

**ORANGE COUNTY  
BOARD OF EDUCATION  
Hillsborough, North Carolina**

*Financial Statements  
For the Fiscal Year Ended  
June 30, 2016*

**ORANGE COUNTY BOARD OF EDUCATION  
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# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Orange County Board of Education  
Hillsborough, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Board of Education, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Orange County Board of Education as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School and Other Special Revenue funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and the Schedule of the Board's Proportionate Share of the Net Pension Liability and the Schedule of Board Contributions on pages 43 and 44, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Orange County Board of Education's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and State awards as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, budgetary schedules and other schedules, and the accompanying schedule of expenditures of federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, budgetary schedules and other schedules, and the accompanying schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2016 on our consideration of the Orange County Board of Education'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 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 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 Orange County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

October 28, 2016  
Rockingham, North Carolina  
(910) 997-1418

## **ORANGE COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the Orange County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2016. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

- For the fiscal year ended June 30, 2016, the Board's total government-wide net position decreased by \$1.0 million, or 1.8%. Governmental activities net position decreased by \$1.1 million while business-type activities net position increased by \$88,000.
- The total funding increase over the prior year from the Orange County Board of County Commissioners was \$763,000.
- Financial reporting awards from the Association of School Business Officials International and the Government Finance Officers Association for the June 30, 2015 fiscal year.

### ***Overview of the Financial Statements***

The audited financial statements of the Orange County Board of Education consist of four components. They are as follows:

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents budgetary statements and schedules for governmental and enterprise funds.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets, deferred outflows of resources, deferred inflows of resources and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

## **ORANGE COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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### **Government-wide Statements**

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position is the difference between the Board's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- *Governmental activities:* Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.
- *Business-type activities:* The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds - not the unit as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by State law, such as the State Public School Fund.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants Fund.

Orange County Board of Education has three types of funds:

*Governmental funds:* Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Other Special Revenue Fund and the Federal Grants Fund. The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

**ORANGE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

*Proprietary funds:* Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Orange County Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Orange County Board of Education has one fiduciary fund – an administrative fund. The Administrative Fund is a scholarship fund under the control of the administrative unit. This is accounted for as a private purpose trust fund. The fiduciary fund statements are shown as Exhibits 10 and 11.

**Financial Analysis of the Board as a Whole**

Net position is an indicator of the fiscal health of the Board. Assets exceeded liabilities by \$55.9 million as of June 30, 2016 as compared to \$57.0 million as of June 30, 2015. The largest component of net position is net investment in capital assets of \$64.7 million. Following is a summary of the Statement of Net Position at June 30, 2016 and 2015:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/16	6/30/15	6/30/16	6/30/15	6/30/16	6/30/15
Current assets	\$ 11,298,047	\$ 12,422,484	\$ 964,520	\$ 902,834	\$ 12,262,567	\$ 13,325,318
Capital assets	65,317,007	66,161,693	97,222	103,748	65,414,229	66,265,441
Total assets	<u>76,615,054</u>	<u>78,584,177</u>	<u>1,061,742</u>	<u>1,006,582</u>	<u>77,676,796</u>	<u>79,590,759</u>
Deferred outflows of resources	4,432,986	4,159,464	115,799	93,580	4,548,785	4,253,044
Current liabilities	6,459,231	5,617,969	100,704	80,292	6,559,935	5,698,261
Long-term liabilities	16,565,383	7,016,568	344,727	139,137	16,910,110	7,155,705
Total liabilities	<u>23,024,614</u>	<u>12,634,537</u>	<u>445,431</u>	<u>219,429</u>	<u>23,470,045</u>	<u>12,853,966</u>
Deferred inflows of resources	2,757,717	13,726,348	72,037	308,816	2,829,754	14,035,164
Net investment in capital assets	64,605,966	66,079,471	97,222	103,748	64,703,188	66,183,219
Restricted net position	2,004,942	2,699,052	-	-	2,004,942	2,699,052
Unrestricted net position (deficit)	(11,345,199)	(12,395,767)	562,851	468,169	(10,782,348)	(11,927,598)
Total net position	<u>\$ 55,265,709</u>	<u>\$ 56,382,756</u>	<u>\$ 660,073</u>	<u>\$ 571,917</u>	<u>\$ 55,925,782</u>	<u>\$ 56,954,673</u>

The net position of the Board's governmental activities decreased \$1.1 million during the year, from \$56.4 million at June 30, 2015 to \$55.3 million at June 30, 2016, indicating a decline in the financial condition of the Board. Restricted net position decreased by \$694,000, primarily due to a decrease in fund balance in the Capital Outlay Fund. Unrestricted net position increased \$1.1 million compared to the prior year. Net investment in capital assets decreased \$1.5 million due to an excess of depreciation expense over capital additions for the year.

The net position of the Board's business-type activities increased \$88,000 during the year. This increase of \$88,000 is the combined net profit generated by our school food service and child care operations during the 2016 fiscal year. The following table shows the revenues and expenses of the Board for the current and prior fiscal years:

**ORANGE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/16	6/30/15	6/30/16	6/30/15	6/30/16	6/30/15
Revenues:						
Program revenues:						
Charges for services	\$ 1,864,935	\$ 1,895,521	\$ 1,545,658	\$ 1,408,236	\$ 3,410,593	\$ 3,303,757
Operating grants and contributions	46,779,330	47,955,715	1,939,838	1,777,258	48,719,168	49,732,973
Capital grants and contributions	206,503	284,316	-	-	206,503	284,316
General revenues:						
County appropriations	32,472,969	31,085,370	-	-	32,472,969	31,085,370
Other revenues	<u>326,802</u>	<u>340,382</u>	<u>-</u>	<u>587</u>	<u>326,802</u>	<u>340,969</u>
Total revenues	<u>81,650,539</u>	<u>81,561,304</u>	<u>3,485,496</u>	<u>3,186,081</u>	<u>85,136,035</u>	<u>84,747,385</u>
Expenses:						
Governmental activities:						
Instructional services	58,499,301	56,607,544	-	-	58,499,301	56,607,544
System-wide support services	19,739,586	17,854,851	-	-	19,739,586	17,854,851
Ancillary services	5,243	3,011	-	-	5,243	3,011
Non-programmed charges	1,902,189	1,821,498	-	-	1,902,189	1,821,498
Interest on long-term debt	8,547	16,985	-	-	8,547	16,985
Unallocated depreciation	2,555,586	2,708,505	-	-	2,555,586	2,708,505
Business-type activities:						
School food service	-	-	2,676,926	2,525,131	2,676,926	2,525,131
Child care	-	-	<u>777,548</u>	<u>652,262</u>	<u>777,548</u>	<u>652,262</u>
Total expenses	<u>82,710,452</u>	<u>79,012,394</u>	<u>3,454,474</u>	<u>3,177,393</u>	<u>86,164,926</u>	<u>82,189,787</u>
Excess (deficiency) of revenues						
over expenditures before transfers	(1,059,913)	2,548,910	31,022	8,688	(1,028,891)	2,557,598
Transfers in (out)	<u>(57,134)</u>	<u>(59,157)</u>	<u>57,134</u>	<u>59,157</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>(1,117,047)</u>	<u>2,489,753</u>	<u>88,156</u>	<u>67,845</u>	<u>(1,028,891)</u>	<u>2,557,598</u>
Beginning net position,						
as previously reported	56,382,756	69,808,156	571,917	862,132	56,954,673	70,670,288
Restatement	<u>-</u>	<u>(15,915,153)</u>	<u>-</u>	<u>(358,060)</u>	<u>-</u>	<u>(16,273,213)</u>
Beginning net position, as restated	<u>56,382,756</u>	<u>53,893,003</u>	<u>571,917</u>	<u>504,072</u>	<u>56,954,673</u>	<u>54,397,075</u>
Ending net position	<u>\$ 55,265,709</u>	<u>\$ 56,382,756</u>	<u>\$ 660,073</u>	<u>\$ 571,917</u>	<u>\$ 55,925,782</u>	<u>\$ 56,954,673</u>

Total governmental activities generated revenues of \$81.7 million while expenses in this category totaled \$82.7 million for the year ended June 30, 2016, resulting in a decrease in net position of \$1.1 million (including transfers to business-type activities of \$57,000). Comparatively, revenues were \$81.6 million, expenses totaled \$79.0 million and transfers out were \$59,000 for the year ended June 30, 2015, resulting in an increase in net position of \$2.5 million. In comparing the two years, revenues increased slightly by \$89,000, or 0.1%, while expenses increased \$3.7 million, or 4.7%. The increase in expenses was primarily attributable to the installment purchase of new laptops during the 2015-2016 year.

The Board's primary sources of revenues were funding from the State of North Carolina, Orange County, and the United States Government, which respectively comprised 52.3%, 37.3% and 3.9% of our total revenues. As would be expected, the major component of our expenditures was instructional services which accounted for 70.7% of our total expenditures during the most recent fiscal year. Of the remaining 29.3% of our total expenditures, 23.9% was attributable to system-wide support services.

**ORANGE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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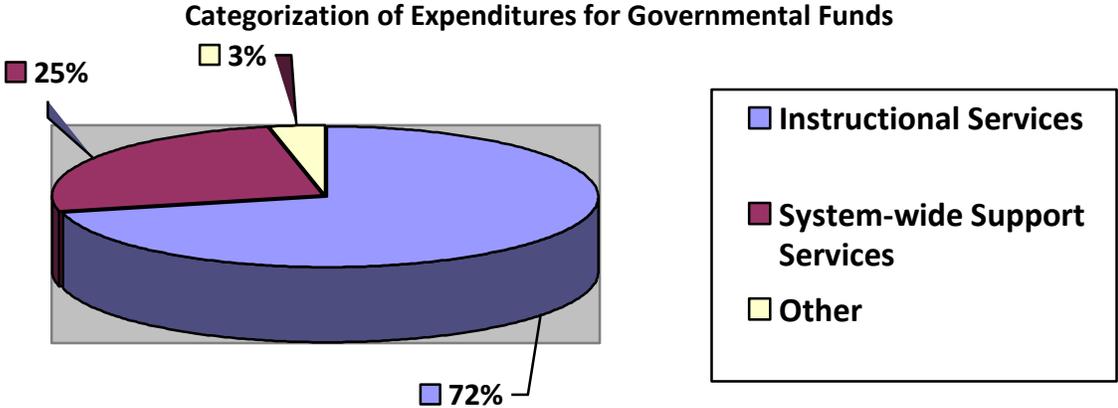
Our business-type activities generated revenues of \$3.5 million, expenses of \$3.5 million and reported transfers in from governmental activities of \$57,000 for the year ended June 30, 2016. For the year, net position increased by \$88,000. Comparatively, revenues were \$3.2 million, expenses were \$3.2 million and transfers in from governmental activities totaled \$59,000 for the year ended June 30, 2015, resulting in an increase in net position of \$68,000. In comparing the two periods, revenues from food sales and USDA reimbursements both increased during the year due to an increase in meals served. As would be expected, food costs also rose in the 2015-2016 year due to the increase in meals served.

**Financial Analysis of the Board's Funds**

*Governmental Funds:* The focus of Orange County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$7.6 million at June 30, 2016, a decrease of \$1.2 million from the \$8.8 million reported at June 30, 2015. The Board's General, Other Special Revenue, Capital Outlay and nonmajor special revenue funds each reported decreases in fund balance for the year. Total governmental funds revenues reported a slight increase of \$98,000, or 0.1%, over the prior year while expenditures increased by \$5.5 million, or 6.8%. The increase in expenditures was primarily attributable to the purchase of new computers and school buses with the proceeds of installment purchase obligations issued.

During the year ended June 30, 2016, the Capital Outlay Fund reported a decrease in fund balance of \$397,000 compared to an increase of \$685,000 in the previous year. An increase in expenditures for renovations at one of the high schools was the primary factor contributing to the overall decrease in fund balance.



Expenditures presented on modified accrual basis of accounting.

*Proprietary Funds:* The Board's business-type funds, the School Food Service and Child Care funds, reported a combined increase in net position of \$88,000 for the current year compared to an \$68,000 increase for the year ended June 30, 2015. As previously discussed under the section *Financial Analysis of the Board as a Whole*, overall operating results were comparable to the prior year with no significant revenue or expense changes in the School Food Service or Child Care funds.

**ORANGE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**General Fund Budgetary Highlights**

Over the course of a year, the Board will revise the budget, as necessary, to account for changes in revenue expectations and program allocations. However, during the year ended June 30, 2016, no significant budget revisions were made in the General Fund as revenue and expenditure expectations remained consistent throughout the year.

For the year, the Board's General Fund reported a decrease in fund balance of \$779,000 compared to an increase of \$229,000 in the prior year. Revenues increased \$3.0 million over the prior year due primarily to the receipt of \$2.2 million of installment purchase proceeds used to purchase computers.

Due to some State and federal revenue sources being uncertain at the start of the year, management budgeted \$3.2 million of fund balance in case it was needed to cover instructional or system-wide support service costs that could not be paid from State or federal funds. The district did not have to use all of this appropriated fund balance as State and federal sources were used to pay most of these budgeted expenditures. This resulted in the General Fund reporting a \$2.4 million positive budget variance for expenditures for the year.

**Capital Assets**

Total primary government capital assets were \$65.4 million at June 30, 2016 compared to \$66.3 million at June 30, 2015, a decrease of 1.3%. This decrease was due to an excess of depreciation expense over capital additions for the year. More detailed information about the Board's capital assets is contained in Note 2 to the financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2016 and 2015:

**Table 3  
Summary of Capital Assets  
As of June 30, 2016 and 2015**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/16</u>	<u>6/30/15</u>
Land	\$ 2,844,650	\$ 2,844,650	\$ -	\$ -	\$ 2,844,650	\$ 2,844,650
Construction in progress	631,616	678,529	-	-	631,616	678,529
Buildings and improvements	60,201,483	61,411,989	525	3,755	60,202,008	61,415,744
Equipment and furniture	151,585	216,961	96,697	99,993	248,282	316,954
Vehicles	1,487,673	1,009,564	-	-	1,487,673	1,009,564
Total	<u>\$ 65,317,007</u>	<u>\$ 66,161,693</u>	<u>\$ 97,222</u>	<u>\$ 103,748</u>	<u>\$ 65,414,229</u>	<u>\$ 66,265,441</u>

**Debt Outstanding**

During the year, the Board's long-term debt increased from \$745,000 at June 30, 2015 to \$2.9 million at June 30, 2016. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. More detailed information about the Board's outstanding debt is contained in the Note 2 to the financial statements.

**ORANGE COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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***Economic Factors***

County funding is a major source of income for the Orange County Board of Education. Therefore, the County's economic outlook directly affects that of the school district. The following factors reflect a positive outlook on the growth and prosperity of Orange County:

- The County enjoys a consistently low unemployment rate. The unemployment rates estimated by the North Carolina Employment Security Commission for June 2016 and 2015 were 4.6% and 5.0%, respectively, among the lowest in the state. The State averages for June 2016 and 2015 were 5.1% and 6.5%, respectively.
- The County's economy is characterized by a high degree of institutional and public sector activity, plus office, commercial and service-oriented business. Manufacturing and agriculture make up a smaller portion of the County's economy.
- The economy of the area is stabilized by the presence of State and Local government employment markets. The University of North Carolina at Chapel Hill and University Hospitals in the Town of Chapel Hill and their associated service, teaching and research programs have a reputation of excellence in the educational and medical fields. The County is also the place of residence for many technical and professional workers and executives who work in the Research Triangle Park and neighboring cities of Durham, Raleigh and Burlington.

***Requests for Information***

This report is intended to provide a summary of the financial condition of Orange County Board of Education. Questions or requests for additional information should be addressed to:

Rhonda Rath, Interim Chief Finance Officer  
Orange County Board of Education  
200 East King Street  
Hillsborough, NC 27278

**ORANGE COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 9,347,937	\$ 860,292	\$ 10,208,229
Due from other governments	1,844,228	57,391	1,901,619
Receivables	105,882	1,975	107,857
Inventories	-	44,862	44,862
Capital assets:			
Land and construction in progress	3,476,266	-	3,476,266
Other capital assets, net of depreciation	61,840,741	97,222	61,937,963
Total capital assets	65,317,007	97,222	65,414,229
Total assets	76,615,054	1,061,742	77,676,796
<b>Deferred Outflows of Resources</b>	4,432,986	115,799	4,548,785
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,515,883	1,058	1,516,941
Accrued salaries and wages payable	2,137,303	-	2,137,303
Due to other governments	6,283	-	6,283
Unearned revenue	55,462	59,934	115,396
Long-term liabilities:			
Net pension liability	11,946,380	312,063	12,258,443
Due within one year	2,744,300	39,712	2,784,012
Due in more than one year	4,619,003	32,664	4,651,667
Total liabilities	23,024,614	445,431	23,470,045
<b>Deferred Inflows of Resources</b>	2,757,717	72,037	2,829,754
<b>Net position</b>			
Net investment in capital assets	64,605,966	97,222	64,703,188
Restricted for:			
Stabilization by State statute	128,478	-	128,478
School capital outlay	984,228	-	984,228
Instructional services	285,725	-	285,725
Individual schools activities	606,511	-	606,511
Unrestricted (deficit)	(11,345,199)	562,851	(10,782,348)
Total net position	\$ 55,265,709	\$ 660,073	\$ 55,925,782

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

**ORANGE COUNTY BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2016**

**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 34,138,647	\$ -	\$ 25,530,811	\$ -	\$ (8,607,836)	\$ -	\$ (8,607,836)
Special populations	9,093,373	-	7,828,956	-	(1,264,417)	-	(1,264,417)
Alternative programs	3,889,545	-	3,535,898	-	(353,647)	-	(353,647)
School leadership	3,646,221	-	1,877,177	-	(1,769,044)	-	(1,769,044)
Co-curricular	2,704,616	1,662,488	-	-	(1,042,128)	-	(1,042,128)
School-based support	5,026,899	-	2,088,052	-	(2,938,847)	-	(2,938,847)
System-wide support services:							
Support and development	1,518,321	-	307,931	-	(1,210,390)	-	(1,210,390)
Special population support and development	186,715	-	25,461	-	(161,254)	-	(161,254)
Alternative programs and services support and development	166,825	-	98,007	-	(68,818)	-	(68,818)
Technology support	3,716,117	-	194,951	-	(3,521,166)	-	(3,521,166)
Operational support	10,740,085	24,053	4,247,131	206,503	(6,262,398)	-	(6,262,398)
Financial and human resource services	1,813,695	178,394	626,057	-	(1,009,244)	-	(1,009,244)
Accountability	174,727	-	-	-	(174,727)	-	(174,727)
System-wide pupil support	10,168	-	-	-	(10,168)	-	(10,168)
Policy, leadership and public relations	1,412,933	-	288,187	-	(1,124,746)	-	(1,124,746)
Ancillary services	5,243	-	2,454	-	(2,789)	-	(2,789)
Payments to other governments	1,902,189	-	128,257	-	(1,773,932)	-	(1,773,932)
Interest on long-term debt	8,547	-	-	-	(8,547)	-	(8,547)
Unallocated depreciation expense**	2,555,586	-	-	-	(2,555,586)	-	(2,555,586)
Total governmental activities	<u>82,710,452</u>	<u>1,864,935</u>	<u>46,779,330</u>	<u>206,503</u>	<u>(33,859,684)</u>	<u>-</u>	<u>(33,859,684)</u>
Business-type activities:							
School food service	2,676,926	768,391	1,939,838	-	-	31,303	31,303
Child care	<u>777,548</u>	<u>777,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(281)</u>	<u>(281)</u>
Total business-type activities	<u>3,454,474</u>	<u>1,545,658</u>	<u>1,939,838</u>	<u>-</u>	<u>-</u>	<u>31,022</u>	<u>31,022</u>
Total primary government	<u>\$ 86,164,926</u>	<u>\$ 3,410,593</u>	<u>\$ 48,719,168</u>	<u>\$ 206,503</u>	<u>(33,859,684)</u>	<u>31,022</u>	<u>(33,828,662)</u>
General revenues:							
Unrestricted county appropriations - operating					29,338,029	-	29,338,029
Unrestricted county appropriations - capital					3,134,940	-	3,134,940
Investment earnings, unrestricted					17,673	-	17,673
Miscellaneous, unrestricted					309,129	-	309,129
Transfers					(57,134)	57,134	-
Total general revenues and transfers					<u>32,742,637</u>	<u>57,134</u>	<u>32,799,771</u>
Change in net position					(1,117,047)	88,156	(1,028,891)
Net position - beginning					<u>56,382,756</u>	<u>571,917</u>	<u>56,954,673</u>
Net position - ending					<u>\$ 55,265,709</u>	<u>\$ 660,073</u>	<u>\$ 55,925,782</u>

\*\*This amount excludes the depreciation that is included in the direct expenses of the various programs.

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

**ORANGE COUNTY BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2016**

**Exhibit 3**

	Major Funds				Non-major Funds	Total Governmental Funds
	General	State Public School	Other Special Revenue	Capital Outlay	Special Revenue	
<b>Assets</b>						
Cash and cash equivalents	\$ 6,115,437	\$ 6,283	\$ 1,424,768	\$ 1,194,938	\$ 606,511	\$ 9,347,937
Due from other governments	22,596	1,681,574	-	38,436	101,622	1,844,228
Accounts receivable	105,047	-	835	-	-	105,882
<b>Total assets</b>	<b>\$ 6,243,080</b>	<b>\$ 1,687,857</b>	<b>\$ 1,425,603</b>	<b>\$ 1,233,374</b>	<b>\$ 708,133</b>	<b>\$ 11,298,047</b>
<b>Liabilities and fund balances</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,258,742	\$ -	\$ 7,995	\$ 249,146	\$ -	\$ 1,515,883
Accrued salaries and wages payable	322,004	1,681,574	32,103	-	101,622	2,137,303
Due to other governments	-	6,283	-	-	-	6,283
Unearned revenue	-	-	55,462	-	-	55,462
<b>Total liabilities</b>	<b>1,580,746</b>	<b>1,687,857</b>	<b>95,560</b>	<b>249,146</b>	<b>101,622</b>	<b>3,714,931</b>
Fund balances:						
Restricted:						
Stabilization by State statute	127,643	-	835	-	-	128,478
School capital outlay	-	-	-	984,228	-	984,228
Instructional services	-	-	285,725	-	-	285,725
Individual schools	-	-	-	-	606,511	606,511
Assigned:						
Subsequent year's expenditures	2,604,067	-	-	-	-	2,604,067
Special revenues	-	-	1,043,483	-	-	1,043,483
Unassigned	1,930,624	-	-	-	-	1,930,624
<b>Total fund balances</b>	<b>4,662,334</b>	<b>-</b>	<b>1,330,043</b>	<b>984,228</b>	<b>606,511</b>	<b>7,583,116</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,243,080</b>	<b>\$ 1,687,857</b>	<b>\$ 1,425,603</b>	<b>\$ 1,233,374</b>	<b>\$ 708,133</b>	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	65,317,007
Deferred outflows of resources related to pensions	4,432,986
Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(7,363,303)
Net pension liability	(11,946,380)
Deferred inflows of resources related to pensions	(2,757,717)
<b>Net position of governmental activities</b>	<b>\$ 55,265,709</b>

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

**ORANGE COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2016**

**Exhibit 4**

	Major Funds				Non-major Funds	Total Governmental Funds
	General	State Public School	Other Special Revenue	Capital Outlay	Special Revenue	
<b>Revenues:</b>						
State of North Carolina	\$ -	\$ 42,582,345	\$ 8,000	\$ 206,503	\$ -	\$ 42,796,848
Orange County:						
Local current expense	28,844,029	-	-	-	-	28,844,029
Other	494,000	-	-	1,167,900	-	1,661,900
U.S. Government	-	-	-	-	3,146,066	3,146,066
Other	278,114	-	1,420,536	1,968,815	1,662,488	5,329,953
<b>Total revenues</b>	<b>29,616,143</b>	<b>42,582,345</b>	<b>1,428,536</b>	<b>3,343,218</b>	<b>4,808,554</b>	<b>81,778,796</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instructional services:</b>						
Regular instructional	10,149,337	25,312,907	235,592	134,600	148,413	35,980,849
Special populations	2,091,997	5,837,535	29,981	-	1,568,148	9,527,661
Alternative programs	693,739	1,936,190	353,764	-	1,041,553	4,025,246
School leadership	1,955,466	1,877,177	-	-	-	3,832,643
Co-curricular	918,716	-	763	142,422	1,672,301	2,734,202
School-based support	1,751,356	2,035,631	237,055	1,133,313	52,421	5,209,776
<b>System-wide support services:</b>						
Support and development	1,273,916	198,232	-	-	109,699	1,581,847
Special population support and development	157,175	-	13,500	-	25,461	196,136
Alternative programs and services support and development	15,900	27,771	58,813	-	70,236	172,720
Technology support	3,562,592	194,951	-	-	-	3,757,543
Operational support	5,398,141	4,197,857	520,211	2,402,299	1,878	12,520,386
Financial and human resource services	1,170,114	626,057	5,000	61,490	-	1,862,661
Accountability	185,068	-	-	-	-	185,068
System-wide pupil support	9,315	-	860	-	-	10,175
Policy, leadership and public relations	1,153,968	288,187	-	-	-	1,442,155
Ancillary services	9,557	2,454	10,201	4,500	-	26,712
Non-programmed charges	1,902,189	-	-	-	128,257	2,030,446
<b>Debt service:</b>						
Principal retirement	178,695	-	-	690,358	-	869,053
Interest and fees	2,305	-	-	6,242	-	8,547
<b>Total expenditures</b>	<b>32,579,546</b>	<b>42,534,949</b>	<b>1,465,740</b>	<b>4,575,224</b>	<b>4,818,367</b>	<b>85,973,826</b>
Revenues over (under) expenditures	(2,963,403)	47,396	(37,204)	(1,232,006)	(9,813)	(4,195,030)
<b>Other financing uses:</b>						
Transfers to other funds	(9,738)	(47,396)	-	-	-	(57,134)
Installment purchase obligations issued	2,194,084	-	-	835,322	-	3,029,406
<b>Total other financing sources (uses)</b>	<b>2,184,346</b>	<b>(47,396)</b>	<b>-</b>	<b>835,322</b>	<b>-</b>	<b>2,972,272</b>
<b>Net change in fund balance</b>	<b>(779,057)</b>	<b>-</b>	<b>(37,204)</b>	<b>(396,684)</b>	<b>(9,813)</b>	<b>(1,222,758)</b>
<b>Fund balances:</b>						
Beginning of year	5,441,391	-	1,367,247	1,380,912	616,324	8,805,874
End of year	\$ 4,662,334	\$ -	\$ 1,330,043	\$ 984,228	\$ 606,511	\$ 7,583,116

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

**ORANGE COUNTY BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2016**

**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ (1,222,758)
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 depreciation exceeded capital outlays in the current period.	(844,686)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	4,219,125
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,160,353)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental	
Pension expense	(1,162,539)
Compensated absences	<u>54,164</u>
Total changes in net position of governmental activities	<u>\$ (1,117,047)</u>

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

**ORANGE COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2016**

**Exhibit 6**

	General Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Orange County	29,338,029	29,338,029	29,338,029	-
U.S. Government	-	-	-	-
Other	230,000	230,000	278,114	48,114
Total revenues	<u>29,568,029</u>	<u>29,568,029</u>	<u>29,616,143</u>	<u>48,114</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	9,877,442	10,204,913	10,149,337	55,576
Special populations	2,537,996	2,537,996	2,091,997	445,999
Alternative programs	752,891	710,101	693,739	16,362
School leadership	2,009,219	2,009,219	1,955,466	53,753
Co-curricular	939,221	939,222	918,716	20,506
School-based support	1,874,308	1,874,308	1,751,356	122,952
Total instructional services	<u>17,991,077</u>	<u>18,275,759</u>	<u>17,560,611</u>	<u>715,148</u>
System-wide support services:				
Support and development	1,567,598	1,489,470	1,273,916	215,554
Special population support and development	160,455	160,455	157,175	3,280
Alternative programs and services support and development	10,034	23,896	15,900	7,996
Technology support	831,693	3,823,043	3,562,592	260,451
Operational support	5,884,933	5,851,381	5,398,141	453,240
Financial and human resource services	1,218,931	1,218,519	1,170,114	48,405
Accountability	224,040	224,040	185,068	38,972
System-wide pupil support	12,000	12,000	9,315	2,685
Policy, leadership and public relations	1,756,678	1,756,678	1,153,968	602,710
Total system-wide support services	<u>11,666,362</u>	<u>14,559,482</u>	<u>12,926,189</u>	<u>1,633,293</u>
Ancillary services:				
Community	5,547	5,657	5,656	1
Nutrition	2,465	3,905	3,901	4
Total ancillary services	<u>8,012</u>	<u>9,562</u>	<u>9,557</u>	<u>5</u>
Nonprogrammed charges	<u>1,871,016</u>	<u>1,903,016</u>	<u>1,902,189</u>	<u>827</u>
Debt service:				
Principal retirement	178,695	178,695	178,695	-
Interest and fees	2,305	2,305	2,305	-
Total debt service	<u>181,000</u>	<u>181,000</u>	<u>181,000</u>	<u>-</u>
Total expenditures	<u>31,717,467</u>	<u>34,928,819</u>	<u>32,579,546</u>	<u>2,349,273</u>
Revenues over (under) expenditures	<u>(2,149,438)</u>	<u>(5,360,790)</u>	<u>(2,963,403)</u>	<u>2,397,387</u>
Other financing sources (uses):				
Transfers to other funds	(9,738)	(9,738)	(9,738)	-
Installment purchase obligations issued	-	2,194,084	2,194,084	-
Total other financing sources (uses)	<u>(9,738)</u>	<u>2,184,346</u>	<u>2,184,346</u>	<u>-</u>
Fund balance appropriated	<u>2,159,176</u>	<u>3,176,444</u>	<u>-</u>	<u>(3,176,444)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(779,057)</u>	<u>\$ (779,057)</u>
Fund balances:				
Beginning of year			5,441,391	
End of year			<u>\$ 4,662,334</u>	

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

**ORANGE COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2016**

**Exhibit 6 (continued)**

	State Public School Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 42,724,728	\$ 43,581,204	\$ 42,582,345	\$ (998,859)
Orange County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>42,724,728</u>	<u>43,581,204</u>	<u>42,582,345</u>	<u>(998,859)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	25,564,407	25,857,346	25,312,907	544,439
Special populations	5,472,863	5,838,852	5,837,535	1,317
Alternative programs	2,038,844	2,188,834	1,936,190	252,644
School leadership	1,848,749	1,929,028	1,877,177	51,851
Co-curricular	-	-	-	-
School-based support	2,075,955	2,073,283	2,035,631	37,652
Total instructional services	<u>37,000,818</u>	<u>37,887,343</u>	<u>36,999,440</u>	<u>887,903</u>
System-wide support services:				
Support and development	204,924	211,680	198,232	13,448
Special population support and development	-	-	-	-
Alternative programs and services support and development	19,707	27,811	27,771	40
Technology support	122,324	196,324	194,951	1,373
Operational support	4,533,642	4,283,166	4,197,857	85,309
Financial and human resource services	507,034	626,784	626,057	727
Accountability	-	-	-	-
System-wide pupil support	-	-	-	-
Policy, leadership and public relations	288,569	295,923	288,187	7,736
Total system-wide support services	<u>5,676,200</u>	<u>5,641,688</u>	<u>5,533,055</u>	<u>108,633</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	47,710	4,777	2,454	2,323
Total ancillary services	<u>47,710</u>	<u>4,777</u>	<u>2,454</u>	<u>2,323</u>
Nonprogrammed charges	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	<u>42,724,728</u>	<u>43,533,808</u>	<u>42,534,949</u>	<u>998,859</u>
Revenues over (under) expenditures	-	47,396	47,396	-
Other financing sources (uses):				
Transfers to other funds	-	(47,396)	(47,396)	-
Installment purchase obligations issued	-	-	-	-
Total other financing sources (uses)	-	<u>(47,396)</u>	<u>(47,396)</u>	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year	-	-	-	-
End of year	-	-	\$ -	-

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

**ORANGE COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2016**

*Exhibit 6 (continued)*

	Other Special Revenue Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Orange County	-	-	-	-
U.S. Government	-	-	-	-
Other	1,334,920	1,384,043	1,420,536	36,493
Total revenues	<u>1,342,920</u>	<u>1,392,043</u>	<u>1,428,536</u>	<u>36,493</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	307,568	311,068	235,592	75,476
Special populations	20,000	52,123	29,981	22,142
Alternative programs	719,480	702,839	353,764	349,075
School leadership	-	-	-	-
Co-curricular	65,383	65,383	763	64,620
School-based support	270,205	270,205	237,055	33,150
Total instructional services	<u>1,382,636</u>	<u>1,401,618</u>	<u>857,155</u>	<u>544,463</u>
System-wide support services:				
Support and development	-	-	-	-
Special population support and development	-	13,500	13,500	-
Alternative programs and services support and development	42,375	58,815	58,813	2
Technology support	-	-	-	-
Operational support	524,451	524,451	520,211	4,240
Financial and human resource services	5,000	5,000	5,000	-
Accountability	-	-	-	-
System-wide pupil support	888	888	860	28
Policy, leadership and public relations	-	-	-	-
Total system-wide support services	<u>572,714</u>	<u>602,654</u>	<u>598,384</u>	<u>4,270</u>
Ancillary services:				
Community	-	-	-	-
Nutrition	10,000	10,201	10,201	-
Total ancillary services	<u>10,000</u>	<u>10,201</u>	<u>10,201</u>	<u>-</u>
Nonprogrammed charges	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,965,350</u>	<u>2,014,473</u>	<u>1,465,740</u>	<u>548,733</u>
Revenues over (under) expenditures	<u>(622,430)</u>	<u>(622,430)</u>	<u>(37,204)</u>	<u>585,226</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Installment purchase obligations issued	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance appropriated	622,430	622,430	-	(622,430)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(37,204)</u>	<u>\$ (37,204)</u>
Fund balances:				
Beginning of year			1,367,247	
End of year			<u>\$ 1,330,043</u>	

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

**ORANGE COUNTY BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
PROPRIETARY FUND TYPES  
June 30, 2016**

**Exhibit 7**

	Enterprise		Totals
	Major Fund School Food Service	Non-major Fund Child Care	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 431,454	\$ 428,838	\$ 860,292
Due from other governments	57,391	-	57,391
Receivables	1,975	-	1,975
Inventories	44,862	-	44,862
Total current assets	<u>535,682</u>	<u>428,838</u>	<u>964,520</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	91,632	5,590	97,222
Total assets	<u>627,314</u>	<u>434,428</u>	<u>1,061,742</u>
<b>Deferred Outflows of Resources</b>	<u>81,087</u>	<u>34,712</u>	<u>115,799</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	198	860	1,058
Compensated absences	32,942	6,770	39,712
Unearned revenue	42,944	16,990	59,934
Total current liabilities	<u>76,084</u>	<u>24,620</u>	<u>100,704</u>
Noncurrent liabilities:			
Net pension liability	218,519	93,544	312,063
Compensated absences	27,525	5,139	32,664
Total noncurrent liabilities	<u>246,044</u>	<u>98,683</u>	<u>344,727</u>
Total liabilities	<u>322,128</u>	<u>123,303</u>	<u>445,431</u>
<b>Deferred Inflows of Resources</b>	<u>50,444</u>	<u>21,593</u>	<u>72,037</u>
<b>Net position</b>			
Investment in capital assets	91,632	5,590	97,222
Unrestricted	244,197	318,654	562,851
Total net position	<u>\$ 335,829</u>	<u>\$ 324,244</u>	<u>\$ 660,073</u>

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



























































































