619 | 33,967 | 98,190 | 1,472,816 |
| 2018 | 260,979,012 | - | 1,184,526 | - | 917,481 | 34,105 | 96,852 | 1,563,470 |
| 2017 | 245,385,571 | - | 1,086,554 | - | 905,668 | 33,582 | 95,610 | 1,490,454 |
| 2016 | 241,808,196 | - | 1,037,940 | - | 883,358 | 30,246 | 87,109 | 1,414,475 |
| 2015 | 236,807,235 | 4,945 | 1,034,889 | 1,544,137 | 864,854 | 85,484 | 29,930 | 1,341,389 |

Notes

City of Raleigh and Town of Morrisville:

- a. Taxes are due September 1 of each year.
- b. Taxes are considered delinquent on January 6 (lien date) of the subsequent year.
- c. Discount on all County tax levies are at the discretion of the Board of Commissioners.
Penalties are applied to delinquent taxes at the rate of two percent (2%) in January, and 3/4 of 1% per month thereafter until collected or foreclosure proceedings are consummated.
- d. Proceedings are consummated.
- e. Procedures allowed for collection of delinquent taxes include the use of garnishment, the North Carolina Debt Set Off Program and the sale of taxable property.

| RTP Special District | Butner Safety District | Durham County Fire & Rescue | City of Durham | City of Raleigh | Town of Cary | Town of Chapel Hill | Town of Morrisville | Total Tax Levies |
|----------------------|------------------------|-----------------------------|----------------|-----------------|--------------|---------------------|---------------------|------------------|
| \$ 2,940,740 | \$ - | \$ 5,779,653 | \$ 218,207,176 | \$ 1,074,872 | \$ 16,098 | \$ 3,135,942 | \$ 425,739 | \$ 600,412,634 |
| 1,752,913 | - | 5,755,556 | 213,870,282 | 983,543 | 2,790 | 2,865,410 | 75,789 | 566,481,467 |
| 1,528,562 | - | 5,094,444 | 201,791,947 | 908,860 | 3,991 | 2,825,121 | 73,992 | 536,626,526 |
| 1,479,539 | - | 4,651,771 | 188,128,930 | 835,782 | - | 2,978,052 | 69,860 | 508,026,616 |
| 1,133,529 | - | 4,175,148 | 182,390,156 | 1,022,456 | - | 2,972,567 | 78,164 | 494,354,100 |
| 1,068,856 | - | 4,081,365 | 163,559,969 | 854,979 | - | 2,569,983 | 58,432 | 448,726,126 |
| 1,148,704 | - | 3,670,864 | 156,293,284 | 790,433 | - | 2,469,665 | 27,274 | 429,175,670 |
| 1,218,468 | - | 3,855,057 | 146,313,199 | 777,666 | - | 2,543,760 | 29,329 | 403,734,919 |
| 970,743 | - | 3,932,013 | 139,621,148 | 724,895 | - | 2,686,409 | 25,475 | 393,222,005 |
| 760,735 | - | - | 136,753,317 | 679,966 | - | 2,675,644 | 46,487 | 382,633,956 |

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)**

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------------------------|---------------|----------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| County direct rate | | | | | | | | | | |
| Operating rate | \$ 0.6511 | \$ 0.6361 | \$ 0.6361 | \$ 0.6261 | \$ 0.6261 | \$ 0.6808 | \$ 0.6708 | \$ 0.6608 | \$ 0.7078 | \$ 0.6951 |
| Capital rate | 0.1011 | 0.0861 | 0.0861 | 0.0861 | 0.0861 | 0.0971 | 0.0971 | 0.0796 | 0.0853 | 0.0980 |
| Total general fund direct rate | <u>0.7522</u> | <u>0.7222</u> | <u>0.7222</u> | <u>0.7122</u> | <u>0.7122</u> | <u>0.7779</u> | <u>0.7679</u> | <u>0.7404</u> | <u>0.7931</u> | <u>0.7931</u> |
| Fire district rates | 0.0756-0.1449 | 0.0756-0.01549 | 0.0756-0.01549 | 0.0756-0.1449 | 0.0756-0.1349 | 0.0778-0.1451 | 0.0778-0.1344 | 0.0778-0.1344 | 0.0799-0.1386 | 0.0799-0.1386 |
| Other special district rates | 0.0000-0.2579 | 0.0000-0.2329 | 0.0000-0.2329 | 0.0000-0.2229 | 0.0000-0.1978 | 0.0000-0.2080 | 0.0000-0.1880 | 0.0000-0.1880 | 0.000-0.1779 | 0.1514-0.1729 |
| Municipality Rates | | | | | | | | | | |
| City of Durham | 0.5577 | 0.5577 | 0.5517 | 0.5317 | 0.5317 | 0.5786 | 0.5786 | 0.5607 | 0.5912 | 0.5912 |
| City of Durham BID | 0.6277 | 0.6277 | 0.6217 | 0.6017 | 0.6017 | 0.6486 | 0.6486 | 0.6307 | 0.6612 | 0.6612 |
| Town of Chapel Hill | 0.5720 | 0.5220 | 0.5140 | 0.5440 | 0.5440 | 0.5280 | 0.5080 | 0.5240 | 0.5240 | 0.5240 |
| City of Raleigh | 0.4330 | 0.3930 | 0.3730 | 0.3552 | 0.4382 | 0.4382 | 0.4253 | 0.4183 | 0.4210 | 0.4038 |
| Town of Morrisville | 0.3900 | 0.3900 | 0.3600 | 0.3600 | 0.3900 | 0.3900 | 0.3900 | 0.3900 | 0.4100 | 0.3900 |
| Town of Cary | 0.3450 | 0.3450 | 0.3450 | - | - | - | - | - | - | - |

Notes:

⁽¹⁾ All taxable property is subject to the County direct rate. Most property in unincorporated areas is also subject to one of the seven fire district taxes.

⁽²⁾ A revaluation of real property is required by N. C. General Statutes at least every eight years. Revaluation of taxable property occurred on January 1, 2019.

Debt Capacity Information

Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita

This information is presented for the last 10 fiscal years and includes population, taxable property assessed value, debt limit, gross bonded debt, net bonded debt, ratio of net bonded debt to taxable property assessed value and the net bonded debt per capita.

Legal Debt Margin Information

This schedule presents the computation of the legal debt margin and the total debt applicable to the limit as a percentage of debt limit for the last 10 fiscal years.

Direct and Overlapping Governmental Activities Debt

This schedule presents the direct and overlapping debt for the County and the municipalities within the County as of fiscal year end.

Ratio of Annual Debt Service for Bonded Debt to Total General Government Expenditures

This schedule presents the debt service expenditures, general governmental expenditures and the ratio of total debt service to general governmental expenditures for the last 10 fiscal years.

Ratios of General Bonded Debt Outstanding

This schedule presents the general bonded debt outstanding, the percentage of actual taxable value of property and per capita for the last 10 fiscal years.

Ratios of Outstanding Debt by Type

This schedule presents a summary of outstanding debt by type and the percentage of personal income and per capita for the last 10 fiscal years.



Ratio of Net Bonded Debt to Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Population Estimate ⁽¹⁾ | Taxable Property Assessed Value | Debt Limit | Gross Bonded Debt | Net Bonded Debt | Ratio of Net Bonded Debt to Taxable Property Assessed Value | Net Bonded Debt Per Capita |
|----------------------------------|---------------------------------------|------------------------------------|------------------|-------------------------|--------------------|--|----------------------------------|
| 2024 | 336,892 ⁽²⁾ | \$ 51,324,214,755 | \$ 4,105,937,180 | \$ 252,295,492 | \$ 252,295,492 | 0.49 | 749 |
| 2023 | 332,680 ⁽²⁾ | 49,973,473,172 | 3,997,877,854 | 227,590,505 | 227,590,505 | 0.46 | 684 |
| 2022 | 327,306 ⁽²⁾ | 47,076,348,233 | 3,766,107,859 | 253,482,741 | 253,482,741 | 0.54 | 774 |
| 2021 | 321,488 ⁽²⁾ | 45,610,306,084 | 3,648,824,487 | 287,420,103 | 287,420,103 | 0.63 | 894 |
| 2020 | 331,807 ⁽¹⁾ | 44,007,086,698 | 3,520,566,616 | 249,550,771 | 249,550,771 | 0.57 | 752 |
| 2019 | 320,639 ⁽¹⁾ | 37,361,508,577 | 2,988,920,686 | 280,732,596 | 280,732,596 | 0.75 | 876 |
| 2018 | 308,194 ⁽¹⁾ | 36,159,221,674 | 2,892,737,734 | 258,989,288 | 258,989,288 | 0.72 | 840 |
| 2017 | 301,243 ⁽¹⁾ | 35,230,345,247 | 2,818,246,797 | 288,086,321 | 288,086,321 | 0.82 | 956 |
| 2016 | 293,647 ⁽¹⁾ | 32,454,800,165 | 2,596,384,013 | 243,775,000 | 243,775,000 | 0.75 | 830 |
| 2015 | 290,874 ⁽¹⁾ | 31,736,178,319 | 2,538,894,266 | 270,905,000 | 270,905,000 | 0.85 | 931 |

Notes

⁽¹⁾ Estimate from Durham City/County Planning Department.

⁽²⁾ Estimate from U.S. Census Bureau, Population Estimates.

Legal Debt Margin Information Last Ten Years

| | 2024 | 2023 | 2022 | 2021 |
|--|-------------------|-------------------|-------------------|-------------------|
| Assessed Value of Property | \$ 51,324,214,755 | \$ 49,973,473,172 | \$ 47,076,348,233 | \$ 45,610,306,084 |
| Debt Limit, 8% of Assessed Value (Statutory Limitation) | 4,105,937,180 | 3,997,877,854 | 3,766,107,859 | 3,648,824,487 |
| Amount of Debt Applicable to Limit General Obligation Bonds | 222,055,000 | 198,380,000 | 220,710,000 | 251,045,000 |
| Total net debt applicable to limit | 222,055,000 | 198,380,000 | 220,710,000 | 251,045,000 |
| Legal Debt Margin | \$ 3,883,882,180 | \$ 3,799,497,854 | \$ 3,545,397,859 | \$ 3,397,779,487 |
| Total net debt applicable to limit as a percentage of debt limit | 5.41% | 4.96% | 5.86% | 6.88% |

Note: The County is subject to the Local Government Bond Act of North Carolina which limits the amount of net bonded debt the County may have outstanding to 8 percent of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the County's net debt outstanding applicable to the limit, and represents the County's legal borrowing authority.

| 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 44,007,082,698 | \$ 37,361,508,577 | \$ 36,159,211,674 | \$ 35,230,345,247 | \$ 32,454,800,165 | \$ 31,736,178,319 |
| 3,520,566,616 | 2,988,920,686 | 2,892,737,734 | 2,818,427,620 | 2,596,384,013 | 2,538,894,266 |
| 218,045,000 | 245,470,000 | 226,455,000 | 252,270,000 | 243,775,000 | 270,905,000 |
| 218,045,000 | 245,470,000 | 226,455,000 | 252,270,000 | 243,775,000 | 270,905,000 |
| \$ 3,302,521,616 | \$ 2,743,450,686 | \$ 2,666,282,734 | \$ 2,566,157,620 | \$ 2,352,609,013 | \$ 2,267,989,266 |
| 6.19% | 8.21% | 7.83% | 8.95% | 9.39% | 10.67% |

Direct and Overlapping Governmental Activities Debt As of June 30, 2024

| | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Direct and Overlapping Debt |
|--|--------------------------------|---------------------------------------|--|
| Municipality: | | | |
| City of Durham | \$ 329,983,005 | 100.00% | \$ 329,983,005 |
| Town of Chapel Hill | 41,786,000 | 1.039% | 434,157 |
| City of Raleigh | 1,074,514,501 | 0.479% | 5,146,924 |
| Town of Cary | 198,395,384 | 0.008% | 15,872 |
| Town of Morrisville | 38,524,049 | 0.102% | 39,295 |
| Overlapping debt | <u>1,683,202,939</u> | | <u>335,619,252</u> |
| Direct debt | 813,932,734 | | 813,932,734 |
| Total direct and overlapping debt | <u><u>\$ 2,497,135,673</u></u> | | <u><u>\$ 1,149,551,986</u></u> |

Source: Overlapping debt provided by each municipality.

Note: Percentage of overlap based on assessed property values.

**Ratio of Annual Debt Service for Debt to Total
Expenditures - Governmental Funds
Last Ten Fiscal Years**

| Fiscal Year Ended June 30, | Debt Service Expenditures | | | | | Ratio of Total Debt Service to Total Governmental Expenditures |
|----------------------------------|---------------------------|--------------------------------|--------------------|------------------------------------|------------------------------------|---|
| | Principal | Interest and Fiscal Charges | Other Expenditures | Total Debt Service Expenditures | Total Governmental Expenditures | |
| 2024 | \$ 49,932,325 | \$ 28,424,022 | \$ 1,333,757 | \$ 79,690,104 | \$ 821,398,625 | 9.70% |
| 2023 | 49,280,826 | 20,417,159 | 1,567,111 | 71,265,096 | 739,013,741 | 9.64% |
| 2022 | 45,109,043 | 17,922,791 | 150 | 63,031,984 | 670,720,482 | 9.40% |
| 2021 | 43,574,785 | 18,337,415 | 505,108 | 62,417,308 | 583,608,636 | 10.70% |
| 2020 | 41,300,728 | 19,709,824 | 65,089 | 61,075,641 | 537,939,362 | 11.35% |
| 2019 | 36,131,116 | 20,122,333 | 701,235 | 56,954,684 | 522,692,535 | 10.90% |
| 2018 | 37,322,892 | 19,606,512 | 247 | 56,929,651 | 504,661,128 | 11.28% |
| 2017 | 37,427,611 | 18,653,456 | 617,443 | 56,698,510 | 480,074,049 | 11.81% |
| 2016 | 35,596,413 | 20,599,097 | 741,165 | 56,936,675 | 446,935,402 | 12.74% |
| 2015 | 36,159,495 | 22,573,434 | 7,300 | 58,740,229 | 427,775,715 | 13.73% |

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

| Fiscal Year | General Obligation Bonds | Percentage of Actual Taxable Value of Property⁽¹⁾ | Per Capita⁽²⁾ |
|------------------------|-------------------------------------|---|-------------------------------------|
| 2024 | \$ 252,295,492 | 0.49% | \$ 748.89 |
| 2023 | 227,590,505 | 0.46% | 684.11 |
| 2022 | 253,482,741 | 0.54% | 774.45 |
| 2021 | 287,420,103 | 0.63% | 894.03 |
| 2020 | 249,550,771 | 0.57% | 752.10 |
| 2019 | 280,732,596 | 0.75% | 875.54 |
| 2018 | 258,989,288 | 0.72% | 840.35 |
| 2017 | 288,086,321 | 0.82% | 956.33 |
| 2016 | 243,775,000 | 0.75% | 830.16 |
| 2015 | 270,905,000 | 0.85% | 931.35 |

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

(1) See Schedule of Assessed Value and Actual Value of Taxable Property for property assessed/actual value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.



Ratios of Outstanding Debt by Type Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | |
|-------------|--------------------------|-------------------------------|--------------------------|---|-------------------------------|
| | General Obligation Bonds | Certificates of Participation | Limited Obligation Bonds | Installment Purchases, Leases, and Subscription Liabilities | Total Governmental Activities |
| 2024 | \$ 252,295,492 | \$ - | \$ 479,089,682 | \$ 82,547,560 | \$ 813,932,734 |
| 2023 | 227,590,505 | - | 429,558,044 | 55,544,774 | 712,693,323 |
| 2022 | 253,482,741 | - | 226,607,252 | 132,027,245 | 612,117,238 |
| 2021 | 287,420,103 | - | 242,556,522 | 22,863,360 | 552,839,985 |
| 2020 | 249,550,771 | - | 259,395,917 | 57,631,500 | 566,578,188 |
| 2019 | 280,732,596 | - | 244,550,606 | 27,129,118 | 552,412,320 |
| 2018 | 258,989,288 | 3,090,000 | 192,669,181 | 70,310,694 | 525,059,163 |
| 2017 | 288,086,321 | 6,185,000 | 200,709,554 | 22,160,638 | 517,141,513 |
| 2016 | 271,397,457 | 9,280,000 | 208,754,927 | 29,409,748 | 518,842,132 |
| 2015 | 295,033,765 | 49,470,000 | 174,556,822 | 21,213,474 | 540,274,061 |

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

⁽¹⁾ See Schedule for demographic and economic statistics for personal income and population data.

| Business-Type Activities | | | | Total Primary Government | Percentage of Personal Income ⁽¹⁾ | Per Capita ⁽¹⁾ |
|-----------------------------|-------------------------------|-----------------------------|--------------------------------------|-----------------------------|---|------------------------------|
| General Obligation Bonds | Refunding Revenue Bonds | State Revolving Loans | Total Business-Type Activities | | | |
| \$ - | \$ 2,785,831 | \$ 5,901,407 | \$ 8,687,238 | \$ 822,619,972 | 4.19% | \$ 2,441.79 |
| - | 3,657,718 | 6,572,551 | 10,230,269 | 722,923,592 | 3.69% | 2,173.03 |
| - | 4,509,605 | 7,243,697 | 11,753,302 | 623,870,540 | 3.53% | 1,906.08 |
| - | 5,341,492 | 7,914,843 | 13,256,335 | 566,096,320 | 3.41% | 1,760.86 |
| - | 6,158,379 | 8,585,989 | 14,744,368 | 581,322,556 | 3.62% | 1,751.99 |
| - | 6,955,266 | 9,257,134 | 16,212,400 | 568,624,720 | 3.82% | 1,773.41 |
| - | 7,732,153 | 9,928,280 | 17,660,433 | 542,719,596 | 3.86% | 1,760.97 |
| - | 8,489,040 | 10,599,426 | 19,088,466 | 536,229,979 | 4.00% | 1,780.06 |
| 32,343 | 9,294,315 | 11,270,571 | 20,597,229 | 539,439,361 | 4.28% | 1,837.03 |
| 604,728 | 10,084,590 | 11,941,717 | 22,631,035 | 562,905,096 | 4.72% | 1,935 |



Operating Information

Full-time Equivalent County Government Employees by Function

The County is required to present the number of employees by each function for the last 10 fiscal years.

Operating Indicators by Function

This schedule shows various operating indicators of the County by function for the last 10 fiscal years.

Capital Asset Statistics by Function

This schedule shows various capital assets statistics by function for the last 10 fiscal years.



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

| Function/Program | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| General government | 383 | 367 | 361 | 328 | 314 | 332 | 342 | 287 | 267 | 263 |
| Public safety* | 770 | 774 | 771 | 762 | 680 | 803 | 814 | 717 | 687 | 696 |
| Transportation** | 4 | 3 | 1 | 1 | - | - | - | - | - | - |
| Economic and physical development* | 30 | 29 | 28 | 26 | 37 | 39 | 17 | 34 | 29 | 32 |
| Environmental protection | 46 | 44 | 44 | 42 | 20 | 22 | 18 | 15 | 21 | 20 |
| Human services* | 887 | 845 | 851 | 797 | 657 | 772 | 775 | 672 | 639 | 628 |
| Education** | 1 | 1 | 1 | 1 | - | - | - | - | - | - |
| Cultural and recreational* | 144 | 148 | 148 | 148 | 106 | 106 | 110 | 106 | 100 | 106 |
| Utilities | 37 | 35 | 32 | 29 | 23 | 27 | 27 | 21 | 20 | 20 |
| Total | <u>2,302</u> | <u>2,246</u> | <u>2,204</u> | <u>2,134</u> | <u>1,837</u> | <u>2,101</u> | <u>2,103</u> | <u>1,852</u> | <u>1,763</u> | <u>1,765</u> |

*Public safety, Economic and physical development, Cultural and recreational, and Human Services have part-time employees and grant funded positions.

**Education and Transportation departments were implemented in FY20-21

Source: Durham County Budget and Management Services.

Operating Indicators by Function Last Ten Fiscal Years

| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Function/Program | | | | | | | | | | |
| General Administration | | | | | | | | | | |
| Registered voters ⁽⁵⁾ | 238,759 | 230,809 | 234,339 | 227,934 | 222,647 | 218,123 | 223,921 | 210,644 | 233,602 | 210,644 |
| Taxable real estate parcels ⁽⁶⁾ | 116,906 | 115,269 | 112,527 | 112,111 | 110,241 | 111,154 | 110,839 | 108,026 | 105,588 | 103,976 |
| Tax bills(8)* | 123,950 | 155,905 | 150,806 | 153,465 | 158,571 | 159,805 | 147,264 | 146,332 | 144,540 | 146,193 |
| Human Services | | | | | | | | | | |
| Adult care home residents served through on-site inspections ⁽⁷⁾ | 1,177 | 1,159 | 1,117 | 1,077 | 1,037 | 1,050 | 1,069 | 997 | 982 | 994 |
| Persons testing for HIV/STD ⁽⁸⁾ | 17,466 | 23,011 | 15,418 | 11,748 | 11,813 | 19,791 | 20,378 | 22,412 | 22,532 | 37,280 |
| Food assistance individuals ⁽⁷⁾ | 33,538 | 37,684 | 37,519 | 43,200 | 37,858 | 34,708 | 37,430 | 30,853 | 40,358 | 43,745 |
| Education | | | | | | | | | | |
| Students attending public school ⁽¹⁾ | 30,901 | 30,738 | 30,806 | 32,042 | 32,928 | 32,448 | 32,374 | 33,151 | 33,501 | 33,626 |
| Public school teachers ⁽¹⁾ | 2,335 | 2,562 | 2,529 | 2,512 | 2,512 | 2,426 | 2,393 | 2,267 | 2,416 | 2,329 |
| Community college students-average semester ⁽²⁾ | 8,955 | 7,664 | 5,023 | 10,092 | 6,213 | 8,919 | 12,898 | 10,819 | 19,027 | 22,341 |
| Community college faculty ⁽²⁾ | 625 | 638 | 504 | 449 | 356 | 347 | 355 | 355 | 355 | 333 |
| Community Development and Cultural⁽⁴⁾ | | | | | | | | | | |
| Residential permits issued ** | 2,133 | 2,512 | 2,172 | 2,247 | 2,050 | 2,233 | 2,152 | 1,726 | 1,927 | 1,426 |
| Commercial permits issued** | 862 | 856 | 258 | 117 | 103 | 98 | 101 | 155 | 158 | 132 |
| Building permits - additional, alterations** | 4,819 | 5,287 | 2,212 | 3,383 | 3,006 | 2,749 | 2,959 | 2,666 | 2,592 | 2,451 |
| Inspections performed | 99,394 | 105,615 | 132,713 | 31,949 | 32,882 | 33,884 | 43,292 | 43,031 | 38,946 | 38,481 |
| Environmental Services | | | | | | | | | | |
| Animal control service calls ⁽⁹⁾ | 12,978 | 11,780 | 10,117 | 10,574 | 9,747 | 12,670 | 10,967 | 12,191 | 12,889 | 12,568 |
| Animals impounded ⁽⁹⁾ | 1,538 | 1,616 | 1,447 | 1,454 | 1,223 | 3,659 | 2,087 | 2,516 | 2,869 | 2,166 |
| Sanitation inspections ⁽⁶⁾ | 3,398 | 3,113 | 5,132 | 5,132 | 4,348 | 3,643 | 3,343 | 3,149 | 3,327 | 6,146 |
| Public Safety | | | | | | | | | | |
| Detention intake ⁽¹⁰⁾ | 5,137 | 5,487 | 5,244 | 4,442 | 7,626 | 7,513 | 8,417 | 7,558 | 11,013 | 11,838 |
| Civil processes served ⁽¹⁰⁾ | 371 | *** | 11,226 | 10,702 | 13,497 | 18,477 | 24,755 | 20,505 | 33,147 | 26,407 |
| Pistol permits processed ⁽¹⁰⁾ | 1,275 | 3,828 | 5,918 | 7,644 | 7,066 | 3,514 | 3,136 | 2,108 | 3,266 | 2,486 |
| Average daily jail population ⁽¹⁰⁾ | 391 | 365 | 373 | 320 | 356 | 426 | 498 | 472 | 481 | 520 |
| Fire/medical incidents responded to by contracting fire departments ⁽¹¹⁾ | 3,307 | 3,107 | 3,369 | 2,499 | 3,391 | 3,531 | 3,320 | 2,025 | 2,587 | 4,544 |
| Durham EMS incidents ⁽³⁾ | 56,666 | 56,677 | 56,438 | 51,546 | 47,496 | 47,494 | 48,547 | 46,934 | 44,222 | 44,388 |

* Includes only those bills that were billed and to be collected, excludes corrected bills.

** Community Development and Cultural permits are for the complete previous calendar year ending during each fiscal year.

*** Data not available at time of print

⁽¹⁾ Durham County Public Schools.

⁽²⁾ Durham Technical Community College.

⁽³⁾ Durham County Emergency Management Department.

⁽⁴⁾ Durham City/County Planning Department.

⁽⁵⁾ Durham County Board of Elections.

⁽⁶⁾ Durham County Tax Department.

⁽⁷⁾ Durham County Department of Social Services.

⁽⁸⁾ Durham County Public Health Department.

⁽⁹⁾ Durham County Animal Control.

⁽¹⁰⁾ Durham County Sheriff Department.

⁽¹¹⁾ Durham County took over the EMS program from Parkwood, fiscal year 2015, this would reduce Parkwood's medical incident responses. Durham County EMS implemented a new response continuum that cut Fire Department first responder units from "Alpha" and "Bravo" calls - calls triaged as minor and not needing fire responses. As of fiscal year 2016, there are three contracting fire departments; two of the original five departments are now Durham County Fire & Rescue.

Capital Asset Statistics by Function Last Ten Fiscal Years

| Function/Program | Fiscal Year | | | | | | | | | |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| General Government ⁽¹⁾ | | | | | | | | | | |
| Rentable square footage | 830,717 | 766,977 | 754,777 | 754,777 | 749,361 | 749,361 | 762,932 | 762,932 | 762,932 | 767,652 |
| Human Services ⁽²⁾ | | | | | | | | | | |
| Number of centers | 1 | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 |
| Education ⁽³⁾ | | | | | | | | | | |
| Number of schools | 55 | 55 | 54 | 53 | 53 | 53 | 53 | 54 | 54 | 54 |
| Number of higher education institutions | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Community Development and Cultural ⁽⁴⁾ | | | | | | | | | | |
| Libraries - branches | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Physical Holdings | 689,241 | 694,108 | 672,558 | 659,658 | 677,747 | 716,746 | 682,379 | 670,695 | 692,526 | 694,145 |
| Number of County parks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety | | | | | | | | | | |
| Sheriff - Stations ⁽⁵⁾ | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Detention capacity ⁽⁵⁾ | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 | 736 |
| Fire protection - City Stations ⁽⁶⁾ | 18 | 19 | 19 | 17 | 17 | 17 | 17 | 16 | 16 | 16 |
| Fire protection - Responding County Fire Stations ⁽⁶⁾ | 14 | 7 | 8 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| EMS - Stations ⁽⁷⁾ | 9 | 8 | 10 | 10 | 10 | 10 | 10 | 9 | 9 | 12 |

⁽¹⁾ Durham County Open Space Department

⁽²⁾ Durham County Public Health and Social Services Departments

⁽³⁾ Durham Public Schools

⁽⁴⁾ Durham County Public Library. In 2024, "Volume of Books" was more accurately changed to "Physical Holdings."

⁽⁵⁾ Durham County Sheriff's Department

⁽⁶⁾ Durham County Fire Department

⁽⁷⁾ Durham County Emergency Medical Services



Demographic & Economic Information

Property Value and Construction

This information is presented for the last 10 fiscal years and includes the building value of permits issued and the total assessed valuation.

Demographic and Economic Statistics

This information is presented for the last 10 fiscal years and includes population, personal income for the County, school enrollment and the unemployment rate.

Principal Employers

This schedule presents the 10 largest employers, including the number of employees located inside the County boundaries. This is shown for the current year and nine years ago.



Property Value and Construction Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Building Value of Permits Issued ⁽¹⁾ | Valuation ⁽²⁾ |
|-------------------------------|--|--------------------------|
| 2024 | \$ 1,695,296,458 | \$ 51,324,214,755 |
| 2023 | 2,542,244,350 | 49,404,432,621 |
| 2022 | 2,159,292,984 | 47,076,348,233 |
| 2021 | 2,226,258,272 | 45,610,306,084 |
| 2020 | 1,905,432,972 | 44,007,082,698 |
| 2019 | 1,884,975,303 | 37,361,508,577 |
| 2018 | 1,347,736,663 | 36,159,221,674 |
| 2017 | 1,501,331,982 | 35,230,345,247 |
| 2016 | 1,194,358,281 | 32,454,800,165 |
| 2015 | 1,117,161,089 | 31,736,178,319 |

Notes

(1) Source: City of Durham/Durham County Inspections Department.

(2) Last revaluation of taxable property occurred on January 1, 2019.

Demographic and Economic Statistics Last Ten Years

| Year | Population Estimates ⁽¹⁾ | Personal Income ⁽²⁾ (thousands of dollars) | Per Capita Personal Income ⁽³⁾ | School Enrollment ⁽⁴⁾ | Unemployment Rate ⁽⁵⁾ |
|------|--|--|---|-------------------------------------|----------------------------------|
| 2024 | 336,892 | \$ 19,651,318 | \$ 59,070 | 30,901 | 3.60% |
| 2023 | 332,680 | 19,597,175 | 60,330 | 31,124 | 3.20% |
| 2022 | 327,306 | 17,692,950 | 54,093 | 31,360 | 3.40% |
| 2021 | 321,488 | 16,624,991 | 51,713 | 31,603 | 4.30% |
| 2020 | 331,807 | * | * | 32,928 | 7.60% |
| 2019 | 320,639 | * | * | 32,343 | 4.00% |
| 2018 | 308,941 | 16,058,004 | 50,698 | 32,629 | 3.80% |
| 2017 | 301,243 | 14,904,230 | 47,825 | 32,907 | 3.80% |
| 2016 | 293,647 | 14,064,619 | 45,931 | 33,144 | 4.70% |
| 2015 | 290,874 | 13,394,612 | 44,507 | 33,626 | 5.40% |

* Information was not available in prior audit years and not updated.

⁽¹⁾ U.S. Census Bureau, Population Estimates, last updated 2022.

⁽²⁾ All personal income data are estimates for the calendar year ended in each fiscal year are provided by Bureau of Economic Analysis, last updated 2022.

⁽³⁾ All per capita income data are for the calendar year ended in each fiscal year are provided by Bureau of Economic Analysis, last updated 2022.

⁽⁴⁾ Durham County Public Schools.

⁽⁵⁾ North Carolina Department of Commerce.

Principal Employers Current Year and Nine Years Ago

| Employer | 2024 | | | 2015 | | |
|---|--------------------------|------|---------------------------------------|---------------|------|---------------------------------------|
| | Employees ⁽¹⁾ | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| Duke University & Health System | 47,132 | 1 | 25.34% | 35,998 | 1 | 19.01% |
| Fidelity Investments | 8,400 | 2 | 4.52% | 2,400 | 9 | 1.27% |
| International Business Machines (IBM) | 7,500 | 3 | 4.03% | 7,000 | 2 | 3.70% |
| Blue Cross and Blue Shield North Carolina | 5,928 | 4 | 3.19% | 4,000 | 4 | 2.11% |
| Durham Public Schools | 5,054 | 5 | 2.72% | 4,600 | 3 | 2.43% |
| Wolfspeed (formerly Cree, Inc.) | 5,013 | 6 | 2.69% | 2,600 | 6 | 1.37% |
| Cisco | 3,800 | 7 | 2.04% | | | |
| Pfizer | 3,700 | 8 | 1.99% | | | |
| US Department of Veterans Affairs | 3,200 | 9 | 1.72% | 2,162 | 10 | 1.14% |
| IQVIA (formerly Quintiles) | 2,700 | 10 | 1.45% | 2,500 | 7 | 1.32% |
| GlaxoSmithKline | | | | 3,400 | 5 | 1.80% |
| Durham City Government | | | | 2,437 | 8 | 1.29% |
| Research Triangle Institute (RTI) | | | | | | |
| | <u>92,427</u> | | <u>49.69%</u> | <u>67,097</u> | | <u>35.44%</u> |

Source: Bureau of Labor Statistics

⁽¹⁾As of fiscal year-ended 2022, the Durham Chamber of Commerce (DCC) no longer provides employment numbers for principal employers. Instead, Durham County (DCo) now provides employment number gathered from different sources.





Compliance Section

Annual Comprehensive Financial Report
for the year ended June 30, 2024



**Annual Comprehensive Financial Report
for the year ended June 30, 2024**



Report of Independent Auditor on the Compliance with Bond Covenants

To the Board of County Commissioners
Durham County, North Carolina
Durham, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Durham County, North Carolina (the "County"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated April 8, 2025.

In connection with our audit, nothing came to our attention that caused us to believe the County failed to comply with the terms, covenants, provisions, or conditions listed in the Series 2003 Revenue Bonds official statement for the Trust Agreement dated December 1, 2002, with First-Citizens Bank & Trust (the "Agreement"), insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Agreement, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Board of County Commissioners of Durham County, management of the County, U.S. Bank National Association as Trustee and is not intended to be, and should not be, used by anyone other than these specified parties.

Cherry Bekaert LLP

Raleigh, North Carolina
April 16, 2025



**Schedule of Debt Covenant Compliance
Year Ended June 30, 2024**

| | Enterprise Fund Sewer Utility Fund |
|--|---|
| Operating revenues | |
| Charges for services | \$ 15,621,454 |
| Total operating revenues | <u>15,621,454</u> |
| Operating expenses | |
| Personnel services | 3,880,535 |
| Utilities | 658,678 |
| Maintenance and other | 4,384,570 |
| Depreciation | 5,008,112 |
| Total operating expenses | <u>13,931,895</u> |
| Operating income (loss) | <u>1,689,559</u> |
| Add: | |
| Depreciation expense | 5,008,112 |
| Contributions to pension plan in current fiscal year | (263,135) |
| Pension expense | <u>397,493</u> |
| Income available for debt service | <u>\$ 6,832,029</u> |
| Fiscal year revenue bond debt payments | \$ 926,777 |
| Fiscal year total debt payments | \$ 1,743,834 |
| Senior lien debt service coverage | 7.37 |
| Total debt service coverage | 3.92 |
| Series 2003 Revenue Bond Covenant Requirement | |
| Senior lien debt service coverage | 1.20 |
| Total debt service coverage | 1.00 |





Acknowledgments

The preparation of the annual financial report was made possible by the dedicated service of the entire staff of the Finance Department. The audit process was effectively managed by Crystally Wright, Interim Chief Financial Officer.

Additional support in the audit process and related accounting activities was provided by:

Connecia Brown, Assistant Chief Financial Officer Financial Reporting

Stephano Claude, Executive Accountant

Tiffany Long, Executive Accountant

Yolanda Deaver, CPA, MBA, Contractor

Elana Jones, CPA, Payroll Manager

Sonya Long, CPA, Contractor

Tonia Hernandez, Financial Systems Manager

John Kenion, Compliance Manager

Jose Rivera, Accountant

Jamila Wilson-Davis, Executive Accountant

Joseph Futima, Assistant Chief Financial Officer Debt



**DURHAM
COUNTY**

201 E Main Street
Durham, NC 27701

