



**CHATHAM**  
COUNTY SCHOOLS

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

For the fiscal year  
ending June 30, 2023

Chatham County Board of Education  
Pittsboro, NC

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Chatham County Board of Education  
Pittsboro, North Carolina

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023

PREPARED BY  
Tony M. Messer, Chief Finance Officer  
and the Finance Department

**CHATHAM COUNTY BOARD OF EDUCATION  
TABLE OF CONTENTS**

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**INTRODUCTORY SECTION**

Letter of Transmittal	i
Board Members and Principal Officers	viii
Organizational Chart	ix
School District Map	x
Certificate of Excellence in Financial Reporting – ASBO	xi

**FINANCIAL SECTION**

<b><u>Exhibit</u></b>		<b><u>Page No.</u></b>
	Independent Auditor’s Report .....	1
	Management’s Discussion and Analysis.....	4
	Basic Financial Statements:	
	Government-wide Financial Statements:	
1	Statement of Net Position.....	11
2	Statement of Activities .....	12
	Fund Financial Statements:	
3	Balance Sheet - Governmental Funds .....	13
4	Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	15
5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
6	Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Funds .....	17
7	Statement of Net Position - Proprietary Fund Type.....	21
8	Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Fund Type.....	22
9	Statement of Cash Flows - Proprietary Fund Type .....	23
10	Statement of Fiduciary Net Position .....	25
11	Statement of Changes in Fiduciary Net Position.....	26
	Notes to the Basic Financial Statements.....	27
	Required Supplementary Information:	
	Schedule of the Board’s Proportionate Share of the Net Pension Liability – Teachers’ and State Employees’ Retirement System.....	50
	Schedule of Board Contributions – Teachers’ and State Employees’ Retirement System.....	51
	Schedule of the Board’s Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund .....	52
	Schedule of Board Contributions – Retiree Health Benefit Fund .....	53
	Schedule of the Board’s Proportionate Share of the Net OPEB Liability (Asset) – Disability Income Plan of North Carolina.....	54
	Schedule of Board Contributions – Disability Income Plan of North Carolina.....	55

**CHATHAM COUNTY BOARD OF EDUCATION  
TABLE OF CONTENTS (continued)**

**FINANCIAL SECTION (continued)**

	<b><u>Page No.</u></b>
Individual Fund Budgetary Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund .....	56
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund .....	58
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund .....	59

**STATISTICAL SECTION**

<b><u>Table</u></b>		<b><u>Page No.</u></b>
Financial Trends:		
<b>1</b>	Financial Perspective for Governmental and Business-type Activities .....	61
<b>2</b>	Government-wide – Net Position by Component .....	62
<b>3</b>	Government-wide – Changes in Net Position.....	64
<b>4</b>	Governmental Funds – Fund Balances .....	66
<b>5</b>	Governmental Funds – Revenues by Source.....	68
<b>6</b>	Governmental Funds – Expenditures by Function per Pupil and in Total .....	70
<b>7</b>	Governmental Funds – Other Financing Sources (Uses) and Net Change in Fund Balances.....	72
<b>8</b>	Proprietary Funds – Revenues by Source and Net Transfers.....	74
<b>9</b>	Proprietary Funds – Expenses by Category.....	76
Revenue Capacity:		
<b>10</b>	Assessed Value and Estimated Actual Value of Taxable Property for Chatham County .....	78
<b>11</b>	Direct and Overlapping Property Tax Rates for Chatham County .....	79
<b>12</b>	Principal Property Taxpayers for Chatham County .....	80
<b>13</b>	Property Tax Levies and Collections for Chatham County.....	81
Debt Capacity:		
<b>14</b>	Ratios of Outstanding Debt by Type.....	82
<b>15</b>	Direct and Overlapping Governmental Activities Debt .....	83
<b>16</b>	Ratios of Outstanding Debt by Type for Chatham County .....	84
<b>17</b>	Ratio of Net General Bonded Debt Outstanding for Chatham County .....	85
<b>18</b>	Legal Debt Margin for Chatham County .....	86
Demographic and Economic Information:		
<b>19</b>	Principal Employers for Chatham County.....	87
<b>20</b>	Demographic and Economic Statistics for Chatham County.....	88
Operating Information:		
<b>21</b>	Employees by Function .....	89
<b>22</b>	Operating Indicators .....	90
<b>23</b>	Capital Assets .....	92

**CHATHAM COUNTY BOARD OF EDUCATION  
TABLE OF CONTENTS (continued)**

---

<b><u>COMPLIANCE SECTION</u></b>	<b><u>Page No.</u></b>
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> .....	93
Report on compliance for each major federal program and report on internal control over compliance required by the Uniform Guidance and the State Single Audit Implementation Act.....	95
Report on compliance for each major State program and report on internal control over compliance required by the Uniform Guidance and the State Single Audit Implementation Act.....	98
Schedule of findings and questioned costs .....	101
Summary schedule of prior audit findings .....	103
Schedule of expenditures of federal and State awards .....	104



**CHATHAM**  
COUNTY SCHOOLS



# ***INTRODUCTORY***



## Administration

Anthony D. Jackson, Ed.D.  
Superintendent

Kelly Batten, Ed.D.  
Assistant Superintendent

Amanda J. Moran, Ed.D.  
Assistant Superintendent

Chris D. Blice  
Assistant Superintendent

Tony M. Messer  
Chief Finance Officer



## Board of Education

Gary Leonard  
Chair

Del Turner  
Vice-Chair

David Hamm

Julie Bridenstine

Jane Allen Wilson

## Chatham County Board of Education

### LETTER OF TRANSMITTAL

As of December 28, 2023

#### **To the members of the Chatham County Board of Education and Citizens of Chatham County, North Carolina:**

As Superintendent and Chief Finance Officer for Chatham County Schools, we are pleased to present to you the Annual Comprehensive Financial Report (ACFR) of the Chatham County Board of Education for the fiscal year ended June 30, 2023. The report also provides supplementary information that may help the reader understand the operations and financial position of the local education agency overseen by the Board. We believe that the data in this report is presented in a manner that describes fairly the financial position and results of operations of our local education agency in accordance with the accounting standards promulgated by the Governmental Accounting Standards Board (GASB).

In compliance with Public School Laws of North Carolina, the Annual Comprehensive Financial Report of the Chatham County Board of Education, operating as “Chatham County Schools,” for the fiscal year ended June 30, 2023, is herewith submitted. Responsibility for the accuracy, completeness and clarity of the report rests with the Superintendent and the Chief Finance Officer.

Management’s Discussion and Analysis (MD&A) follows the independent auditor's report and provides a narrative introduction as well as an overview and analysis of the basic financial statements. The MD&A should be read in conjunction with this letter of transmittal.

The report has been prepared by the Finance Department in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and that it is presented in a manner designated to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain maximum understanding of the Board’s financial activity have been included.



The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to Chatham County Schools for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This award is a national program that provides unique professional recognition in the preparation and issuance of ACFRs by school systems. This was the eighth time that the Chatham County Board of Education received the award. This award is made to school districts that publish an annual comprehensive financial report which is easily readable, organized and that satisfies generally accepted accounting principles and applicable legal requirements. The award is valid for a period of one year only. We believe that our current annual comprehensive report continues to meet the ASBO requirements, and we are submitting it to ASBO to determine its eligibility for a renewed award.

### ***ORDER OF PRESENTATION***

The report consists of four sections: Introductory, Financial, Statistical and Compliance. The Introductory Section includes this transmittal letter, an organizational chart, a school district map, a list of the Board members, and principal officials. The Financial Section includes management’s discussion and analysis, and the independent auditor’s report with accompanying financial statements, notes, and schedules. The notes to the financial statements include information to assist in understanding the Board’s financial condition. The Statistical Section includes several tables of unaudited data providing the financial history of the Board as well as demographics and other informative statistics. The Compliance Section includes the following: 1) Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, 2) Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act, 3) Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act, 4) Schedule of Findings and Questioned Costs, 5) Summary Schedule of Prior Audit Findings, and 6) Schedule of Expenditures of Federal and State Awards.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Chatham County Board of Education’s MD&A can be found immediately following the report of the independent auditors.



The Board is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. Office of Management and Budget Uniform Guidance, Audits of States, Local Governments and Nonprofit Organizations, and the State Single Audit Implementation Act. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and recommendations, and auditor’s reports on internal control and compliance with applicable laws and regulations are included in the Compliance Section of this report.

### ***REPORTING ENTITY***

This report includes all of the funds of the Chatham County Board of Education, which is a primary government as defined by GASB statement #61.

The Chatham County Board of Education, elected by the citizens of Chatham County, is the level of government having oversight responsibility and control over activities related to the public schools in Chatham County, North Carolina. N.C. General Statute 115C-140 empowers the Chatham County Board of Education with general control and supervision of all matters pertaining to the schools in the system. For the 2022-2023 fiscal year, the school system served approximately 8,900 students from kindergarten through 12<sup>th</sup> grade in 6 elementary schools, 5 kindergarten through 8<sup>th</sup> grade schools, 3 middle schools, 4 high schools, 1 virtual academy, 1 early college and 1 school of science & engineering. The school system provides general, special, and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the county is not entitled to share in any surplus nor is it required to finance any deficits. The Board has no tax levying or borrowing authority and is required to maintain accounting records according to a Uniform State format.

The Board consists of five members elected for staggered terms of four years. The Chair and Vice Chair are elected by a majority vote of the Board each year. The Superintendent serves as secretary to the Board.

### ***FINANCIAL AND BUDGETARY CONTROL***

In order to meet the challenging learning experiences provided to the students attending Chatham County Schools, the Board must use a variety of funding resources, including local, State, federal and private grants while complying with legal requirements of each funding source entity. In doing so, the Board is unable to summarize all governmental financial transactions and balances in one accounting entity. Instead, the accounting system is divided into three separate entities; each referred to as a “fund”. The Board’s funds are divided into



governmental, proprietary, and fiduciary. Each fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities in accordance with legal requirements, generally accepted accounting principles, special regulations, or other limitations. Governmental fund types include general, special revenue and capital projects. The enterprise funds are proprietary fund types, with the private purpose trust fund being fiduciary fund types. The enterprise fund and fiduciary fund are presented on a full accrual basis, while the other funds are maintained on a modified accrual basis.

Readers are directed to the management discussion and analysis within the financial section of this ACFR for a detailed explanation of the financial statements for the year ended June 30, 2023. In developing and evaluating the Board's accounting system, consideration is given to the adequacy of the internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of the basic financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

North Carolina General Statutes require all governmental units in the state to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). Annual budgets are adopted for all funds, except for the administrative fiduciary funds and the individual school's special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. The Board's annual Budget Resolution authorizes expenditures by purpose on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amount reflected in the accompanying financial statements represents the final budget as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the fiscal year to appropriations in future years.



## ***MAJOR INITIATIVES***

The focus of the school system for the next several years will be in several areas:

- Preparation for Accreditation visit and continued roll out the [One Chatham Strategic Plan](#)
- Full implementation of the Multi-Tiered Systems of Support (MTSS) to include high schools
- Development of an Elementary Strings Program
- Expansion of the AVID Program to all middle schools
- Restorative Practices training to reduce suspensions and discipline referrals
- Support of school-wide digital learning goals through digital learning teams
- Professional development for Equity and Mental Health Supports for Students
- Science of Reading literacy professional development for all K-5 teachers
- Continuation of a K-5 Social and Emotional Curriculum and At-Risk Screener
- Purchase of research-based curricular interventions for high school to reduce drop-outs
- Implementation of digital forms and a new data dashboard in Powerschool
- Development and implementation of a non-traditional pathways
- Continuation and expansion of the district equity team and professional development
- Continued focus on staff recruitment and retention with the 4 R's program
- Teach Chatham program to invite high school students to the teaching profession
- New additions to our transportation tools such as wifi and smart bus tools
- Expansion of the district's AVID program to additional schools
- Additional programming to support scholastic competitions and opportunities for students
- Dropout prevention partnership with the Graduation Alliance
- Development of parent, student, and educator advisory groups to inform decision-making
- Partnership with NC Ed Corps for literacy high-impact tutoring program
- Additional communication tools and resources to enhance engagement with the community

As required by the State Department of Public Instruction, Chatham County Schools maintains a ten-year facilities plan that has been submitted and approved by the County Commissioners and the State Department of Public Instruction.

## ***ECONOMIC CONDITION AND OUTLOOK***

The County, founded in 1770, encompasses more than seven hundred square miles of land. Chatham County is located near the geographic center of North Carolina. Residents can



enjoy the benefits of both rural and urban life because, while Chatham County is largely rural, it is an easy commute to the nearby urban centers. These neighboring areas provide employment for many Chatham County residents because they offer significant employment opportunities in higher education, research, and government. However, local government is the top employer within Chatham County. This is a common trend in rural areas across the country.

The financial health of the Chatham County Board of Education is largely dependent upon the economic prospects of the State of North Carolina and of the County of Chatham. Economic indicators of local growth point to signs that the County is performing better than the state. The Board of County Commissioners continued to show tremendous support for the school system by increasing the 2022-2023 County appropriation. This increase was used primarily to provide expansion to instructional, non-instructional support and an increase to the certified employee supplement. The funding increase maintains our positioning as one of the top 10 locally funded school districts in North Carolina.

Chatham County has a population of approximately 79,900. Over the previous five years, the Board has also experienced a steady increase in student enrollment of, on average, .25% per year. The Board expects student enrollment to continue this trend over the next several years. This steady increase in student enrollment will likely trend upward in the next coming years with the presence of Chatham Park and the two mega sites earmarked for economic development.

Our high schools were built between 1956 and 2021. Our middle schools were built between 1956 and 2011. Our elementary schools were built between 1960 and 2020. Due to the age of our school buildings, they are in need of constant repairs and updating in the science and technology areas.

Local supplements paid to teachers and administrators help the Board to retain well-qualified staff. The Board's budget was prepared with the priority of protecting the classroom for student instruction by cutting expenditures and eliminating ineffective programs, while attempting to protect core instructional programs and the personnel associated with them. These items require a long-term financial commitment.

### ***INDEPENDENT AUDIT***

Anderson Smith & Wike PLLC has audited the financial records and transactions of the Chatham County Board of Education for the year ended June 30, 2023. They are a firm of independent certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Uniform Guidance and the State Single Audit Implementation Act. The auditor's report is included in the financial section of this report.



## ***ACKNOWLEDGMENTS***

The preparation of the Annual Comprehensive Financial Report in a timely manner could not have been accomplished without the efforts and dedication of the Superintendent's staff, Finance Department and our independent audit firm. We would like to express appreciation to all staff members who assisted in the preparation of this report. As required by N.C. General Statute 115C-44, copies of this report will be filed with the Local Government Commission, the State Board of Education, and the Board of County Commissioners. A copy will also be made available for public inspection in the Superintendent's office as well as in the Finance office and on our website [www.chatham.k12.nc.us](http://www.chatham.k12.nc.us).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Anthony Jackson", with a horizontal line extending to the right.

Dr. Anthony Jackson  
Superintendent

A handwritten signature in black ink, appearing to read "Tony M. Messer", with a horizontal line extending to the right.

Tony M. Messer, MSA, SFO, CSBD  
Chief Finance Officer

**Chatham County Board of Education**  
Pittsboro, North Carolina  
**Annual Comprehensive**  
**Financial Report**  
**For the Year Ended June 30, 2023**

*Board Members*

Gary Leonard, Chair  
Del Turner, Vice-Chair  
David Hamm, Julie Bridenstine, Jane Allen Wilson

*Principal Officers*

Dr. Anthony D. Jackson	Superintendent
Dr. Amanda J. Moran	Assistant Superintendent of Academic Services & Instructional Support
Dr. Kelly Batten	Assistant Superintendent of Human Resources
Chris D. Blice	Assistant Superintendent of Operations
Tony M. Messer	Chief Finance Officer
Tracy Fowler	Senior Executive Director Student Services

Prepared by Tony M. Messer, MSA, SFO, CSBD  
And the Finance Office

**BOARD OF EDUCATION**

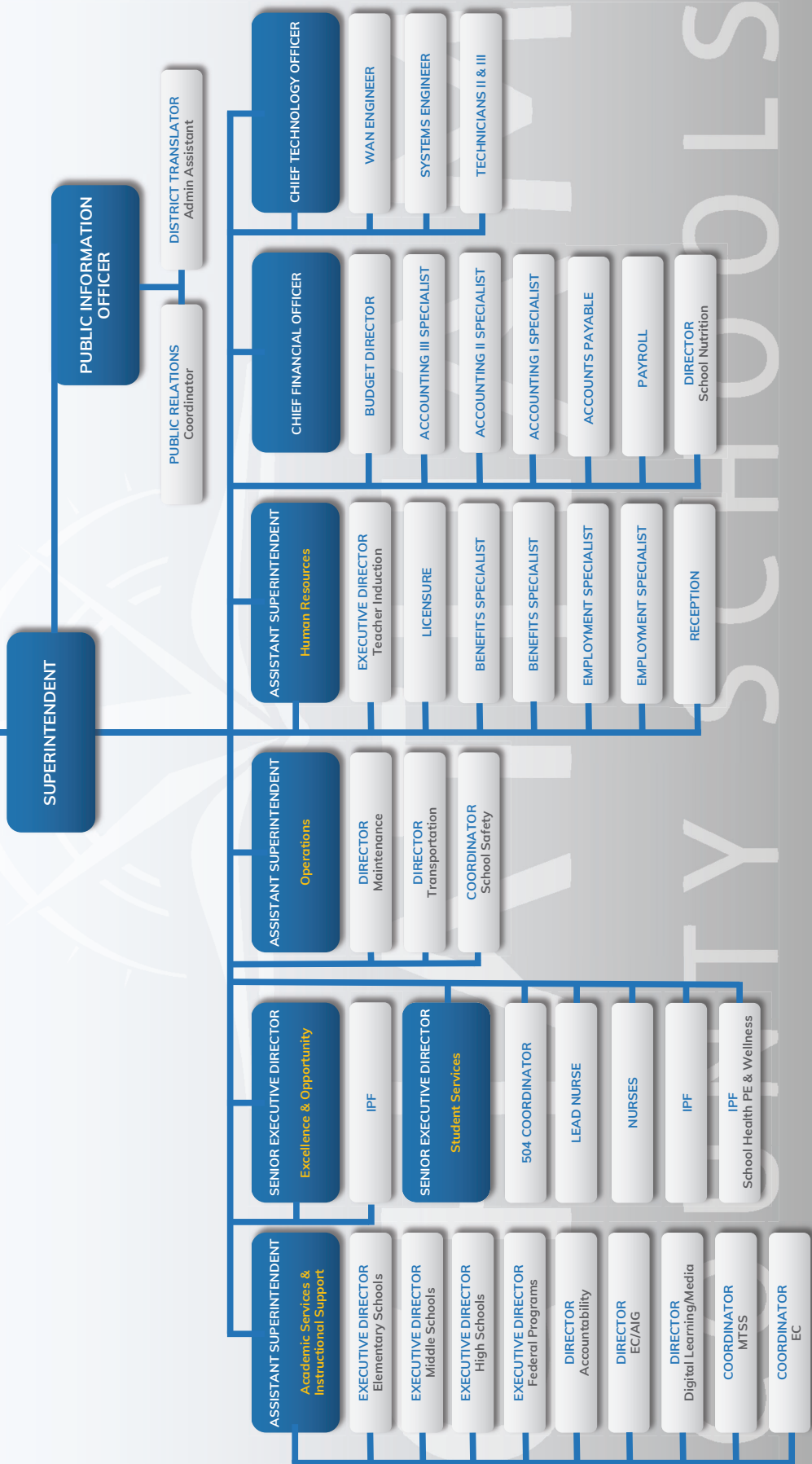
GARY LEONARD  
Chair, District 5

DEL TURNER  
Vice-Chair, District 3

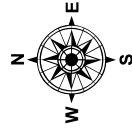
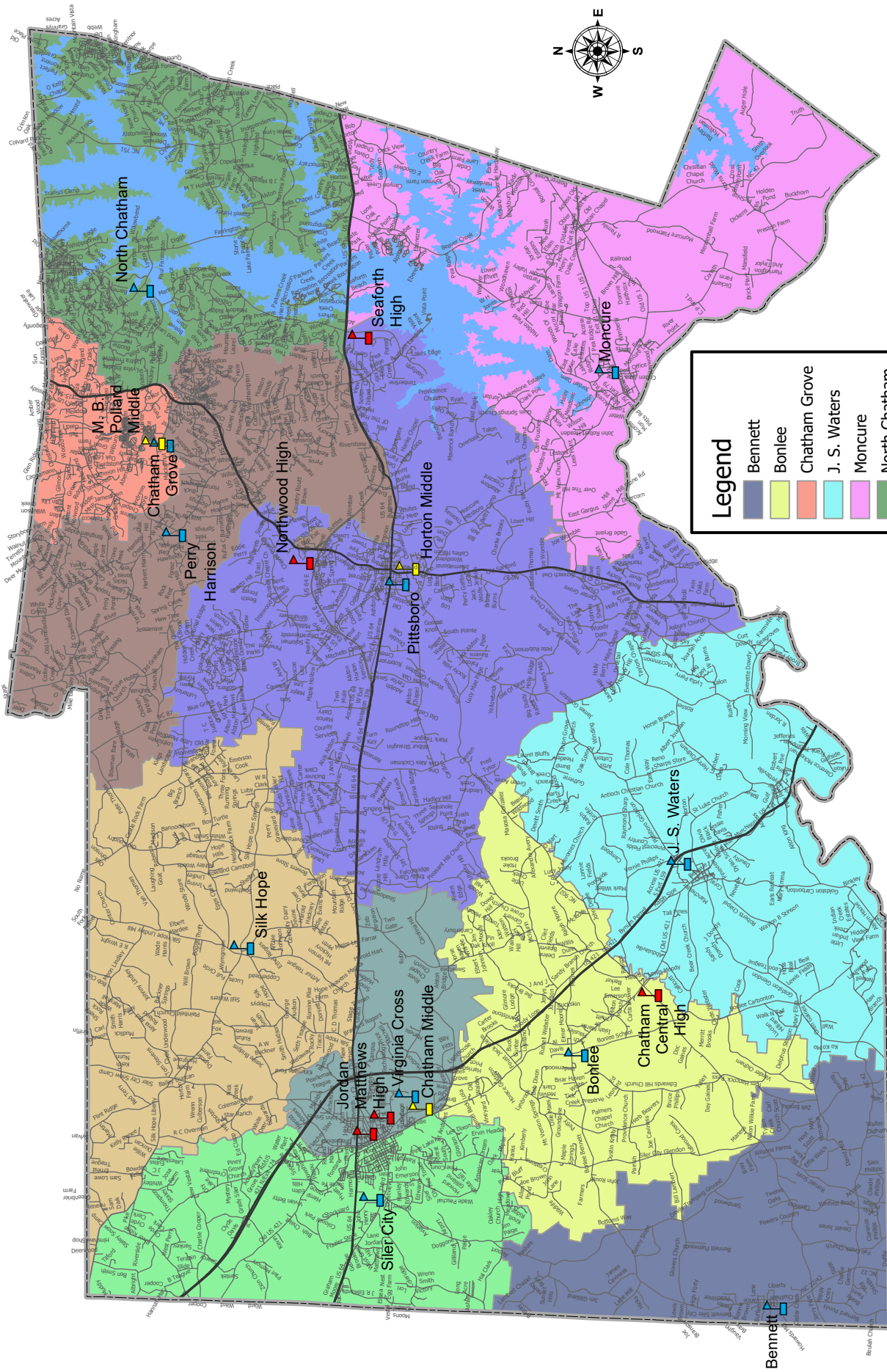
DAVID HAMM  
Board Member, District 2

JULIE BRIDENSTINE  
Board Member, District 1

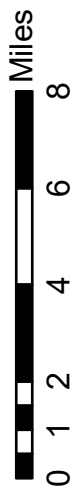
JANE ALLEN WILSON  
Board Member, District 4



# CHATHAM COUNTY SCHOOL DISTRICTS



Legend	
<span style="display:inline-block; width:15px; height:15px; background-color:darkblue;"></span>	Bennett
<span style="display:inline-block; width:15px; height:15px; background-color:yellow;"></span>	Bonlee
<span style="display:inline-block; width:15px; height:15px; background-color:orange;"></span>	Chatham Grove
<span style="display:inline-block; width:15px; height:15px; background-color:cyan;"></span>	J. S. Waters
<span style="display:inline-block; width:15px; height:15px; background-color:lightcoral;"></span>	Moncure
<span style="display:inline-block; width:15px; height:15px; background-color:green;"></span>	North Chatham
<span style="display:inline-block; width:15px; height:15px; background-color:brown;"></span>	Perry Harrison
<span style="display:inline-block; width:15px; height:15px; background-color:purple;"></span>	Pittsboro
<span style="display:inline-block; width:15px; height:15px; background-color:lightgreen;"></span>	Siler City
<span style="display:inline-block; width:15px; height:15px; background-color:tan;"></span>	Silk Hope
<span style="display:inline-block; width:15px; height:15px; background-color:darkgreen;"></span>	Virginia Cross





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Chatham County Board of Education

for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2022.

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style.

John W. Hutchison  
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style.

Siobhán McMahon, CAE  
Chief Operations Officer/  
Interim Executive Director



**CHATHAM**  
COUNTY SCHOOLS



# ***FINANCIAL***





# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Chatham County Board of Education  
Pittsboro, 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, each major fund, and the aggregate remaining fund information of the Chatham County Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Chatham County Board of Education's basic financial statements as listed in the table of contents.

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 Chatham County Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Restricted funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **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 Chatham County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chatham County Board of Education'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 Chatham County Board of Education'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 Chatham County Board of Education'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 Management's Discussion and Analysis on pages 4 through 10 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liabilities (Assets) and the Schedules of Board Contributions on pages 50 through 55, respectively, 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 Chatham County Board of Education's basic financial statements. The accompanying individual fund budgetary schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* 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. 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 individual fund budgetary schedules and schedule of expenditures of federal and State awards are 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 October 31, 2023, on our consideration of the Chatham 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 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 Chatham County Board of Education'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 Chatham County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

October 31, 2023  
Rockingham, North Carolina

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

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This section of the Chatham 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, 2023. 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, 2023, the Board's total government-wide net position increased by \$10.7 million.
- The General Fund reported a decrease in fund balance of \$2.5 million for the year ended June 30, 2023 while the Child Nutrition program reported a decrease in net position of \$761 thousand.
- Financial reporting awards from the Association of School Business Officials International and the Government Finance Officers Association were received for the fiscal year ended June 30, 2022.

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

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

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary 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.

### ***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, deferred outflows of resources, liabilities and deferred inflows of resources. All of the

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

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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.

Chatham 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 Restricted Fund and the Federal Grants Fund. The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

*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 Chatham County Board of Education has one proprietary fund - an enterprise fund – the School Food Service Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

*Fiduciary funds:* The Board is the trustee, or fiduciary, for assets that belong to others reported in the Private Purpose Trust Fund. The Board is responsible for ensuring that the assets reported in this fund

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

are used only for their intended purpose and by those to whom the assets belong. The Board excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The fiduciary fund statements are shown as Exhibits 10 and 11.

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

Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$71.0 million as of June 30, 2023 as compared to \$60.3 million as of June 30, 2022.

Following is a summary of the Statement of Net Position at June 30, 2023 and 2022:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Current and other assets	\$ 9,000,807	\$ 13,671,653	\$ 2,041,311	\$ 2,654,512	\$ 11,042,118	\$ 16,326,165
Capital assets	<u>190,256,292</u>	<u>187,436,273</u>	<u>603,722</u>	<u>521,342</u>	<u>190,860,014</u>	<u>187,957,615</u>
Total assets	<u>199,257,099</u>	<u>201,107,926</u>	<u>2,645,033</u>	<u>3,175,854</u>	<u>201,902,132</u>	<u>204,283,780</u>
Deferred outflows of resources	<u>49,650,206</u>	<u>32,241,449</u>	<u>1,286,194</u>	<u>696,809</u>	<u>50,936,400</u>	<u>32,938,258</u>
Current liabilities	4,121,284	5,173,900	126,488	137,877	4,247,772	5,311,777
Long-term liabilities	<u>132,954,227</u>	<u>115,137,551</u>	<u>3,406,293</u>	<u>2,473,848</u>	<u>136,360,520</u>	<u>117,611,399</u>
Total liabilities	<u>137,075,511</u>	<u>120,311,451</u>	<u>3,532,781</u>	<u>2,611,725</u>	<u>140,608,292</u>	<u>122,923,176</u>
Deferred inflows of resources	<u>40,158,106</u>	<u>52,848,989</u>	<u>1,040,300</u>	<u>1,142,184</u>	<u>41,198,406</u>	<u>53,991,173</u>
Net investment in capital assets	190,052,842	187,221,987	603,722	521,342	190,656,564	187,743,329
Restricted net position	3,530,601	3,344,422	-	4,867	3,530,601	3,349,289
Unrestricted net position (deficit)	<u>(121,909,755)</u>	<u>(130,377,474)</u>	<u>(1,245,576)</u>	<u>(407,455)</u>	<u>(123,155,331)</u>	<u>(130,784,929)</u>
Total net position (deficit)	<u>\$ 71,673,688</u>	<u>\$ 60,188,935</u>	<u>\$ (641,854)</u>	<u>\$ 118,754</u>	<u>\$ 71,031,834</u>	<u>\$ 60,307,689</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$11.5 million during the year, from \$60.2 million at June 30, 2022 to \$71.7 million at June 30, 2023, indicating an improvement in the financial condition of the Board. Restricted net position increased by \$186 thousand, unrestricted net position increased by \$8.5 million and net investment in capital assets increased \$2.8 million due primarily to costs incurred for construction of a new central services office. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities decreased \$761 thousand during the year. This decrease is the amount of net loss incurred by our school food service operations during the 2023 fiscal year.

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

The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Revenues:						
Program revenues:						
Charges for services	\$ 1,656,634	\$ 1,533,999	\$ 1,464,494	\$ 375,928	\$ 3,121,128	\$ 1,909,927
Operating grants and contributions	82,641,131	80,293,087	3,947,945	6,237,853	86,589,076	86,530,940
Capital grants and contributions	322,490	366,369	-	-	322,490	366,369
General revenues:						
County appropriations	49,906,800	59,999,771	-	-	49,906,800	59,999,771
State appropriations	77,128	120,372	-	-	77,128	120,372
Other revenues	2,427,479	3,494,769	9,149	826	2,436,628	3,495,595
Total revenues	<u>137,031,662</u>	<u>145,808,367</u>	<u>5,421,588</u>	<u>6,614,607</u>	<u>142,453,250</u>	<u>152,422,974</u>
Expenses:						
Governmental activities:						
Instructional services	88,225,824	84,120,397	-	-	88,225,824	84,120,397
System-wide support services	27,096,985	29,403,291	-	-	27,096,985	29,403,291
Ancillary services	184,752	2,988	-	-	184,752	2,988
Payments to other governments	4,678,079	4,628,991	-	-	4,678,079	4,628,991
Interest on long-term debt	-	3,711	-	-	-	3,711
Unallocated depreciation	5,296,140	5,298,268	-	-	5,296,140	5,298,268
Business-type activities:						
School food service	-	-	6,247,325	5,015,149	6,247,325	5,015,149
Total expenses	<u>125,481,780</u>	<u>123,457,646</u>	<u>6,247,325</u>	<u>5,015,149</u>	<u>131,729,105</u>	<u>128,472,795</u>
Excess (deficiency) before transfers	11,549,882	22,350,721	(825,737)	1,599,458	10,724,145	23,950,179
Transfers in (out)	<u>(65,129)</u>	<u>(302,746)</u>	<u>65,129</u>	<u>302,746</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	11,484,753	22,047,975	(760,608)	1,902,204	10,724,145	23,950,179
Beginning net position (deficit)	60,188,935	38,140,960	118,754	(1,783,450)	60,307,689	36,357,510
Ending net position (deficit)	<u>\$ 71,673,688</u>	<u>\$ 60,188,935</u>	<u>\$ (641,854)</u>	<u>\$ 118,754</u>	<u>\$ 71,031,834</u>	<u>\$ 60,307,689</u>

Total governmental activities generated revenues of \$137.0 million while expenses in this category totaled \$125.5 million for the year ended June 30, 2023, resulting in an increase in net position of \$11.5 million (including transfers out to business-type activities of \$65 thousand). Comparatively, revenues were \$145.8 million, expenses totaled \$123.5 million and transfers out were \$303 thousand for the year ended June 30, 2022, resulting in an increase in net position of \$22.0 million. In comparing the two years, revenues declined \$8.8 million, or 6.0%, and expenses increased by \$2.0 million, or 1.6%. The change in revenues is due primarily to a year-over-year decrease of \$10.8 million in capital outlay funding from the County due to a decline in the district's capital projects spending for the 2023 fiscal year.

The Board's primary sources of revenues were funding from the State of North Carolina, Chatham County, and the United States Government, which respectively comprised 49.1%, 36.0% and 10.0% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 70.3% of our total expenses during the most recent fiscal year. Of the remaining 29.7% of our total expenses, 21.6% was attributable to system-wide support services.

**CHATHAM COUNTY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our business-type activities generated revenues of \$5.4 million while expenses in this category totaled \$6.2 million for the year ended June 30, 2023. For the year, net position decreased by \$761 thousand (including transfers in of \$65 thousand). Comparatively, revenues were \$6.6 million, expenses were \$5.0 million and transfers in were \$303 thousand for the year ended June 30, 2022, resulting in an increase in net position of \$1.9 million. In response to the COVID-19 pandemic, the federal government allowed all students to eat free breakfast and lunch during the 2022 fiscal year. This resulted in a significant increase in revenues from the USDA due to the number of free meals the district was able to serve. However, during the 2023 year, the federal government did not provide free meals to all students and the district had to revert back to requiring students complete applications to determine if they qualify for free/reduced meal status. As would be expected with all students not receiving free breakfast and lunch, the district experienced a significant decline in revenues due to a decrease in the number of meals served. Expenses were significantly impacted by a year-over-year increase of \$584 thousand in GASB 68 and 75 pension and OPEB expense, due to changes in actuarial valuations and allocation percentages.

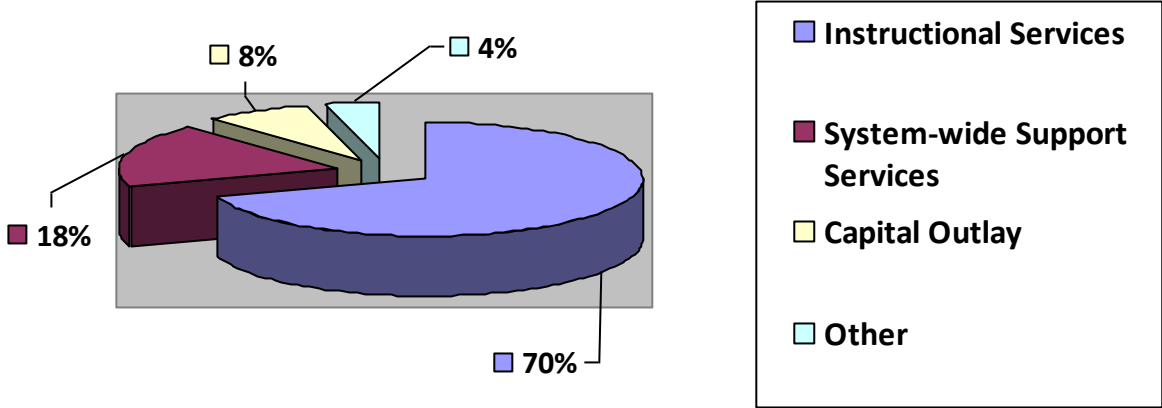
**Financial Analysis of the Board’s Funds**

*Governmental Funds:* The focus of Chatham 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 \$7.9 million at June 30, 2023, a decrease of \$3.5 million from the amount reported at June 30, 2022. All of the Board’s governmental funds reported declines in fund balance for the year. Total governmental funds reported a decrease in revenues from the prior year of \$7.8 million, or 5.4%, while expenditures decreased by \$3.1 million, or 2.2%. These decreases are primarily attributable to a year-over-year decline of \$10.8 million in capital outlay funding from the County and related spending for capital projects.

The Other Restricted Fund reported fund balance of \$351 thousand at June 30, 2023, a decrease for the year of \$42 thousand compared to a decrease of \$10 thousand in the 2022 year. Overall, revenues and expenditures for 2023 were comparable to the prior year.

**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

*Proprietary Fund:* The Board’s business-type fund, the School Food Service Fund, reported a decrease in net position of \$761 thousand for the fiscal year ended June 30, 2023 compared to an increase of \$1.9 million for the same 2022 period. See the discussion above under “Financial Analysis of the Board as a Whole” for further details regarding the year-over-year change in operating results for the School Food Service Fund.

**CHATHAM COUNTY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

**General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. None of the budget adjustments made during the current year were significant in nature.

The Board used \$2.5 million of fund balance during year compared to a budgeted use of \$3.8 million. Due to some State and federal revenue sources being uncertain at the start of the year, management budgeted \$3.8 million of fund balance in case it was needed to cover 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 some of these budgeted expenditures. Variances between actual and budgeted amounts relate to conservative budgeting practices and cost containment strategies.

The Board has appropriated \$2.3 million of its fund balance towards the fiscal year 2023-2024 budget. This amount is approximately 46% of the total fund balance that is available for appropriation.

**Capital Assets**

Total primary government capital assets were \$190.9 million at June 30, 2023 compared to \$188.0 million at June 30, 2022, an increase of \$2.9 million, or 1.5%. The increase is attributable to an excess of capital additions over depreciation expense for the year, primarily related to construction of a new central services office. 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, 2023 and 2022.

**Table 3  
Summary of Capital Assets  
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Land	\$ 4,415,176	\$ 4,415,176	\$ -	\$ -	\$ 4,415,176	\$ 4,415,176
Construction in progress	16,264,279	9,350,737	-	-	16,264,279	9,350,737
Buildings and improvements	165,503,515	169,816,980	-	-	165,503,515	169,816,980
Equipment and furniture	320,721	409,503	603,722	521,342	924,443	930,845
Vehicles	3,752,601	3,443,877	-	-	3,752,601	3,443,877
Total	<u>\$ 190,256,292</u>	<u>\$ 187,436,273</u>	<u>\$ 603,722</u>	<u>\$ 521,342</u>	<u>\$ 190,860,014</u>	<u>\$ 187,957,615</u>

**Debt Outstanding**

During the year, the Board’s long-term debt decreased from \$214 thousand at June 30, 2022 to \$203 thousand at June 30, 2023. 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 Note 2 to the financial statements.

**CHATHAM 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 Board; therefore, the County's economic outlook directly affects the school district. The following factors have affected the economic outlook of Chatham County:

- The unemployment rate in Chatham County at June 30, 2023 and 2022 was 3.0% and 3.4%, respectively. The County's unemployment rate continues to be lower than the N.C. statewide and national unemployment rates which were 3.6% and 3.8%, respectively, at June 30, 2023.
- County commissioners and members of the Board of Education, along with concerned citizens of the county are working diligently to explore ways to increase economic development and improve the education, health and human service standards of the children and citizens in Chatham County.

***Requests for Information***

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

Tony M. Messer, Chief Finance Officer  
Chatham County Board of Education  
P.O. Box 128  
Pittsboro, NC 27312

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 7,941,039	\$ 1,645,151	\$ 9,586,190
Due from other governments	953,486	139,850	1,093,336
Receivables	106,282	21,114	127,396
Inventories	-	235,196	235,196
Capital assets:			
Land and construction in progress	20,679,455	-	20,679,455
Other capital assets, net of depreciation	169,576,837	603,722	170,180,559
Total capital assets	190,256,292	603,722	190,860,014
Total assets	199,257,099	2,645,033	201,902,132
<b>Deferred Outflows of Resources</b>	49,650,206	1,286,194	50,936,400
<b>Liabilities</b>			
Accounts payable and accrued expenses	1,068,911	-	1,068,911
Unearned revenue	-	63,885	63,885
Long-term liabilities:			
Due within one year	3,052,373	62,603	3,114,976
Due in more than one year	132,954,227	3,406,293	136,360,520
Total liabilities	137,075,511	3,532,781	140,608,292
<b>Deferred Inflows of Resources</b>	40,158,106	1,040,300	41,198,406
<b>Net position</b>			
Net investment in capital assets	190,052,842	603,722	190,656,564
Restricted for:			
Stabilization by State statute	1,821,750	-	1,821,750
School capital outlay	778,341	-	778,341
Individual schools activities	930,510	-	930,510
Unrestricted (deficit)	(121,909,755)	(1,245,576)	(123,155,331)
Total net position (deficit)	\$ 71,673,688	\$ (641,854)	\$ 71,031,834

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2023**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		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	\$ 55,309,682	\$ -	\$ 43,159,995	\$ -	\$ (12,149,687)	\$ -	\$ (12,149,687)
Special populations	14,448,010	-	15,515,536	-	1,067,526	-	1,067,526
Alternative programs	5,410,826	-	4,623,369	-	(787,457)	-	(787,457)
School leadership	5,609,726	-	3,837,680	-	(1,772,046)	-	(1,772,046)
Co-curricular	2,004,916	1,411,476	-	-	(593,440)	-	(593,440)
School-based support	5,442,664	-	5,007,212	-	(435,452)	-	(435,452)
System-wide support services:							
Support and development	2,672,848	-	340,973	-	(2,331,875)	-	(2,331,875)
Special population support and development	337,177	-	347,454	-	10,277	-	10,277
Alternative programs and services							
support and development	188,586	-	188,127	-	(459)	-	(459)
Technology support	1,226,351	-	282,149	-	(944,202)	-	(944,202)
Operational support	19,201,902	245,158	7,120,337	322,490	(11,513,917)	-	(11,513,917)
Financial and human resource services	1,726,782	-	946,717	-	(780,065)	-	(780,065)
Accountability	102,256	-	3,428	-	(98,828)	-	(98,828)
System-wide pupil support	301,417	-	-	-	(301,417)	-	(301,417)
Policy, leadership and public relations	1,339,666	-	330,335	-	(1,009,331)	-	(1,009,331)
Ancillary services	184,752	-	41,714	-	(143,038)	-	(143,038)
Non-programmed charges	4,678,079	-	896,105	-	(3,781,974)	-	(3,781,974)
Unallocated depreciation expense**	5,296,140	-	-	-	(5,296,140)	-	(5,296,140)
Total governmental activities	125,481,780	1,656,634	82,641,131	322,490	(40,861,525)	-	(40,861,525)
Business-type activities:							
School food service	6,247,325	1,464,494	3,947,945	-	-	(834,886)	(834,886)
Total primary government	\$ 131,729,105	\$ 3,121,128	\$ 86,589,076	\$ 322,490	(40,861,525)	(834,886)	(41,696,411)
General revenues:							
					39,036,170	-	39,036,170
					10,870,630	-	10,870,630
					77,128	-	77,128
					177,752	8,584	186,336
					2,249,727	565	2,250,292
					(65,129)	65,129	-
					52,346,278	74,278	52,420,556
					11,484,753	(760,608)	10,724,145
					60,188,935	118,754	60,307,689
					\$ 71,673,688	\$ (641,854)	\$ 71,031,834

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

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## **FUND FINANCIAL STATEMENTS**

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**CHATHAM COUNTY BOARD OF EDUCATION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2023**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 5,974,710	\$ -	\$ -	\$ 272,726	\$ 763,093	\$ 930,510	\$ 7,941,039
Due from other governments	15,851	-	-	917,297	20,338	-	953,486
Accounts receivable	76,564	-	-	29,718	-	-	106,282
Due from other funds	782,320	-	-	-	-	-	782,320
Total assets	<u>\$ 6,849,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,219,741</u>	<u>\$ 783,431</u>	<u>\$ 930,510</u>	<u>\$ 9,783,127</u>
<b>Liabilities and Fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 977,015	\$ -	\$ -	\$ 86,806	\$ 5,090	\$ -	\$ 1,068,911
Due to other funds	-	-	-	782,320	-	-	782,320
Total liabilities	<u>977,015</u>	<u>-</u>	<u>-</u>	<u>869,126</u>	<u>5,090</u>	<u>-</u>	<u>1,851,231</u>
Fund balances:							
Restricted:							
Stabilization by State statute	874,735	-	-	947,015	-	-	1,821,750
School capital outlay	-	-	-	-	778,341	-	778,341
Individual schools	-	-	-	-	-	930,510	930,510
Assigned:							
Subsequent year's expenditures	2,281,000	-	-	-	-	-	2,281,000
Unassigned	2,716,695	-	-	(596,400)	-	-	2,120,295
Total fund balances	<u>5,872,430</u>	<u>-</u>	<u>-</u>	<u>350,615</u>	<u>778,341</u>	<u>930,510</u>	<u>7,931,896</u>
Total liabilities and fund balances	<u>\$ 6,849,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,219,741</u>	<u>\$ 783,431</u>	<u>\$ 930,510</u>	<u>\$ 9,783,127</u>

13

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2023**

*Exhibit 3 (continued)*

**Reconciliation of the Balance Sheet to the Statement of Net Position**

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

Total fund balances of governmental funds	\$ 7,931,896
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	190,256,292
Deferred outflows of resources related to pensions	33,691,583
Deferred outflows of resources related to OPEB	15,958,623
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.	(5,976,875)
Net pension liability	(54,613,202)
Net OPEB liability	(75,416,523)
Deferred inflows of resources related to pensions	(1,339,690)
Deferred inflows of resources related to OPEB	<u>(38,818,416)</u>
Net position of governmental activities	<u>\$ 71,673,688</u>

14

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2023**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Restricted	Capital Outlay	Individual Schools	
<b>Revenues:</b>							
State of North Carolina	\$ -	\$ 67,190,553	\$ -	\$ 100,000	\$ 399,618	\$ -	\$ 67,690,171
Chatham County:							
Local current expense	39,036,170	-	-	-	-	-	39,036,170
Other	-	-	-	-	10,662,141	-	10,662,141
U.S. Government	-	212,425	13,610,064	17,662	-	-	13,840,151
Other	279,866	-	-	4,718,974	259,631	1,411,476	6,669,947
<b>Total revenues</b>	<b>39,316,036</b>	<b>67,402,978</b>	<b>13,610,064</b>	<b>4,836,636</b>	<b>11,321,390</b>	<b>1,411,476</b>	<b>137,898,580</b>
<b>Expenditures:</b>							
Current:							
Instructional services:							
Regular instructional	18,870,174	35,330,582	7,013,921	528,863	-	-	61,743,540
Special populations	1,283,293	12,513,661	2,289,278	98,216	-	-	16,184,448
Alternative programs	442,422	2,125,028	2,498,341	1,054,207	-	-	6,119,998
School leadership	2,622,581	3,802,590	35,090	-	-	-	6,460,261
Co-curricular	615,224	-	-	-	-	1,425,097	2,040,321
School-based support	959,477	4,732,896	174,316	173,679	-	-	6,040,368
System-wide support services:							
Support and development	2,591,807	324,180	16,793	22,748	-	-	2,955,528
Special population support and development	27,609	81,065	266,389	-	-	-	375,063
Alternative programs and services support and development	31,092	-	188,127	-	-	-	219,219
Technology support	1,158,378	278,919	3,230	-	-	-	1,440,527
Operational support	6,540,498	7,009,849	45,359	2,274,902	311,654	-	16,182,262
Financial and human resource services	635,542	946,717	-	338,766	-	-	1,921,025
Accountability	120,842	3,428	-	-	-	-	124,270
System-wide pupil support	303,274	-	-	41,208	-	-	344,482
Policy, leadership and public relations	782,778	188,934	141,401	322,604	-	-	1,435,717
Ancillary services	140,582	-	41,714	22,984	-	-	205,280
Non-programmed charges	4,678,079	-	896,105	-	-	-	5,574,184
Debt service:							
Principal retirement	-	-	-	-	322,490	-	322,490
Capital outlay	-	-	-	-	11,963,644	-	11,963,644
<b>Total expenditures</b>	<b>41,803,652</b>	<b>67,337,849</b>	<b>13,610,064</b>	<b>4,878,177</b>	<b>12,597,788</b>	<b>1,425,097</b>	<b>141,652,627</b>
Revenues over (under) expenditures	(2,487,616)	65,129	-	(41,541)	(1,276,398)	(13,621)	(3,754,047)
Other financing sources (uses):							
Transfers to other funds	-	(65,129)	-	-	-	-	(65,129)
Insurance proceeds	-	-	-	-	29,187	-	29,187
Installment purchase obligations issued	-	-	-	-	311,654	-	311,654
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(65,129)</b>	<b>-</b>	<b>-</b>	<b>340,841</b>	<b>-</b>	<b>275,712</b>
Net change in fund balance	(2,487,616)	-	-	(41,541)	(935,557)	(13,621)	(3,478,335)
Fund balances:							
Beginning of year	8,360,046	-	-	392,156	1,713,898	944,131	11,410,231
End of year	\$ 5,872,430	\$ -	\$ -	\$ 350,615	\$ 778,341	\$ 930,510	\$ 7,931,896

15

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

**CHATHAM 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, 2023**

**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ (3,478,335)
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 outlays exceeded depreciation in the current period.	2,820,019
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	572,533
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,641,605
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	4,279,909
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	10,836
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 funds.	
Pension (expense) benefit	(11,020,948)
OPEB (expense) benefit	7,856,480
Compensated absences	<u>(197,346)</u>
Total change in net position of governmental activities	<u>\$ 11,484,753</u>

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

**CHATHAM 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, 2023**

**Exhibit 6**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Chatham County	\$ 39,036,170	\$ 39,036,170	\$ 39,036,170	\$ -
Other	307,830	307,830	279,866	(27,964)
Total revenues	<u>39,344,000</u>	<u>39,344,000</u>	<u>39,316,036</u>	<u>(27,964)</u>
Expenditures:				
Current:				
Instructional services	23,045,134	25,303,259	24,793,171	510,088
System-wide support services	15,773,866	12,973,241	12,191,820	781,421
Ancillary services	34,000	176,500	140,582	35,918
Non-programmed charges	4,300,000	4,700,000	4,678,079	21,921
Total expenditures	<u>43,153,000</u>	<u>43,153,000</u>	<u>41,803,652</u>	<u>1,349,348</u>
Revenues under expenditures	(3,809,000)	(3,809,000)	(2,487,616)	1,321,384
Fund balance appropriated	<u>3,809,000</u>	<u>3,809,000</u>	-	<u>(3,809,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(2,487,616)	<u>\$ (2,487,616)</u>
Fund balances:				
Beginning of year			<u>8,360,046</u>	
End of year			<u>\$ 5,872,430</u>	

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

**CHATHAM COUNTY BOARD OF EDUCATION** **Exhibit 6 (continued)**  
**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, 2023**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 61,421,827	\$ 66,901,075	\$ 67,190,553	\$ 289,478
U.S. Government	-	566,000	212,425	(353,575)
Total revenues	<u>61,421,827</u>	<u>67,467,075</u>	<u>67,402,978</u>	<u>(64,097)</u>
Expenditures:				
Current:				
Instructional services	55,934,237	58,541,817	58,504,757	37,060
System-wide support services	<u>5,432,590</u>	<u>8,855,258</u>	<u>8,833,092</u>	<u>22,166</u>
Total expenditures	<u>61,366,827</u>	<u>67,397,075</u>	<u>67,337,849</u>	<u>59,226</u>
Revenues over expenditures	55,000	70,000	65,129	(4,871)
Other financing uses:				
Transfers to other funds	<u>(55,000)</u>	<u>(70,000)</u>	<u>(65,129)</u>	<u>4,871</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

**CHATHAM COUNTY BOARD OF EDUCATION** **Exhibit 6 (continued)**  
**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, 2023**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 12,390,224	\$ 15,495,404	\$ 13,610,064	\$ (1,885,340)
Expenditures:				
Current:				
Instructional services	9,935,474	12,639,000	12,010,946	628,054
System-wide support services	1,185,086	1,414,240	661,299	752,941
Ancillary services	215,301	279,712	41,714	237,998
Non-programmed charges	1,054,363	1,162,452	896,105	266,347
Total expenditures	12,390,224	15,495,404	13,610,064	1,885,340
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.*

**CHATHAM 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, 2023**

*Exhibit 6 (continued)*

	Other Restricted Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 100,000	\$ 100,000	\$ 100,000	\$ -
U.S. Government	-	-	17,662	17,662
Other	<u>4,070,000</u>	<u>5,578,000</u>	<u>4,718,974</u>	<u>(859,026)</u>
Total revenues	<u>4,170,000</u>	<u>5,678,000</u>	<u>4,836,636</u>	<u>(841,364)</u>
Expenditures:				
Current:				
Instructional services	2,025,000	2,425,000	1,854,965	570,035
System-wide support services	2,135,000	3,223,000	3,000,228	222,772
Ancillary services	<u>10,000</u>	<u>30,000</u>	<u>22,984</u>	<u>7,016</u>
Total expenditures	<u>4,170,000</u>	<u>5,678,000</u>	<u>4,878,177</u>	<u>799,823</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(41,541)	<u>\$ (41,541)</u>
Fund balances:				
Beginning of year			<u>392,156</u>	
End of year			<u>\$ 350,615</u>	

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE**  
**June 30, 2023**

**Exhibit 7**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,645,151
Due from other governments	139,850
Receivables	21,114
Inventories	<u>235,196</u>
Total current assets	<u>2,041,311</u>
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net	<u>603,722</u>
Total assets	<u>2,645,033</u>
<b>Deferred Outflows of Resources</b>	<u>1,286,194</u>
<b>Liabilities</b>	
Current liabilities:	
Compensated absences	62,603
Unearned revenue	<u>63,885</u>
Total current liabilities	<u>126,488</u>
Noncurrent liabilities:	
Net pension liability	1,414,762
Net OPEB liability	1,953,674
Compensated absences	<u>37,857</u>
Total noncurrent liabilities	<u>3,406,293</u>
Total liabilities	<u>3,532,781</u>
<b>Deferred Inflows of Resources</b>	<u>1,040,300</u>
<b>Net position</b>	
Investment in capital assets	603,722
Unrestricted (deficit)	<u>(1,245,576)</u>
Total net position (deficit)	<u>\$ (641,854)</u>

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2023**

**Exhibit 8**

	Enterprise Fund
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
Operating revenues:	
Food sales	\$ 1,464,494
Operating expenses:	
Food cost:	
Purchase of food	2,272,324
Donated commodities	337,497
Salaries and benefits	2,941,476
Indirect costs	216,652
Materials and supplies	318,228
Repairs and maintenance	40,353
Depreciation	97,306
Non-capitalized equipment	35,491
Contracted services	13,509
Other	61,150
Total operating expenses	<u>6,333,986</u>
Operating loss	<u>(4,869,492)</u>
Nonoperating revenues:	
Federal reimbursements	3,584,088
Federal commodities	337,497
State reimbursements	26,360
Indirect costs not paid	86,661
Interest earned	8,584
Gain on disposal of capital assets	565
Total nonoperating revenues	<u>4,043,755</u>
Loss before transfers	(825,737)
Transfers from other funds	<u>65,129</u>
Change in net position	(760,608)
Net position, beginning of year	<u>118,754</u>
Net deficit, end of year	<u>\$ (641,854)</u>

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2023**

**Exhibit 9**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
Cash flows from operating activities:	
Cash received from customers	\$ 1,442,457
Cash paid for goods and services	(2,939,329)
Cash paid to employees for services	<u>(2,636,857)</u>
Net cash used by operating activities	<u>(4,133,729)</u>
Cash flows from noncapital financing activities:	
Federal and State reimbursements	<u>3,659,008</u>
Cash flows from capital and related financing activities:	
Proceeds from disposal of capital assets	565
Purchase of capital assets	<u>(179,686)</u>
Net cash used by capital and related financing activities	<u>(179,121)</u>
Cash flows from investing activities:	
Interest earned on investments	<u>8,584</u>
Net decrease in cash and cash equivalents	(645,258)
Cash and cash equivalents, beginning of year	<u>2,290,409</u>
Cash and cash equivalents, end of year	<u>\$ 1,645,151</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (4,869,492)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	97,306
Donated commodities	337,497
Expenses paid by special revenue fund	65,129
Indirect costs not paid	86,661
Changes in assets, liabilities, deferred inflows and deferred outflows of resources:	
Increase in accounts receivable	(20,279)
Decrease in net OPEB asset	1,114
Increase in inventories	(61,452)
Decrease in accounts payable and accrued liabilities	(6,831)
Decrease in unearned revenue	(1,758)
Increase in net pension liability	1,053,063
Decrease in net OPEB liability	(111,920)
Increase in deferred outflows	(589,385)
Decrease in deferred inflows	(101,884)
Decrease in compensated absences payable	<u>(11,498)</u>
Total adjustments	<u>735,763</u>
Net cash used by operating activities	<u>\$ (4,133,729)</u>

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

**CHATHAM COUNTY BOARD OF EDUCATION  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE  
For the Fiscal Year Ended June 30, 2023**

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**Exhibit 9 (continued)**

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$337,497 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

Indirect costs of \$86,661 that would be due to the Other Restricted Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 8.

The School Food Service Fund had a gain on disposal of capital assets of \$565 during the year.

The State Public School Fund paid salaries and benefits of \$65,129 to personnel of the School Food Service Fund during the year. These payments are reflected as an operating transfer in and an operating expense on Exhibit 8.

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

**CHATHAM COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
June 30, 2023**

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**Exhibit 10**

	<u>Private Purpose Trust Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>216,130</u>
<b>Net position</b>	
Assets held in trust for private purpose	\$ <u><u>216,130</u></u>

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**For the Fiscal Year Ended June 30, 2023**

**Exhibit 11**

	Private Purpose Trust Fund
Additions:	
Contributions and other revenue	<u>\$ 3,319</u>
Deductions:	
Scholarships	11,000
Other expenses	<u>695</u>
	<u>11,695</u>
Change in net position	(8,376)
Beginning net position	<u>224,506</u>
Ending net position	<u>\$ 216,130</u>

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

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Chatham County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Chatham County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Chatham County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

*Government-wide Statements:* The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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 are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the Board's funds, including its fiduciary fund. 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. The fiduciary fund is presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

The Board reports the following major governmental funds:

*General Fund.* The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund. This fund is the "Local Current Expense Fund" which is mandated by State law [G.S. 115C-426].

*State Public School Fund.* The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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*Other Restricted Fund.* The Restricted Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten programs and special programs.

*Capital Outlay Fund.* The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Chatham County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain other State assistance.

The Board reports the following nonmajor governmental fund:

*Individual Schools Fund.* The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fundraising activities. The primary expenditures are for athletic teams, club programs, activity buses and instructional needs.

The Board reports the following major enterprise fund:

*School Food Service Fund.* The School Food Service Fund is used to account for the food service program within the school system.

The Board reports the following fiduciary fund:

*Private Purpose Trust Fund.* The Private Purpose Trust Fund is used to account for scholarship money under the control of the Board for the benefit of students in the district.

**C. Measurement Focus and 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 and 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 Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants 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. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under leases qualifying as other than short-term are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement 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 Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the private purpose trust fund and the individual schools special revenue fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys from one function to another within a fund without limitations and with a report to the Board of Education being required. Amendments are required for any revisions that alter total expenditures of any fund or transfer amounts from any contingency appropriation within a fund. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. 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.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Fund Equity

1. Deposits and Investments

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. The STIF consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. The NCCMT is reported at fair value. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

**CHATHAM COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2023**

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4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1990 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

For capital assets utilized in governmental and business-type activities, it is the policy of the Board to capitalize those assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

Chatham County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board gives the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	5 - 50
Equipment and furniture	3 - 12
Vehicles	6 - 12

Depreciation for assets that serve multiple purposes cannot be allocated ratably and is therefore reported as “unallocated depreciation” on the Statement of Activities.

5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2023 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

The sick leave policy of the Board provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Board has no obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

8. Net Position/Fund Balances

Net Position

Net position in the 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 externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of four 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:

*Restricted fund balance* – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for Stabilization by State statute – North Carolina G.S. 115C-425(a) prohibits boards of education from budgeting or spending a portion of their fund balance. Restricted by State statute (RSS) is calculated at the end of each fiscal year. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS.

Restricted for school capital outlay - portion of fund balance that can only be used for school capital outlay [G.S. 159-18 through 22].

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund raising activities for which they were collected.

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes. The assignment of fund balance is governed by NC General Statutes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by NC General Statutes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that will be used for instructional services, system-wide support services, ancillary services or non-programmed charges, as determined by the Board of Education.

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance may be reported in any governmental fund, except for the general fund, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

9. Reconciliation of Government-wide and Fund Financial Statements

a. 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 *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$63,741,792 consists of the following:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 283,801,197
Less accumulated depreciation	<u>(93,544,905)</u>
Net capital assets	190,256,292
Deferred outflows of resources related to pensions	33,691,583
Deferred outflows of resources related to OPEB	15,958,623
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(203,450)
Compensated absences	(5,773,425)
Net pension liability	(54,613,202)
Net OPEB liability	(75,416,523)
Deferred inflows of resources related to pensions	(1,339,690)
Deferred inflows of resources related to OPEB	<u>(38,818,416)</u>
Total adjustment	<u>\$ 63,741,792</u>

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

b. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balance 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 - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$14,963,088 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 8,780,877
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(5,960,858)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(311,654)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	322,490
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	572,533
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,641,605
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,279,909
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(11,020,948)
OPEB (expense) benefit	7,856,480
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(197,346)
Total adjustment	<u>\$ 14,963,088</u>

10. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**NOTE 2 - DETAIL NOTES ON ALL FUNDS**

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$9,341,235 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$10,157,152 and \$52,294, respectively. Of these balances, \$1,466,299 was covered by federal depository insurance and \$8,743,147 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The Board also had \$500 of cash on hand at June 30, 2023.

2. Investments

At June 30, 2023, the Board had \$125,086 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and is classified in Level 1 of the fair value hierarchy. Additionally, at June 30 2023, the Board had \$335,499 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2023. The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Board has no policy for managing interest rate risk or credit risk. The Board places no limit on the amount the Board may invest in any one issuer. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: 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.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2023 are as follows:

	Due from (to) other funds (internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 782,320	\$ 15,851	\$ 76,564	\$ 874,735
Other governmental activities	<u>(782,320)</u>	<u>937,635</u>	<u>29,718</u>	<u>185,033</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 953,486</u>	<u>\$ 106,282</u>	<u>\$ 1,059,768</u>
Business-type activities:				
School Food Service Fund	<u>\$ -</u>	<u>\$ 139,850</u>	<u>\$ 21,114</u>	<u>\$ 160,964</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 15,851	Amounts due from County
Other Restricted Fund	917,297	Amounts due from County and N.C. DHHS
Capital Outlay Fund	<u>20,338</u>	Amounts due from County
Total governmental activities	<u>\$ 953,486</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 139,850</u>	Federal grant funds

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

4. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,415,176	\$ -	\$ -	\$ 4,415,176
Construction in progress	<u>9,350,737</u>	<u>6,913,542</u>	<u>-</u>	<u>16,264,279</u>
Total capital assets not being depreciated	<u>13,765,913</u>	<u>6,913,542</u>	<u>-</u>	<u>20,679,455</u>
Capital assets being depreciated:				
Buildings and improvements	244,725,412	982,675	-	245,708,087
Equipment and furniture	4,821,688	21,390	-	4,843,078
Vehicles	<u>12,073,665</u>	<u>863,270</u>	<u>366,358</u>	<u>12,570,577</u>
Total capital assets being depreciated	<u>261,620,765</u>	<u>1,867,335</u>	<u>366,358</u>	<u>263,121,742</u>
Less accumulated depreciation for:				
Buildings and improvements	74,908,432	5,296,140	-	80,204,572
Equipment and furniture	4,412,185	110,172	-	4,522,357
Vehicles	<u>8,629,788</u>	<u>554,546</u>	<u>366,358</u>	<u>8,817,976</u>
Total accumulated depreciation	<u>87,950,405</u>	<u>5,960,858</u>	<u>366,358</u>	<u>93,544,905</u>
Total capital assets being depreciated, net	<u>173,670,360</u>			<u>169,576,837</u>
Governmental activity capital assets, net	<u>\$ 187,436,273</u>			<u>\$ 190,256,292</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 2,215,830	\$ 179,686	\$ 20,147	\$ 2,375,369
Less accumulated depreciation for:				
Furniture and office equipment	<u>1,694,488</u>	<u>97,306</u>	<u>20,147</u>	<u>1,771,647</u>
School Food Service capital assets, net	<u>\$ 521,342</u>			<u>\$ 603,722</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 5,296,140
Operational support	<u>664,718</u>
Total	<u>\$ 5,960,858</u>

5. Construction and Other Significant Commitments

As of June 30, 2023, the Board had a project in progress for construction of a new central services office. At year-end, the Board's commitments with contractors for the remaining portion of the contracts to complete this project totaled approximately \$172 thousand.

**CHATHAM COUNTY BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
For the Fiscal Year Ended June 30, 2023**

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B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

*Plan Description.* The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS 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 Teachers' and State 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 TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% 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. General employee 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. General employee 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. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age 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.

TSERS 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 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2023 was 17.38% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$10,917,277 for the year ended June 30, 2023.

*Refunds of Contributions* – Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by TSERS.

At June 30, 2023, the Board reported a liability of \$56,027,964 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2022 and at June 30, 2021, the Board's proportion was 0.3775% and 0.3651%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$11,400,381. At June 30, 2023, the Board 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	\$ 243,949	\$ 763,670
Changes of assumptions	4,420,393	-
Net difference between projected and actual earnings on pension plan investments	18,401,830	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	580,919	610,724
Board contributions subsequent to the measurement date	10,917,277	-
Total	\$ 34,564,368	\$ 1,374,394

\$10,917,277 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 5,913,026
2025	5,405,983
2026	2,132,366
2027	8,821,322
Total	\$ 22,272,697

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

Inflation	2.50 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 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%
Total	100%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rates used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50% for both years. 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

**CHATHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2023**

return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate.* The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board'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 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	\$ 99,060,295	\$ 56,027,964	\$ 20,508,216

*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.

**b. Other Postemployment Benefits**

**1. Healthcare Benefits**

*Plan description.* The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established in Chapter 135, Article 1 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

*Benefits provided.* Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan (MA-PDP) options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2023, the Board contributed 6.89% of covered payroll, which amounted to \$4,327,965 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$180.5 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$587,365.

At June 30, 2023, the Board reported a liability of \$77,271,847 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and 2021, the Board's proportion was 0.3254% and 0.3158%, respectively.

\$4,327,965 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**CHATHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2023**

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Year ended June 30:

2024	\$ 10,058,917
2025	6,372,290
2026	7,073,612
2027	<u>4,530,811</u>
Total	<u>\$ 28,035,630</u>

*Actuarial assumptions.* Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

Healthcare cost trend rates:

Medical	5.00-6.00%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

*Discount rate.* The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2023 and 2022 were 3.54% and 2.16%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.54% was used as the discount rate used to measure the total OPEB liability. The 3.54% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2022.

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54 percent) or 1-percentage point higher (4.54 percent) than the current discount rate:

	1% decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB liability	\$ 91,017,333	\$ 77,271,847	\$ 66,045,517

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

**CHATHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2023**

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.00%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.00%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 63,607,091	\$ 77,271,847	\$ 94,935,497

*OPEB plan fiduciary net position.* Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

**2. Disability Benefits**

*Plan description.* Short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain Local Education Agencies, and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina’s ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

*Benefits Provided.* Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provide the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers’ Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing 5 years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

*Contributions.* Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2023, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$62,815 for the year ended June 30, 2023.

**CHATHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2023**

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2023, the Board reported a liability of \$98,350 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and 2021, the Board's proportion was 0.3306% and 0.3224%, respectively.

\$62,815 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 48,929
2025	56,093
2026	40,290
2027	30,772
2028	5,161
Thereafter	<u>11,625</u>
Total	<u>\$ 192,870</u>

*Actuarial assumptions.* Common actuarial assumptions for both OPEB plans follow individual note disclosures for each OPEB plan.

Inflation	2.50%
Salary increases	3.25%-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	\$ 121,106	\$ 98,350	\$ 75,538

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2021 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2015 through December 31, 2019.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2022. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2022 is 1.2%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2023:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (7,719,063)	\$ 135,512	\$ (7,583,551)
OPEB liability (asset)	77,271,847	98,350	77,370,197
Proportionate share of the net OPEB liability / asset	0.3254%	0.3306%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 750,207	\$ 110,242	\$ 860,449
Changes of assumptions	6,186,615	6,321	6,192,936
Net difference between projected and actual earnings on plan investments	669,141	104,023	773,164
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,151,413	3,290	4,154,703
Board contributions subsequent to the measurement date	<u>4,327,965</u>	<u>62,815</u>	<u>4,390,780</u>
Totals	<u>\$ 16,085,341</u>	<u>\$ 286,691</u>	<u>\$ 16,372,032</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 213,819	\$ -	\$ 213,819
Changes of assumptions	35,168,237	18,220	35,186,457
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>4,410,950</u>	<u>12,786</u>	<u>4,423,736</u>
Totals	<u>\$ 39,793,006</u>	<u>\$ 31,006</u>	<u>\$ 39,824,012</u>

2. Accounts Payable

Accounts payable as of June 30, 2023 are as follows:

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 977,015
Other governmental activities	<u>91,896</u>
Total governmental activities	<u>\$ 1,068,911</u>

**CHATHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2023**

3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following item:

Business-type activities:

Prepayments of meals (School Food Service Fund)	<u>\$ 63,885</u>
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4. Deferred Outflows and Inflows of Resources

The balances in deferred outflows and inflows of resources at year-end are composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,104,398	\$ 977,489
Changes of assumptions	10,613,329	35,186,457
Net difference between projected and actual earnings on pension and OPEB plan investments	19,174,994	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,735,622	5,034,460
Board contributions subsequent to the measurement date	<u>15,308,057</u>	<u>-</u>
Total	<u>\$ 50,936,400</u>	<u>\$ 41,198,406</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through commercial companies, the Board maintains general liability and errors and omissions insurance coverage of \$1 million per claim and an aggregate limit of \$2 million. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from Federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. Business property insurance is also purchased through commercial companies. The policy coverage insures the tangible property assets of the Board. Buildings and contents are insured on an agreed value basis.

The Board does not carry supplemental flood insurance in case of natural disasters since there are no Board-owned properties in flood zones.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

As of the date of our report, the Board was a defendant to various legal claims. The Board’s management and the Board’s attorney have been unable to determine the amount of loss, if any, the Board will incur as a result of these legal matters.

7. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third-party direct placement financing arrangements. During the current and prior fiscal years, the Board entered into such contracts for the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The gross amount of buses capitalized under the outstanding installment purchase contracts totaled \$502,129 at June 30, 2023. The contracts each require four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15<sup>th</sup> dates.

The future minimum payments of the installment purchases as of June 30, 2023 are as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
	<u>Principal</u>
2024	\$ 125,535
2025	<u>77,915</u>
Totals	<u>\$ 203,450</u>

**CHATHAM COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2023:

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement	\$ 214,286	\$ 311,654	\$ 322,490	\$ 203,450	\$ 125,535
installment purchases					
Net pension liability	16,735,882	37,877,320	-	54,613,202	-
Net OPEB liability	95,575,329	-	20,158,806	75,416,523	-
Compensated absences	5,576,079	4,050,956	3,853,610	5,773,425	2,926,838
Total	<u>\$ 118,101,576</u>	<u>\$ 42,239,930</u>	<u>\$ 24,334,906</u>	<u>\$ 136,006,600</u>	<u>\$ 3,052,373</u>
Business-type activities:					
Net pension liability	\$ 361,699	\$ 1,053,063	\$ -	\$ 1,414,762	\$ -
Net OPEB liability	2,065,594	-	111,920	1,953,674	-
Compensated absences	111,958	84,644	96,142	100,460	62,603
Total	<u>\$ 2,539,251</u>	<u>\$ 1,137,707</u>	<u>\$ 208,062</u>	<u>\$ 3,468,896</u>	<u>\$ 62,603</u>

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.

C. Interfund Balances and Activity

1. Interfund Balances

The composition of interfund balances as of June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Restricted Fund	<u>\$ 782,320</u>

The amount above is for \$782,320 loaned by the General Fund to the Other Restricted Fund for cash flow purposes. The amount is expected to be repaid prior to June 30, 2024.

2. Transfers to/from other Funds

Transfers to/from other funds for the year ended June 30, 2023 consisted of the following:

From the State Public School Fund to the School Food Service Fund for personnel expenses	<u>\$ 65,129</u>
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**CHATHAM COUNTY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2023**

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D. Net Position / Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

Net investment in capital assets presented in Exhibit 1 is calculated as follows:

Total capital assets	\$ 190,256,292
Less:	
Installment purchase obligations for school buses	<u>(203,450)</u>
Net investment in capital assets	<u>\$ 190,052,842</u>

2. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation.

Total fund balance - General Fund	\$ 5,872,430
Less:	
Stabilization by State statute	(874,735)
Appropriated Fund Balance in the 2023-2024 budget	<u>(2,281,000)</u>
Unassigned fund balance	<u>\$ 2,716,695</u>

3. Encumbrances

The district had no outstanding encumbrances at June 30, 2023.

**NOTE 3 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

The Board has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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Schedule of the Board's Proportionate Share of the Net Pension Liability  
*Teachers' and State Employees' Retirement System*

Schedule of Board Contributions  
*Teachers' and State Employees' Retirement System*

Schedule of the Board's Proportionate Share of the Net OPEB Liability  
*Retiree Health Benefit Fund*

Schedule of Board Contributions  
*Retiree Health Benefit Fund*

Schedule of the Board's Proportionate Share of the Net OPEB Asset  
*Disability Income Plan of North Carolina*

Schedule of Board Contributions  
*Disability Income Plan of North Carolina*

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net pension liability/asset	0.378%	0.365%	0.375%	0.370%	0.365%
Board's proportionate share of the net pension liability (asset)	\$ 56,027,964	\$ 17,097,581	\$ 45,357,025	\$ 38,360,851	\$ 36,379,549
Board's covered payroll	\$ 60,035,696	\$ 56,737,314	\$ 55,770,439	\$ 55,420,399	\$ 51,498,673
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	93.32%	30.13%	81.33%	69.22%	70.64%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	85.98%	87.56%	87.61%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability/asset	0.367%	0.352%	0.358%	0.347%	0.347%
Board's proportionate share of the net pension liability (asset)	\$ 29,094,008	\$ 32,319,348	\$ 13,173,846	\$ 4,070,294	\$ 21,078,578
Board's covered payroll	\$ 50,067,375	\$ 47,528,022	\$ 47,510,394	\$ 44,986,444	\$ 45,313,387
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	58.11%	68.00%	27.73%	9.05%	46.52%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 10,917,277	\$ 9,833,847	\$ 8,385,775	\$ 7,233,426	\$ 6,811,167
Contributions in relation to the contractually required contribution	<u>10,917,277</u>	<u>9,833,847</u>	<u>8,385,775</u>	<u>7,233,426</u>	<u>6,811,167</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 62,815,173	\$ 60,035,696	\$ 56,737,314	\$ 55,770,439	\$ 55,420,399
Contributions as a percentage of employee payroll	17.38%	16.38%	14.78%	12.97%	12.29%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,551,557	\$ 4,996,724	\$ 4,348,814	\$ 4,347,201	\$ 3,909,322
Contributions in relation to the contractually required contribution	<u>5,551,557</u>	<u>4,996,724</u>	<u>4,348,814</u>	<u>4,347,201</u>	<u>3,909,322</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 51,498,673	\$ 50,067,375	\$ 47,528,022	\$ 47,510,394	\$ 44,986,444
Contributions as a percentage of employee payroll	10.78%	9.98%	9.15%	9.15%	8.69%

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
RETIREE HEALTH BENEFIT FUND  
LAST SEVEN FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability/asset	0.325%	0.316%	0.330%	0.322%	0.326%
Board's proportionate share of the net OPEB liability (asset)	\$ 77,271,847	\$ 97,640,923	\$ 91,454,531	\$ 101,980,125	\$ 92,714,959
Board's covered payroll	\$ 60,035,696	\$ 56,737,314	\$ 55,770,439	\$ 55,420,399	\$ 51,498,673
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	128.71%	172.09%	163.98%	184.01%	180.03%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.58%	7.72%	6.92%	4.40%	4.40%
	<u>2018</u>	<u>2017</u>			
Board's proportion of the net OPEB liability/asset	0.329%	0.311%			
Board's proportionate share of the net OPEB liability (asset)	\$ 108,008,700	\$ 135,306,096			
Board's covered payroll	\$ 50,067,375	\$ 47,528,022			
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	215.73%	284.69%			
Plan fiduciary net position as a percentage of the total OPEB liability/asset	3.52%	2.41%			

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only seven years of data presented.

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 4,327,965	\$ 3,776,245	\$ 3,790,052	\$ 3,608,348	\$ 3,474,859
Contributions in relation to the contractually required contribution	<u>4,327,965</u>	<u>3,776,245</u>	<u>3,790,052</u>	<u>3,608,348</u>	<u>3,474,859</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 62,815,173	\$ 60,035,696	\$ 56,737,314	\$ 55,770,439	\$ 55,420,399
Contributions as a percentage of covered payroll	6.89%	6.29%	6.68%	6.47%	6.27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,115,669	\$ 2,898,351	\$ 2,653,432	\$ 2,594,253	\$ 2,428,493
Contributions in relation to the contractually required contribution	<u>3,115,669</u>	<u>2,898,351</u>	<u>2,653,432</u>	<u>2,594,253</u>	<u>2,428,493</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 51,498,673	\$ 50,067,375	\$ 47,528,022	\$ 47,510,394	\$ 44,986,444
Contributions as a percentage of covered payroll	6.05%	5.81%	5.60%	5.49%	5.40%

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST SEVEN FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability/asset	0.331%	0.322%	0.330%	0.327%	0.324%
Board's proportionate share of the net OPEB liability (asset)	\$ 98,350	\$ (52,661)	\$ (162,134)	\$ (141,122)	\$ (98,354)
Board's covered payroll	\$ 60,035,696	\$ 56,737,314	\$ 55,770,439	\$ 55,420,399	\$ 51,498,673
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.16%	0.09%	0.29%	0.25%	0.19%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.34%	105.18%	115.57%	113.00%	108.47%
	<u>2018</u>	<u>2017</u>			
Board's proportion of the net OPEB liability/asset	0.324%	0.314%			
Board's proportionate share of the net OPEB liability (asset)	\$ (198,023)	\$ (194,808)			
Board's covered payroll	\$ 50,067,375	\$ 47,528,022			
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.40%	0.41%			
Plan fiduciary net position as a percentage of the total OPEB liability/asset	116.23%	116.06%			

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only seven years of data presented.

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 62,815	\$ 54,032	\$ 51,064	\$ 55,770	\$ 77,589
Contributions in relation to the contractually required contribution	<u>62,815</u>	<u>54,032</u>	<u>51,064</u>	<u>55,770</u>	<u>77,589</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 62,815,173	\$ 60,035,696	\$ 56,737,314	\$ 55,770,439	\$ 55,420,399
Contributions as a percentage of covered payroll	0.10%	0.09%	0.09%	0.10%	0.14%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 72,098	\$ 189,565	\$ 194,269	\$ 193,742	\$ 197,877
Contributions in relation to the contractually required contribution	<u>72,098</u>	<u>189,565</u>	<u>194,269</u>	<u>193,742</u>	<u>197,877</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 51,498,673	\$ 50,067,375	\$ 47,528,022	\$ 47,510,394	\$ 44,986,444
Contributions as a percentage of covered payroll	0.14%	0.38%	0.41%	0.41%	0.44%

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**INDIVIDUAL FUND BUDGETARY SCHEDULES**

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**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2023**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Chatham County:			
County appropriation	\$ 39,036,170	\$ 39,036,170	\$ -
Other:			
Fines and forfeitures	300,000	270,895	(29,105)
ABC revenues	7,830	8,971	1,141
Total other	<u>307,830</u>	<u>279,866</u>	<u>(27,964)</u>
Total revenues	<u>39,344,000</u>	<u>39,316,036</u>	<u>(27,964)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional		18,870,174	
Special populations		1,283,293	
Alternative programs		442,422	
School leadership		2,622,581	
Co-curricular		615,224	
School-based support		959,477	
Total instructional services	<u>25,303,259</u>	<u>24,793,171</u>	<u>510,088</u>
System-wide support services:			
Support and development		2,591,807	
Special population support and development		27,609	
Alternative programs and services support and development		31,092	
Technology support		1,158,378	
Operational support		6,540,498	
Financial and human resource services		635,542	
Accountability		120,842	
System-wide pupil support		303,274	
Policy, leadership and public relations		782,778	
Total system-wide support services	<u>12,973,241</u>	<u>12,191,820</u>	<u>781,421</u>
Ancillary services:			
Community		20,512	
Nutrition		120,070	
Total ancillary services	<u>176,500</u>	<u>140,582</u>	<u>35,918</u>

**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL (Continued)**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2023**

	Final Budget	Actual	Variance with Final Budget
Expenditures: (Continued)			
Current:			
Non-programmed charges			
Payments to other governments	4,700,000	4,678,079	21,921
Total expenditures	43,153,000	41,803,652	1,349,348
Revenues under expenditures	(3,809,000)	(2,487,616)	1,321,384
Fund balance appropriated	3,809,000	-	(3,809,000)
Net change in fund balance	\$ -	(2,487,616)	\$ (2,487,616)
Fund balance:			
Beginning of year		8,360,046	
End of year		\$ 5,872,430	

**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
**For the Fiscal Year Ended June 30, 2023**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 1,900,000	\$ 322,490	\$ (1,577,510)
Public School Capital Fund - Lottery	-	77,128	77,128
Total State of North Carolina	<u>1,900,000</u>	<u>399,618</u>	<u>(1,500,382)</u>
Chatham County:			
Special projects - construction and technology	11,176,000	8,362,141	(2,813,859)
County appropriations	2,300,000	2,300,000	-
Total Chatham County	<u>13,476,000</u>	<u>10,662,141</u>	<u>(2,813,859)</u>
Other:			
Local sales tax	100,000	208,489	108,489
Miscellaneous	-	51,142	51,142
Total other	<u>100,000</u>	<u>259,631</u>	<u>159,631</u>
Total revenues	<u>15,476,000</u>	<u>11,321,390</u>	<u>(4,154,610)</u>
Expenditures:			
Current:			
System-wide support services:			
Operational support	<u>2,177,510</u>	<u>311,654</u>	<u>1,865,856</u>
Debt service:			
Principal retirement	<u>322,490</u>	<u>322,490</u>	<u>-</u>
Capital outlay	<u>14,576,000</u>	<u>11,963,644</u>	<u>2,612,356</u>
Total expenditures	<u>17,076,000</u>	<u>12,597,788</u>	<u>4,478,212</u>
Revenues under expenditures	<u>(1,600,000)</u>	<u>(1,276,398)</u>	<u>323,602</u>
Other financing sources:			
Installment purchase obligations issued	600,000	311,654	(288,346)
Insurance proceeds	-	29,187	29,187
Total other financing sources	<u>600,000</u>	<u>340,841</u>	<u>(259,159)</u>
Fund balance appropriated	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(935,557)</u>	<u>\$ (935,557)</u>
Fund balance:			
Beginning of year		<u>1,713,898</u>	
End of year		<u>\$ 778,341</u>	

**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2023**

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 1,615,000	\$ 1,464,494	\$ (150,506)
Other	225,000	-	(225,000)
	<u>1,840,000</u>	<u>1,464,494</u>	<u>(375,506)</u>
Operating expenditures:			
Business support services:			
Purchase of food		2,333,776	
Donated commodities		337,497	
Salaries and benefits		2,701,986	
Indirect costs		216,652	
Materials and supplies		318,228	
Repairs and maintenance		40,353	
Non-capitalized equipment		35,491	
Contracted services		13,509	
Other		61,150	
Capital outlay		179,686	
Total operating expenditures	<u>6,475,000</u>	<u>6,238,328</u>	<u>236,672</u>
Operating loss	<u>(4,635,000)</u>	<u>(4,773,834)</u>	<u>(138,834)</u>
Nonoperating revenues:			
Federal reimbursements and grants	3,839,205	3,584,088	(255,117)
Federal commodities	322,295	337,497	15,202
State reimbursements	8,500	26,360	17,860
Indirect costs not paid	135,000	86,661	(48,339)
Proceeds from disposal of equipment	-	565	565
Interest earned	5,000	8,584	3,584
Total nonoperating revenues	<u>4,310,000</u>	<u>4,043,755</u>	<u>(266,245)</u>
Revenues under expenditures	(325,000)	(730,079)	(405,079)
Other financing sources:			
Transfers from other funds	75,000	65,129	(9,871)
Fund balance appropriated	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(664,950)</u>	<u>\$ (664,950)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(97,306)	
Equipment purchases		179,686	
Net OPEB asset		(1,114)	
Net pension liability		(1,053,063)	
Net OPEB liability		111,920	
Deferred outflows - pension and OPEB		589,385	
Deferred inflows - pension and OPEB		101,884	
Gain on disposal of capital assets		565	
Less proceeds from disposal of equipment		(565)	
Decrease in compensated absences payable		11,498	
Increase in inventories		61,452	
Change in net position (full accrual)		<u>\$ (760,608)</u>	



**CHATHAM**  
COUNTY SCHOOLS



# ***STATISTICAL***



## **STATISTICAL SECTION (Unaudited)**

The Statistical Section of the District's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

### **Sections**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **Debt Capacity**

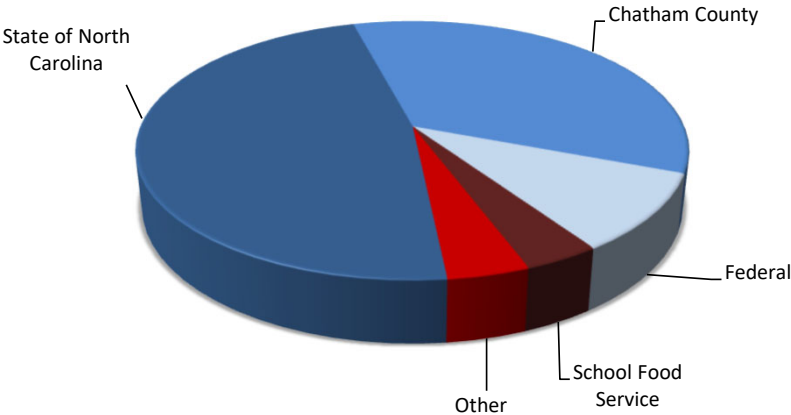
Since the District has no tax-levying or debt-issuing authority, the County of Chatham provides significant funding to the school system. Selected fiscal data from the County of Chatham has been included to help the reader better understand the school system and its financial operations.

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by Chatham County, these schedules on the county's revenue sources are relevant to an understanding of Chatham County's most significant local revenue source, the property tax.

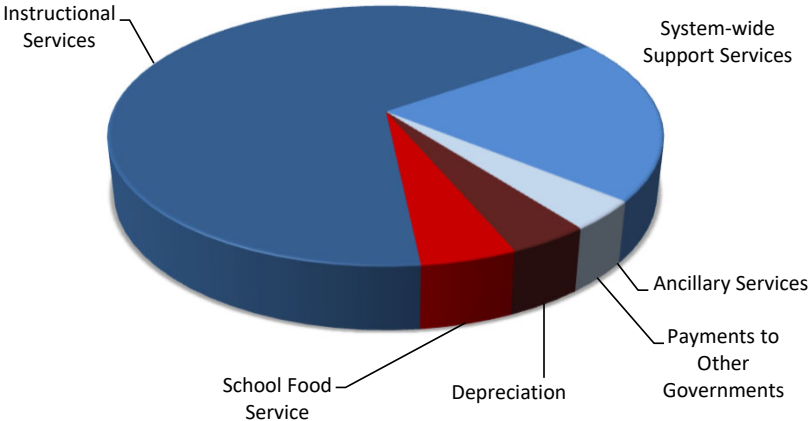
**CHATHAM COUNTY BOARD OF EDUCATION**  
**Financial Perspective for**  
**Governmental and Business-type Activities**  
**for Fiscal Year 2022-2023**

**Revenue Sources**



State of North Carolina	\$	67,690,171
Chatham County		49,698,311
Federal		13,840,151
School Food Service		5,421,588
Other		5,803,029
<hr/>		
Total revenue sources	\$	<u>142,453,250</u>

**Expenses**



Instructional Services	\$	88,225,824
System-wide Support Services		27,096,985
Ancillary Services		184,752
Payments to Other Governments		4,678,079
Depreciation		5,296,140
School Food Service		6,247,325
<hr/>		
Total expenses	\$	<u>131,729,105</u>

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Government-wide - Net Position by Component**  
**Last Ten Fiscal Years**

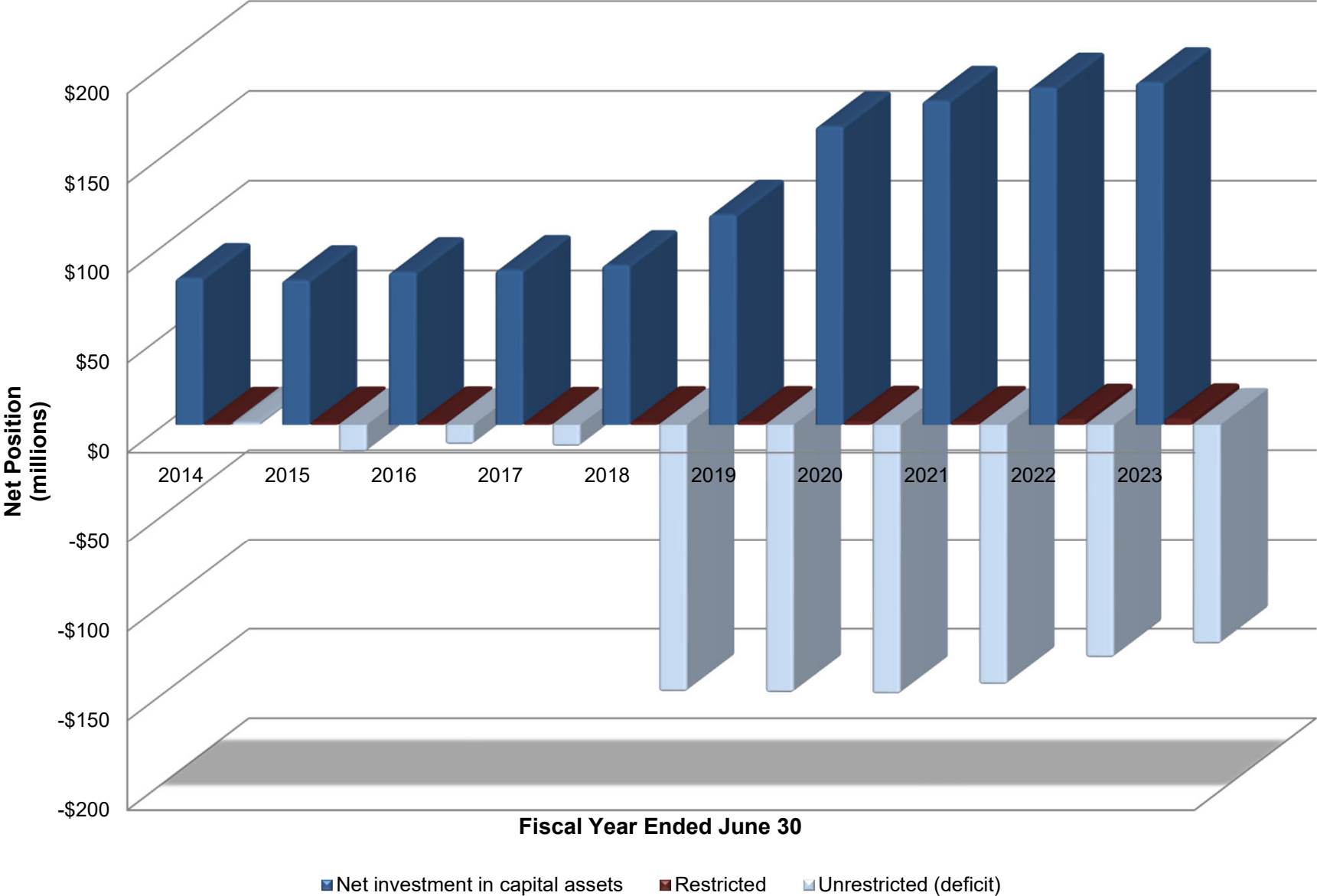
Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 81,442,183	\$ 80,293,503	\$ 84,662,384	\$ 85,926,454	\$ 88,679,666	\$ 116,772,284	\$ 165,912,458	\$ 179,944,210	\$ 187,221,987	\$ 190,052,842
Restricted	1,200,058	1,450,711	1,491,095	1,206,832	1,633,131	1,743,286	1,978,195	1,806,338	3,344,422	3,530,601
Unrestricted (deficit)	380,795	(16,166,715)	(12,120,033)	(13,236,919)	(147,029,423)	(147,717,399)	(148,232,272)	(143,609,588)	(130,377,474)	(121,909,755)
	<u>\$ 83,023,036</u>	<u>\$ 65,577,499</u>	<u>\$ 74,033,446</u>	<u>\$ 73,896,367</u>	<u>\$ (56,716,626)</u>	<u>\$ (29,201,829)</u>	<u>\$ 19,658,381</u>	<u>\$ 38,140,960</u>	<u>\$ 60,188,935</u>	<u>\$ 71,673,688</u>
Business-type activities:										
Investment in capital assets	\$ 214,203	\$ 189,361	\$ 283,458	\$ 230,797	\$ 213,811	\$ 183,544	\$ 221,513	\$ 381,129	\$ 521,342	\$ 603,722
Restricted	-	-	-	-	9,158	10,457	8,737	6,276	4,867	-
Unrestricted (deficit)	1,033,887	585,209	647,990	764,620	(2,787,798)	(2,599,829)	(2,813,919)	(2,170,855)	(407,455)	(1,245,576)
	<u>\$ 1,248,090</u>	<u>\$ 774,570</u>	<u>\$ 931,448</u>	<u>\$ 995,417</u>	<u>\$ (2,564,829)</u>	<u>\$ (2,405,828)</u>	<u>\$ (2,583,669)</u>	<u>\$ (1,783,450)</u>	<u>\$ 118,754</u>	<u>\$ (641,854)</u>
District-wide:										
Net investment in capital assets	\$ 81,656,386	\$ 80,482,864	\$ 84,945,842	\$ 86,157,251	\$ 88,893,477	\$ 116,955,828	\$ 166,133,971	\$ 180,325,339	\$ 187,743,329	\$ 190,656,564
Restricted	1,200,058	1,450,711	1,491,095	1,206,832	1,642,289	1,753,743	1,986,932	1,812,614	3,349,289	3,530,601
Unrestricted (deficit)	1,414,682	(15,581,506)	(11,472,043)	(12,472,299)	(149,817,221)	(150,317,228)	(151,046,191)	(145,780,443)	(130,784,929)	(123,155,331)
	<u>\$ 84,271,126</u>	<u>\$ 66,352,069</u>	<u>\$ 74,964,894</u>	<u>\$ 74,891,784</u>	<u>\$ (59,281,455)</u>	<u>\$ (31,607,657)</u>	<u>\$ 17,074,712</u>	<u>\$ 36,357,510</u>	<u>\$ 60,307,689</u>	<u>\$ 71,031,834</u>

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports

Note: Net position for 2014 is not comparable to 2015 (and after) net position due to the implementation of GASB 68 during the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with the Board's participation in the Statewide Teachers' and State Employees' Retirement System (TSERS).

Note: Net position for 2017 and before are not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its proportionate share of the net OPEB liability and net OPEB asset associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

### Net Position by Component Government-wide



**CHATHAM COUNTY BOARD OF EDUCATION**  
**Government-wide - Changes in Net Position**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses:</b>										
Governmental activities:										
Instructional services	\$ 59,251,102	\$ 62,642,065	\$ 61,398,252	\$ 68,551,534	\$ 75,192,606	\$ 74,628,786	\$ 79,057,279	\$ 78,563,321	\$ 84,120,397	\$ 88,225,824
System-wide support services	18,658,688	17,981,641	17,314,770	20,274,498	21,352,906	22,611,206	20,249,656	21,400,007	29,403,291	27,096,985
Ancillary services	99,510	96,936	50,827	89,304	79,935	46,282	91,317	419,898	2,988	184,752
Non-programmed charges	2,481,652	2,616,282	2,896,592	3,100,731	3,330,423	3,531,793	3,690,181	4,411,065	4,628,991	4,678,079
Interest on long-term debt	1,371	-	45,970	30,964	15,643	29,643	30,854	17,574	3,711	-
Unallocated depreciation expense	2,981,285	2,738,549	2,746,813	2,981,903	3,120,360	3,347,842	3,297,949	3,282,257	5,298,268	5,296,140
Total governmental activities expenses	83,473,608	86,075,473	84,453,224	95,028,934	103,091,873	104,195,552	106,417,236	108,094,122	123,457,646	125,481,780
Business-type activities:										
School food service	4,083,831	3,949,168	4,157,116	4,346,868	4,379,928	4,200,713	4,686,772	2,890,490	5,015,149	6,247,325
Total district-wide expenses	\$ 87,557,439	\$ 90,024,641	\$ 88,610,340	\$ 99,375,802	\$ 107,471,801	\$ 108,396,265	\$ 111,104,008	\$ 110,984,612	\$ 128,472,795	\$ 131,729,105
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
Co-curricular	\$ 1,740,449	\$ 1,624,943	\$ 1,541,762	\$ 1,913,126	\$ 1,597,432	\$ 1,564,845	\$ 1,400,655	\$ 566,780	\$ 1,260,035	\$ 1,411,476
Operational support	435,466	431,270	488,989	509,134	484,569	521,371	505,352	69,716	273,964	245,158
Operating grants and contributions	49,151,555	51,728,696	53,485,190	55,357,128	58,327,702	62,055,395	63,847,807	68,265,349	80,293,087	82,641,131
Capital grants and contributions	120,197	197,161	237,658	674,953	542,566	332,018	665,932	561,493	366,369	322,490
Total governmental activities program revenues	51,447,667	53,982,070	55,753,599	58,454,341	60,952,269	64,473,629	66,419,746	69,463,338	82,193,455	84,620,255
Business-type activities:										
Charges for services:										
School food service	1,178,192	1,065,974	1,112,048	1,303,179	1,276,621	1,364,282	934,428	95,937	375,928	1,464,494
Operating grants and contributions	2,780,890	2,830,810	2,993,564	3,041,081	2,939,359	2,942,818	3,397,167	3,302,261	6,237,853	3,947,945
Total business-type activities program revenues	3,959,082	3,896,784	4,105,612	4,344,260	4,215,980	4,307,100	4,331,595	3,398,198	6,613,781	5,412,439
Total district-wide program revenues	\$ 55,406,749	\$ 57,878,854	\$ 59,859,211	\$ 62,798,601	\$ 65,168,249	\$ 68,780,729	\$ 70,751,341	\$ 72,861,536	\$ 88,807,236	\$ 90,032,694
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (32,025,941)	\$ (32,093,403)	\$ (28,699,625)	\$ (36,574,593)	\$ (42,139,604)	\$ (39,721,923)	\$ (39,997,490)	\$ (38,630,784)	\$ (41,264,191)	\$ (40,861,525)
Business-type activities	(124,749)	(52,384)	(51,504)	(2,608)	(163,948)	106,387	(355,177)	507,708	1,598,632	(834,886)
Total district-wide net (expense) revenue	\$ (32,150,690)	\$ (32,145,787)	\$ (28,751,129)	\$ (36,577,201)	\$ (42,303,552)	\$ (39,615,536)	\$ (40,352,667)	\$ (38,123,076)	\$ (39,665,559)	\$ (41,696,411)

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Government-wide - Changes in Net Position (continued)**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 25,551,130	\$ 26,818,413	\$ 28,126,130	\$ 29,272,130	\$ 30,736,710	\$ 31,811,710	\$ 33,351,710	\$ 35,581,710	\$ 38,111,170	\$ 39,036,170
Unrestricted county appropriations - capital	3,433,064	3,757,289	8,537,846	5,889,731	8,040,386	33,904,738	54,427,768	20,635,680	21,888,601	10,870,630
Unrestricted State appropriations - capital	-	-	-	-	-	-	-	-	120,372	77,128
Investment earnings, unrestricted	21,100	18,576	23,894	32,185	41,461	63,873	50,414	15,395	14,700	177,752
Miscellaneous, unrestricted	676,399	800,045	673,714	1,305,680	1,330,789	1,502,621	1,199,005	1,171,627	3,480,069	2,249,727
Transfers	(47,255)	(45,699)	(206,012)	(62,212)	(61,675)	(46,222)	(171,197)	(291,049)	(302,746)	(65,129)
Total governmental activities	<u>29,634,438</u>	<u>31,348,624</u>	<u>37,155,572</u>	<u>36,437,514</u>	<u>40,087,671</u>	<u>67,236,720</u>	<u>88,857,700</u>	<u>57,113,363</u>	<u>63,312,166</u>	<u>52,346,278</u>
Business-type activities:										
Investment earnings, unrestricted	1,711	1,662	2,370	4,365	4,476	6,392	6,139	1,462	826	8,584
Miscellaneous, unrestricted	3,450	-	-	-	-	-	-	-	-	565
Transfers	47,255	45,699	206,012	62,212	61,675	46,222	171,197	291,049	302,746	65,129
Total business-type activities	<u>52,416</u>	<u>47,361</u>	<u>208,382</u>	<u>66,577</u>	<u>66,151</u>	<u>52,614</u>	<u>177,336</u>	<u>292,511</u>	<u>303,572</u>	<u>74,278</u>
Total district-wide	<u>\$ 29,686,854</u>	<u>\$ 31,395,985</u>	<u>\$ 37,363,954</u>	<u>\$ 36,504,091</u>	<u>\$ 40,153,822</u>	<u>\$ 67,289,334</u>	<u>\$ 89,035,036</u>	<u>\$ 57,405,874</u>	<u>\$ 63,615,738</u>	<u>\$ 52,420,556</u>
<b>Change in Net Position</b>										
Governmental activities	\$ (2,391,503)	\$ (744,779)	\$ 8,455,947	\$ (137,079)	\$ (2,051,933)	\$ 27,514,797	\$ 48,860,210	\$ 18,482,579	\$ 22,047,975	\$ 11,484,753
Business-type activities	(72,333)	(5,023)	156,878	63,969	(97,797)	159,001	(177,841)	800,219	1,902,204	(760,608)
Total district-wide change in net position	<u>\$ (2,463,836)</u>	<u>\$ (749,802)</u>	<u>\$ 8,612,825</u>	<u>\$ (73,110)</u>	<u>\$ (2,149,730)</u>	<u>\$ 27,673,798</u>	<u>\$ 48,682,369</u>	<u>\$ 19,282,798</u>	<u>\$ 23,950,179</u>	<u>\$ 10,724,145</u>

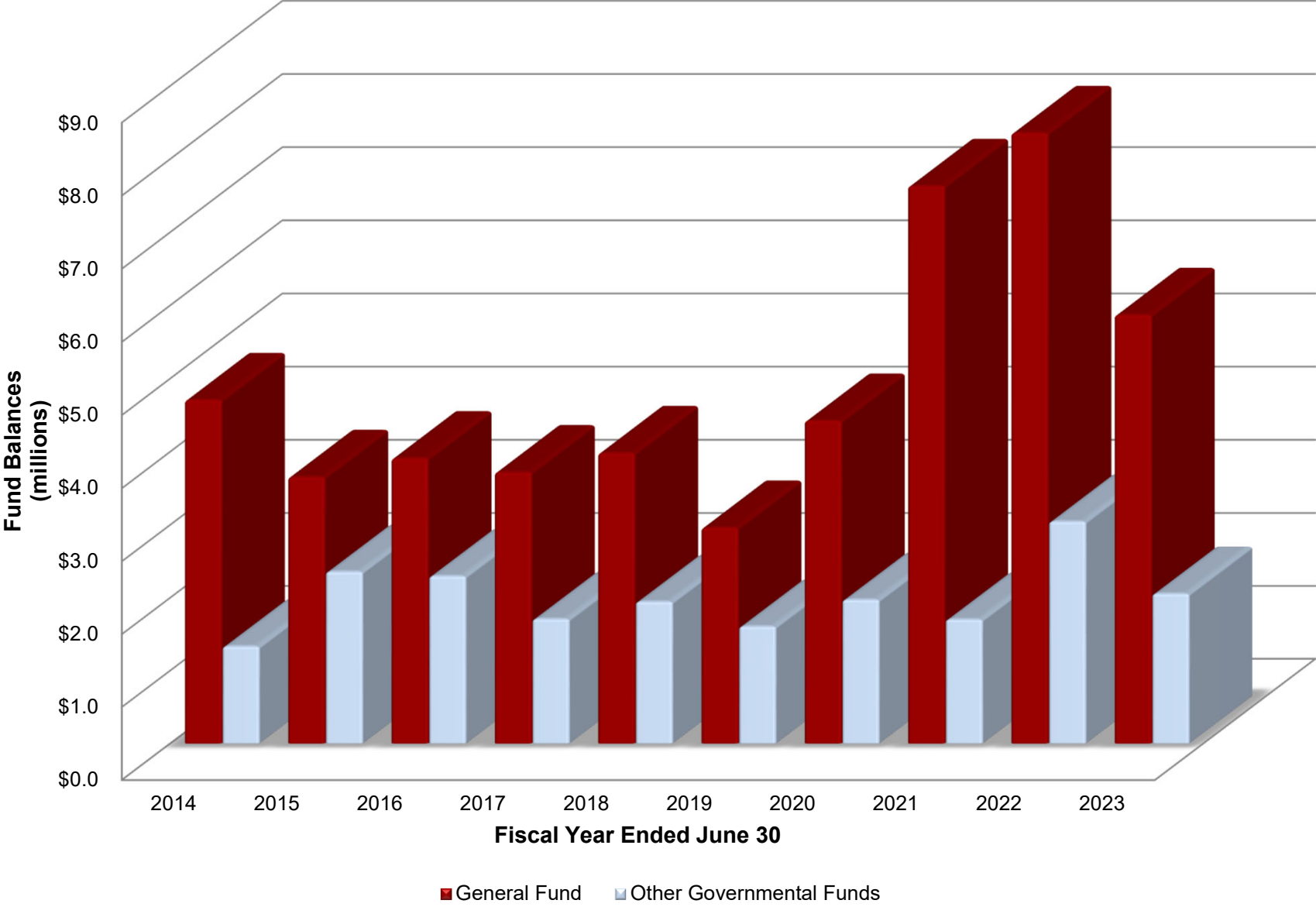
Source: Chatham County Board of Education, North Carolina, Annual Financial Reports

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Governmental Funds - Fund Balances**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable:										
Inventories	\$ 283,193	\$ 219,952	\$ 159,952	\$ 109,952	\$ 59,952	\$ 53,355	\$ -	\$ -	\$ -	\$ -
Restricted:										
Stabilization by State statute	22,438	20,028	210,273	39,413	22,043	40,439	5,780	32,473	30,862	874,735
Assigned:										
Subsequent year's expenditures	4,261,490	1,925,000	1,925,000	1,918,790	2,277,000	2,200,000	2,200,000	1,939,000	3,809,000	2,281,000
Unassigned	143,355	1,493,296	1,618,338	1,655,049	1,626,852	671,432	2,220,790	5,663,600	4,520,184	2,716,695
Total General Fund	<u>\$ 4,710,476</u>	<u>\$ 3,658,276</u>	<u>\$ 3,913,563</u>	<u>\$ 3,723,204</u>	<u>\$ 3,985,847</u>	<u>\$ 2,965,226</u>	<u>\$ 4,426,570</u>	<u>\$ 7,635,073</u>	<u>\$ 8,360,046</u>	<u>\$ 5,872,430</u>
All other governmental funds:										
Restricted:										
Stabilization by State statute	\$ 126,188	\$ 33,343	\$ -	\$ 121,049	\$ 124,616	\$ 141,522	\$ 161,725	\$ 185,077	\$ 430,364	\$ 947,015
School capital outlay	348,902	686,827	570,283	351,484	453,185	374,148	598,333	457,052	1,713,898	778,341
Individual schools	702,530	710,513	710,539	694,886	687,118	766,245	864,192	846,752	944,131	930,510
Assigned, reported in:										
Other restricted fund	158,541	930,861	1,019,850	544,997	684,898	327,961	352,787	217,550	(38,208)	-
Unassigned	-	-	-	-	-	-	-	-	-	(596,400)
Total all other governmental funds	<u>\$ 1,336,161</u>	<u>\$ 2,361,544</u>	<u>\$ 2,300,672</u>	<u>\$ 1,712,416</u>	<u>\$ 1,949,817</u>	<u>\$ 1,609,876</u>	<u>\$ 1,977,037</u>	<u>\$ 1,706,431</u>	<u>\$ 3,050,185</u>	<u>\$ 2,059,466</u>

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports

### Governmental Funds Fund Balances

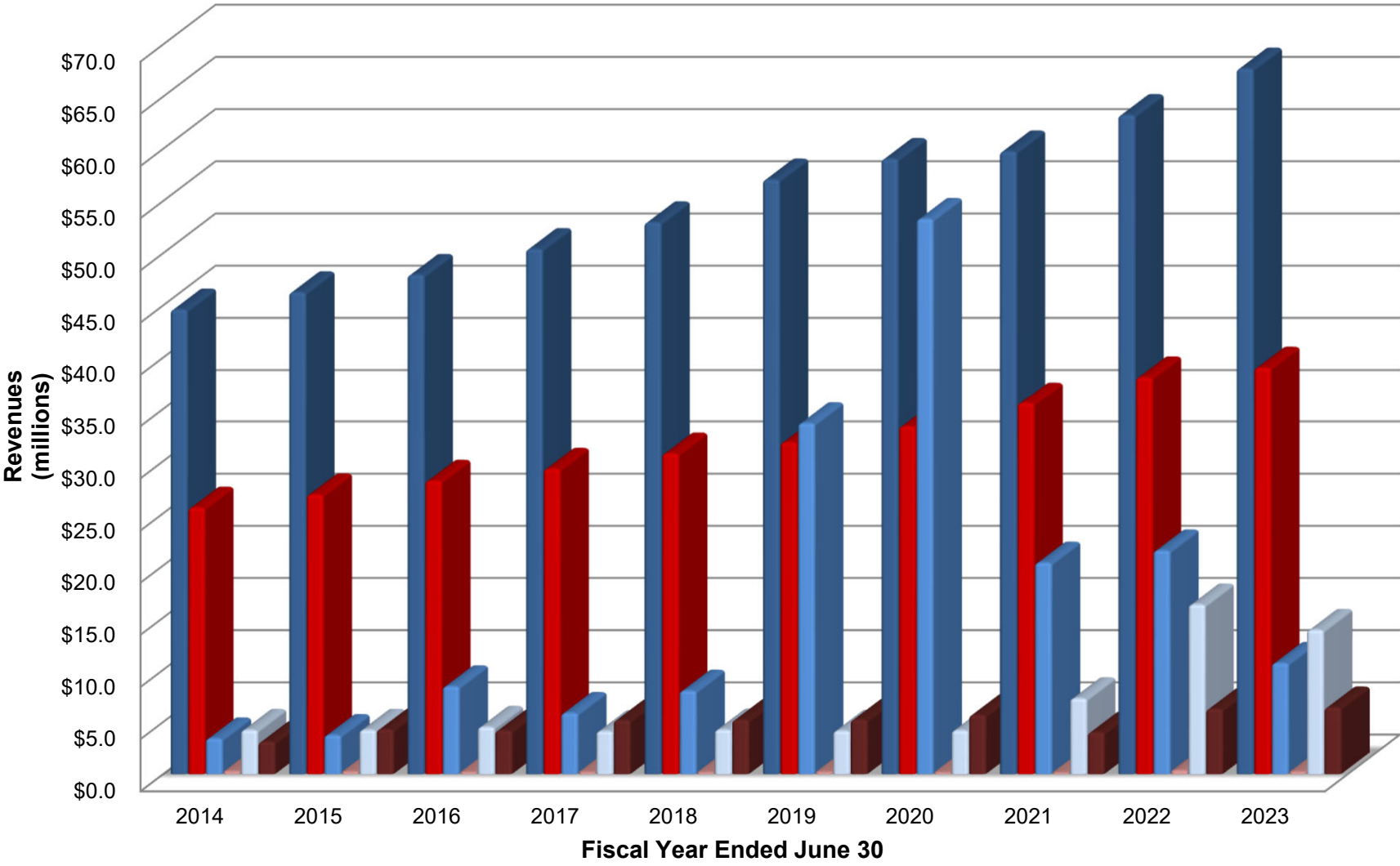


**CHATHAM COUNTY BOARD OF EDUCATION**  
**Governmental Funds - Revenues by Source**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
State of North Carolina	\$ 44,609,561	\$ 46,267,565	\$ 47,926,644	\$ 50,405,745	\$ 52,962,691	\$ 57,059,423	\$ 59,030,892	\$ 59,752,727	\$ 63,238,457	\$ 67,690,171
Chatham County appropriations	25,551,130	26,818,413	28,126,130	29,272,130	30,736,710	31,811,710	33,351,710	35,581,710	38,111,170	39,036,170
Chatham County capital improvements	3,433,064	3,757,289	8,426,688	5,868,717	8,006,599	33,644,902	53,290,047	20,283,754	21,447,887	10,662,141
Fines and forfeitures	305,220	269,547	239,632	239,386	221,277	251,487	206,630	185,121	381,175	270,895
Federal	4,244,834	4,257,892	4,535,207	4,133,919	4,279,471	4,166,729	4,215,165	7,275,276	16,269,854	13,840,151
Other	3,107,934	4,310,217	4,195,405	5,189,527	5,209,746	5,231,365	5,681,454	4,013,553	6,252,747	6,399,052
Total revenues	<u>\$ 81,251,743</u>	<u>\$ 85,680,923</u>	<u>\$ 93,449,706</u>	<u>\$ 95,109,424</u>	<u>\$ 101,416,494</u>	<u>\$ 132,165,616</u>	<u>\$ 155,775,898</u>	<u>\$ 127,092,141</u>	<u>\$ 145,701,290</u>	<u>\$ 137,898,580</u>

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports.

### Governmental Funds Revenues by Source



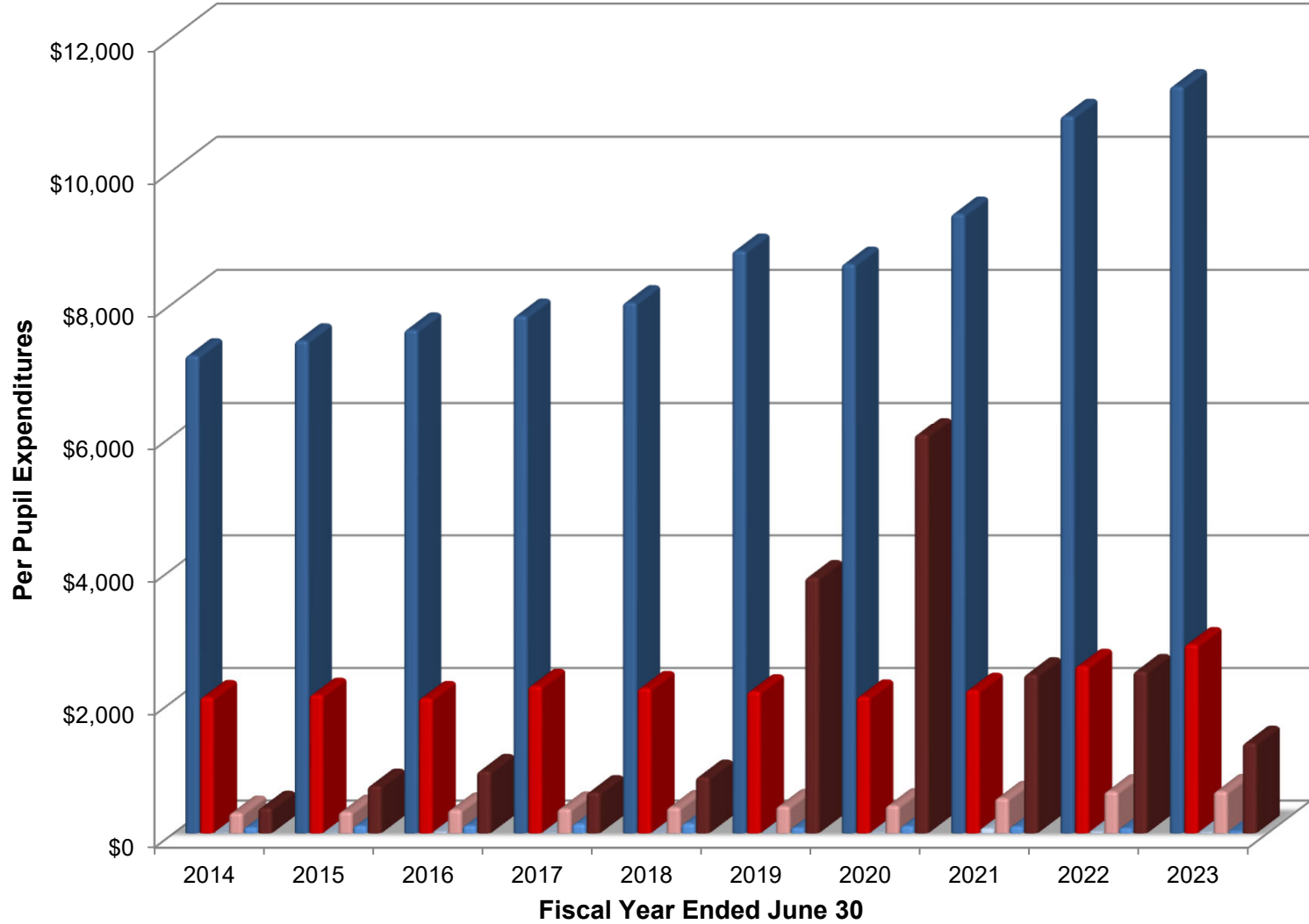
- State of North Carolina
- Chatham County appropriations
- Chatham County capital improvements
- Fines and forfeitures
- Federal
- Other

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Governmental Funds - Expenditures by Function per Pupil and in Total**  
**Last Ten Fiscal Years**

Fiscal Year	Average Daily Membership	Instructional Services	System-wide Support Services	Ancillary Services	Non-Programmed Charges	Debt Service		Total Debt Service	Capital Outlay	Total
						Principal	Interest			
2014	8,193	\$ 7,209 59,062,258	\$ 2,055 16,832,805	\$ 12 99,510	\$ 311 2,550,542	\$ 88 722,227	\$ 4 32,066	\$ 92 754,293	\$ 384 3,147,410	\$ 10,063 82,446,818
2015	8,330	7,434 61,924,073	2,090 17,407,138	12 101,202	326 2,720,812	115 957,470	- -	115 957,470	719 5,989,042	10,696 89,099,737
2016	8,436	7,597 64,087,670	2,041 17,222,360	26 215,833	358 3,019,609	113 951,997	5 45,970	118 997,967	940 7,930,871	11,080 93,474,310
2017	8,636	7,806 67,414,974	2,223 19,196,592	12 102,901	373 3,222,725	141 1,220,296	4 30,964	145 1,251,260	621 5,364,675	11,180 96,553,127
2018	8,747	8,007 70,040,053	2,191 19,168,422	10 84,044	394 3,445,302	147 1,287,232	2 15,643	149 1,302,875	853 7,463,210	11,604 101,503,906
2019	8,809	8,783 77,373,435	2,141 18,862,622	6 49,649	412 3,629,878	88 776,623	- -	88 776,623	3,864 34,033,950	15,294 134,726,157
2020	8,972	8,587 77,045,740	2,063 18,510,829	15 131,782	422 3,781,867	107 959,263	4 40,314	111 999,577	6,008 53,905,508	17,206 154,375,303
2021	8,524	9,338 79,594,472	2,164 18,448,302	77 653,973	532 4,535,456	102 867,689	3 27,449	105 895,138	2,398 20,443,724	14,614 124,571,065
2022	8,762	10,807 94,689,602	2,526 22,136,224	30 265,118	634 5,552,000	78 685,995	2 14,019	80 700,014	2,448 21,448,451	16,525 144,791,409
2023	8,862	11,125 98,588,936	2,821 24,998,093	23 205,280	629 5,574,184	36 322,490	- -	36 322,490	1,350 11,963,644	15,984 141,652,627

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports.  
The above operational expenditures per pupil include all governmental funds.

### Governmental Funds Expenditures by Function per Pupil



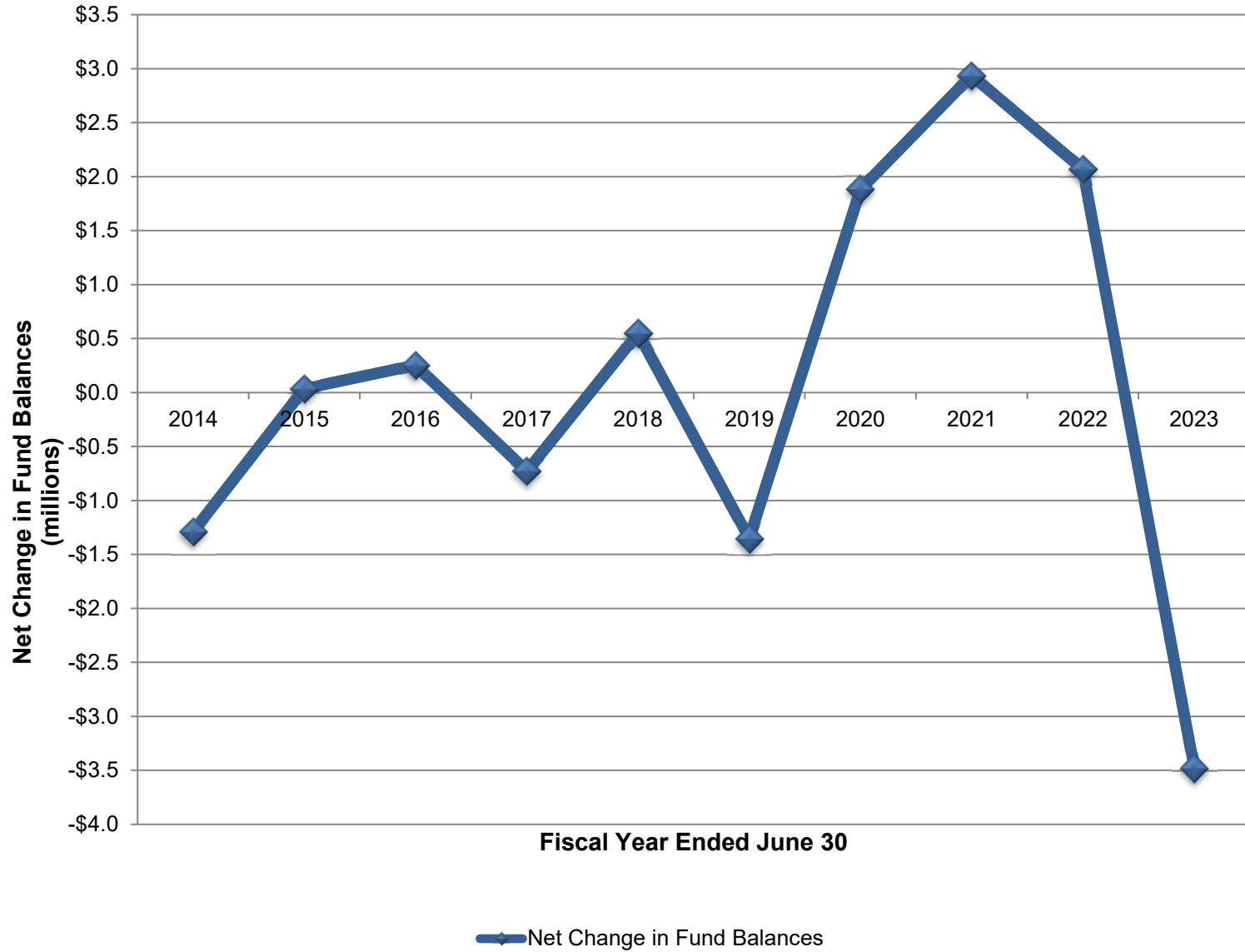
- Instructional Services
- System-wide Support Services
- Ancillary Services
- Non-programmed charges
- Debt Service (Principal & Interest)
- Capital outlay

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Governmental Funds - Other Financing Sources (Uses) and Net Change in Fund Balances**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues over (under) expenditures	\$ (1,195,075)	\$ (3,418,814)	\$ (24,604)	\$ (1,443,703)	\$ (87,412)	\$ (2,560,541)	\$ 1,400,595	\$ 2,521,076	\$ 909,881	\$ (3,754,047)
<b>Other financing sources (uses)</b>										
Transfers to other funds	(91,248)	(45,699)	(45,849)	(46,699)	(47,800)	(46,222)	(127,084)	(59,364)	(61,714)	(65,129)
Insurance proceeds	-	-	-	-	-	-	-	-	1,030,086	29,187
Installment purchase obligations issued	-	3,500,937	324,868	761,787	685,256	1,252,798	608,349	476,185	190,474	311,654
Total other financing sources (uses)	(91,248)	3,455,238	279,019	715,088	637,456	1,206,576	481,265	416,821	1,158,846	275,712
Net change in fund balances	\$ (1,286,323)	\$ 36,424	\$ 254,415	\$ (728,615)	\$ 550,044	\$ (1,353,965)	\$ 1,881,860	\$ 2,937,897	\$ 2,068,727	\$ (3,478,335)
Ratio of debt service expenditures to total non-capital expenditures	0.93%	1.11%	1.16%	1.37%	1.37%	0.75%	0.99%	0.84%	0.53%	0.24%

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports.

### Governmental Funds Net Change in Fund Balances



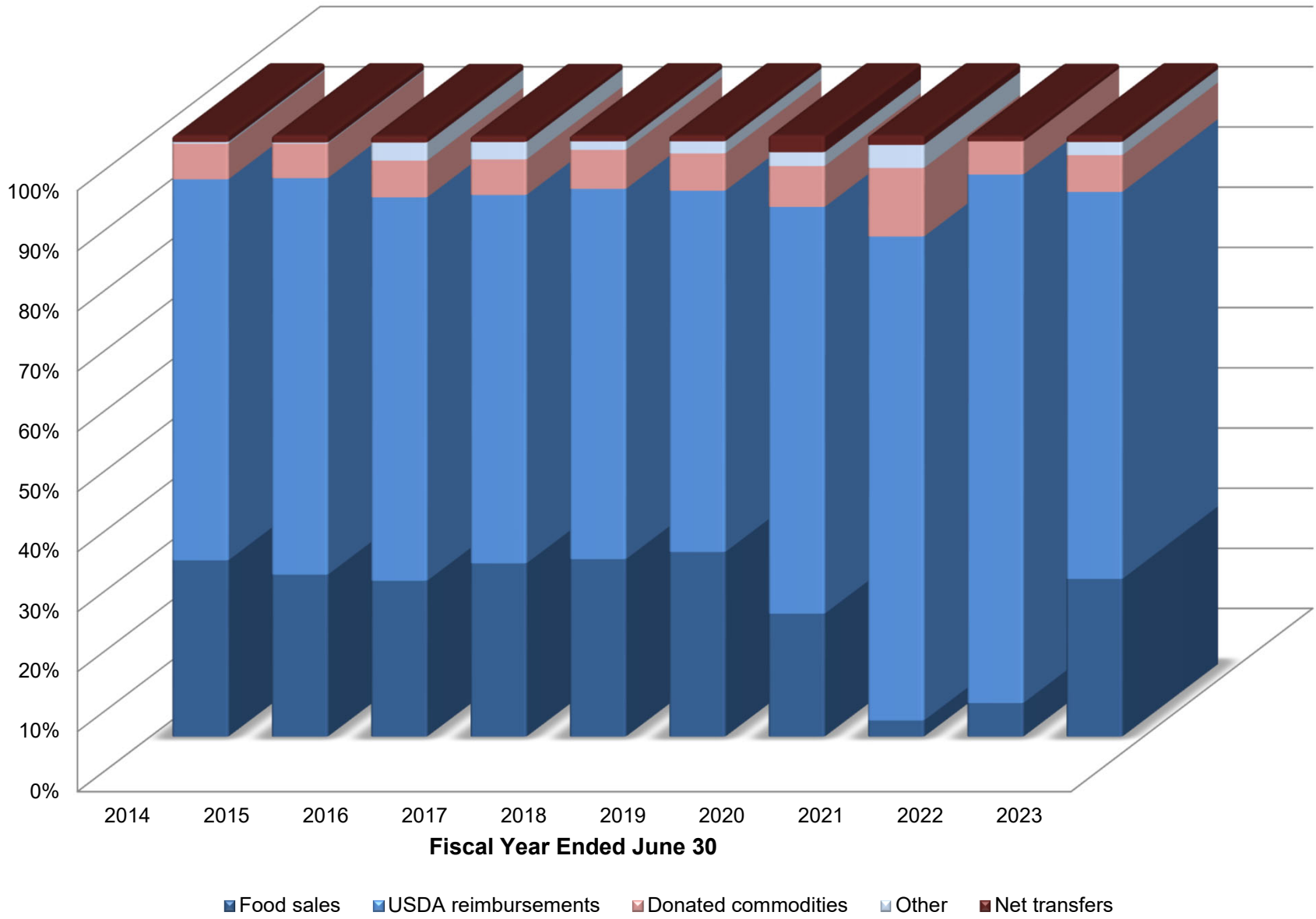
**CHATHAM COUNTY BOARD OF EDUCATION**  
**Proprietary Funds - Revenues by Source and Net Transfers**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues and Net Transfers</b>										
Food sales	\$ 1,178,192	\$ 1,065,974	\$ 1,112,048	\$ 1,303,179	\$ 1,276,621	\$ 1,364,282	\$ 934,428	\$ 95,937	\$ 375,928	\$ 1,464,494
USDA reimbursements	2,537,397	2,597,668	2,724,132	2,765,485	2,652,303	2,661,948	3,072,161	2,885,619	5,868,571	3,584,088
Donated commodities	237,290	225,091	261,863	267,881	278,303	273,639	308,449	410,036	369,282	337,497
Other	11,364	9,713	130,339	132,101	58,409	89,606	105,757	135,390	826	122,170
Net transfers	47,255	45,699	45,849	46,699	47,800	46,222	127,084	59,364	61,714	65,129
Total revenues and net transfers	<u>\$ 4,011,498</u>	<u>\$ 3,944,145</u>	<u>\$ 4,274,231</u>	<u>\$ 4,515,345</u>	<u>\$ 4,313,436</u>	<u>\$ 4,435,697</u>	<u>\$ 4,547,879</u>	<u>\$ 3,586,346</u>	<u>\$ 6,676,321</u>	<u>\$ 5,573,378</u>

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports.

Note: Other revenue includes interest earned, State reimbursements, indirect costs not paid, and other revenue.

### Proprietary Funds Revenues as a Percentage of Total



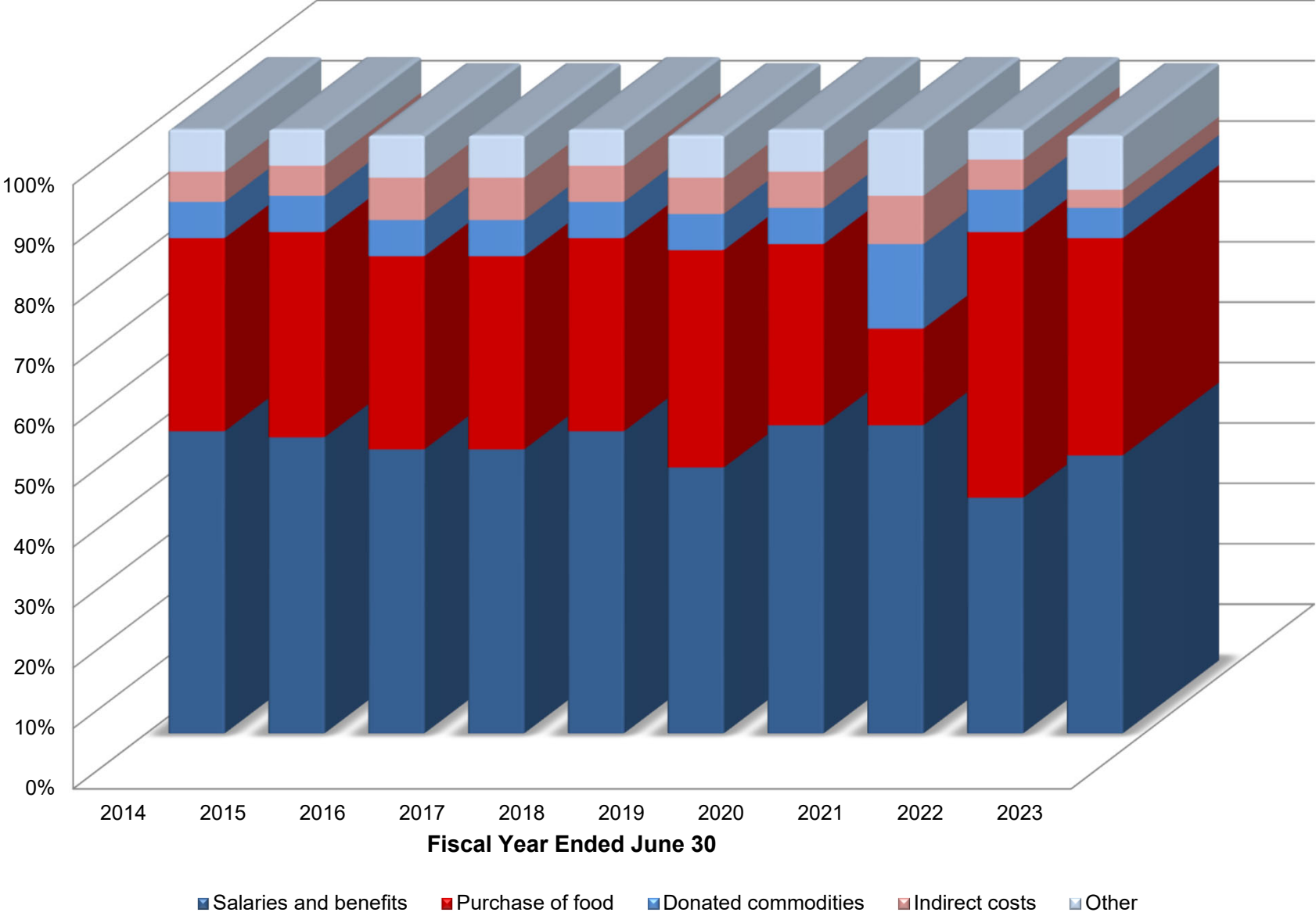
**CHATHAM COUNTY BOARD OF EDUCATION**  
**Proprietary Funds - Expenses by Category**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Salaries and benefits	\$ 2,044,165	\$ 1,917,120	\$ 2,000,649	\$ 2,106,557	\$ 2,195,739	\$ 1,898,355	\$ 2,418,745	\$ 1,546,687	\$ 1,952,529	\$ 2,941,476
Purchase of food	1,313,474	1,331,186	1,385,620	1,443,173	1,424,688	1,540,324	1,437,757	497,023	2,191,229	2,272,324
Donated commodities	237,290	225,091	261,863	267,881	278,303	273,639	308,449	410,036	369,282	337,497
Indirect costs	200,000	200,000	320,400	320,021	245,180	275,983	283,061	227,322	253,657	216,652
Other	288,902	275,771	308,984	329,257	281,198	288,395	321,821	336,744	248,452	566,037
Total expenses	<u>\$ 4,083,831</u>	<u>\$ 3,949,168</u>	<u>\$ 4,277,516</u>	<u>\$ 4,466,889</u>	<u>\$ 4,425,108</u>	<u>\$ 4,276,696</u>	<u>\$ 4,769,833</u>	<u>\$ 3,017,812</u>	<u>\$ 5,015,149</u>	<u>\$ 6,333,986</u>

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports.

Note: Other expense includes indirect costs, materials and supplies, repairs and maintenance, depreciation, and other expenses.

### Proprietary Funds Expenses as a Percentage of Total



**CHATHAM COUNTY BOARD OF EDUCATION**  
**Assessed Value and Estimated Actual Value of Taxable Property for Chatham County**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (a)</b>	<b>Estimated Actual Taxable Value (b)</b>
2014	\$ 7,911,664,627	\$ 1,255,924,366	\$ 208,776,076	\$ 9,376,365,069	0.6219	\$ 9,006,209,844
2015	8,090,965,839	1,119,557,141	207,720,059	9,418,243,039	0.6219	9,108,552,262
2016	8,375,333,581	1,139,160,858	223,438,841	9,737,933,280	0.6219	9,719,466,294
2017	8,638,744,786	1,214,250,096	209,285,802	10,062,280,684	0.6338	10,445,635,507
2018	9,213,087,671	1,262,629,247	210,741,503	10,686,458,421	0.6281	10,775,898,378
2019	10,449,123,673	526,034,115	206,350,142	11,181,507,930	0.6281	11,539,223,870
2020	9,958,925,737	1,439,726,019	213,802,027	11,612,453,783	0.6700	13,099,214,645
2021	10,304,116,871	1,646,846,277	214,822,244	12,165,785,392	0.6700	12,384,999,890
2022	11,991,296,886	1,715,162,449	227,258,616	13,933,717,951	0.6650	16,883,215,741
2023	12,382,201,716	1,915,165,989	235,295,363	14,532,663,068	0.6650	N/A

N/A = Not Available

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

Notes:

(a) Per \$100 of value

(b) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Direct and Overlapping Property Tax Rates for Chatham County**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Chatham County</b>	\$0.6219	\$0.6219	\$0.6219	\$0.6338	\$0.6281	\$0.6281	\$0.6700	\$0.6700	\$0.6650	\$0.6650
<b>Municipality Rates</b>										
Town of Pittsboro	0.4033	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333	0.4400
Town of Siler City	0.4500	0.4800	0.4800	0.4800	0.5100	0.5100	0.5400	0.5400	0.5400	0.5400
Town of Goldston	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.2200	0.2200	0.2200
Town of Cary	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500	0.3500	0.3450	0.3450
Town of Apex	-	-	-	-	-	-	-	-	-	0.4100
<b>Fire Districts</b>										
Bells Annex	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080	0.1080	0.1080	0.1180
Bennett	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.1100	0.1100
Bonlee	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Central Chatham	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.1200	0.1200	0.1200	0.1200
Circle City	0.1158	0.1158	0.1225	0.1225	0.0900	0.1225	0.1225	0.1225	0.1265	0.1265
Goldston	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Hope	0.0685	0.0685	0.0685	0.0685	0.0685	0.0785	0.0785	0.0785	0.0825	0.0825
Moncure	0.1104	0.1104	0.1250	0.1250	0.1250	0.1250	0.1250	0.1375	0.1375	0.1375
North Chatham	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080	0.1080	0.1080	0.1180
Parkwood	0.1000	0.1000	0.1150	0.1050	0.0940	0.1000	0.1100	0.1100	0.1100	0.1100
Staley	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Northview	0.0830	0.0830	0.0830	0.0860	0.0860	0.0860	0.0860	0.0860	0.0860	0.0860
<b>Sanitary District</b>										
Gulf-Goldston	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500
Northview	-	-	-	-	-	-	-	0.0150	0.1500	0.1500

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

**CHATHAM COUNTY BOARD OF EDUCATION**

Principal Property Taxpayers for Chatham County  
December 31, 2022 and December 31, 2013

Taxpayer	Type of Business	December 31, 2022			December 31, 2013		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mountaire Farms of NC Inc	Poultry	\$ 162,107,050	1	1.21%	\$ -	-	-
Carolina Meadows Inc.	Assisted Living	140,735,485	2	1.05%	68,401,045	5	0.73%
Duke Energy Progress	Public Utility - Electric	127,510,447	3	0.95%	108,364,422	2	1.16%
Galloway Ridge Inc.	Retirement Community	116,743,443	4	0.87%	89,842,272	4	0.96%
Arauco Panels USA	Mfg of Engineered Wood	95,916,400	5	0.72%	113,648,270	1	1.21%
CP South LLC	Forestry Management	79,340,759	6	0.59%	-	-	-
Chatham Park Investors LLC	Real Estate	76,945,318	7	0.58%	92,563,164	3	0.99%
Minnesota Mining & Manufacturing Co.	Mining	66,809,741	8	0.50%	43,715,925	6	0.47%
Sanctuary at Powell Place LLC	Residential	37,147,517	9	0.28%	-	-	-
Southern Veneer Specialty	Plywood & Veneer Mfg	34,010,963	10	0.25%	37,753,168	8	0.40%
General Shale Brick Inc.	Brick	-	-	-	39,670,587	7	0.42%
Triangle Brick	Brick	-	-	-	24,442,412	9	0.26%
NNP Briar Chapel LLC	Real Estate	-	-	-	21,816,397	10	0.23%
		<u>\$ 937,267,123</u>		<u>7.00%</u>	<u>\$ 640,217,662</u>		<u>6.83%</u>
Total Assessed Valuation		<u>\$ 13,389,530,329</u>			<u>\$ 9,376,365,000</u>		

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Property Tax Levies and Collections for Chatham County**  
**Last Ten Fiscal Years**

Year Ended June 30	Taxes Levied for the Fiscal Year (net)	Collected Within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy	Amount		Percentage of Adjusted Levy	
2014	\$ 58,419,050	\$ 57,553,931	98.52%	\$ 816,620	\$ 58,370,551	99.92%	
2015	58,636,579	57,830,764	98.63%	761,939	58,592,703	99.93%	
2016	60,613,213	59,840,287	98.72%	739,670	60,579,957	99.95%	
2017	63,850,060	63,246,063	99.05%	563,201	63,809,264	99.94%	
2018	67,206,357	66,417,903	98.83%	686,620	67,104,523	99.85%	
2019	70,336,774	69,682,844	99.07%	401,108	70,083,952	99.64%	
2020	77,865,650	77,029,214	98.93%	588,617	77,617,831	99.68%	
2021	81,601,001	81,083,169	99.37%	324,010	81,407,179	99.76%	
2022	92,805,265	92,065,893	99.20%	-	92,065,893	99.20%	
2023	96,802,355	96,110,284	99.29%	-	96,110,284	99.29%	

N/A = Not Available

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2014	\$ 120,197	\$ 120,197	0.003%	\$ 2
2015	2,663,664	2,663,664	0.075%	39
2016	2,036,535	2,036,535	0.055%	30
2017	1,578,026	1,578,026	0.041%	22
2018	976,050	976,050	0.023%	14
2019	1,452,225	1,452,225	0.031%	20
2020	1,101,311	1,101,311	0.023%	15
2021	709,807	709,807	0.014%	10
2022	214,286	214,286	0.004%	3
2023	203,450	203,450	N/A	3

N/A = Not available

Source: Chatham County Board of Education, North Carolina, Annual Financial Reports.

Note: Chatham County School System cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, county level annual income data is not yet available for the current fiscal year. Therefore, June 30, 2023 income based information will be shown above as "N/A", and will be reported for the year ended June 30, 2024, if applicable.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

<u>Type/Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<u>Direct Debt</u>			
Chatham County Schools	\$ 203,450	100.00%	\$ 203,450
<u>Overlapping Debt</u>			
Chatham County	227,017,237	100.00%	227,017,237
Town of Cary	197,008,458	2.77%	5,457,134
Total Overlapping Debt	<u>424,025,695</u>		<u>232,474,371</u>
Total Direct and Overlapping Debt	<u>\$ 424,229,145</u>		<u>\$ 232,677,821</u>

Sources: Chatham County Board of Education, North Carolina, Annual Financial Reports.

Chatham County, North Carolina Annual Comprehensive Financial Report for the year ended June 30, 2023.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages are estimated by determining the portion of another governmental unit's taxable assessed value within the County's boundaries and dividing it by each unit's total taxable assessed value.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Ratios of Outstanding Debt by Type for Chatham County**  
**Last Ten Fiscal Years**

Year Ended June 30	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Loans	SBITAS	General Obligation Bonds	Revenue Bonds	Installment Loans	SBITAS			
2014	\$ 2,925,000	\$ 112,762,583	\$ -	\$ 3,082,000	\$ 1,808,000	\$ 14,589,755	\$ -	\$ 135,167,338	3.79%	\$ 2,029
2015	1,250,000	129,522,694	-	3,040,000	1,781,000	13,389,125	-	148,982,819	4.20%	2,203
2016	-	124,365,462	-	2,996,000	1,752,000	12,245,164	-	141,358,626	3.84%	2,057
2017	-	115,561,935	-	2,950,000	1,722,000	11,274,051	-	131,507,986	3.41%	1,831
2018	-	107,025,251	-	2,902,000	1,691,000	10,293,299	-	121,911,550	2.84%	1,706
2019	-	223,914,507	-	2,853,000	1,659,000	9,299,696	-	237,726,203	5.16%	3,250
2020	-	232,737,722	-	2,802,000	1,626,000	8,293,240	-	245,458,962	5.09%	3,296
2021	-	221,850,944	-	2,749,000	1,592,000	7,288,503	-	233,480,447	4.62%	3,135
2022	-	231,691,922	-	2,693,000	1,557,000	6,264,558	-	242,206,480	4.11%	3,175
2023	-	227,702,183	1,058,175	2,635,000	1,520,000	5,227,602	81,168	238,224,128	N/A	2,983

N/A = Not available

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

Note: Per capita and percentage of personal income ratios are calculated using personal income and population from the prior calendar year.

Note: This table is a ten year schedule. However, county level annual income data is not yet available for the current fiscal year. Therefore, June 30, 2023 income based information will be shown above as "N/A", and will be reported for the year ended June 30, 2024, if applicable.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Ratio of Net General Bonded Debt Outstanding for Chatham County**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income</b>	<b>Percentage of Actual Taxable Property Value</b>	<b>Per Capita</b>
2014	\$ 6,007,000	0.17%	0.06%	\$ 90
2015	4,290,000	0.12%	0.05%	63
2016	2,996,000	0.08%	0.03%	44
2017	2,950,000	0.08%	0.03%	41
2018	2,902,000	0.07%	0.03%	41
2019	2,853,000	0.06%	0.03%	39
2020	2,802,000	0.06%	0.02%	38
2021	2,749,000	0.05%	0.02%	37
2022	2,693,000	0.05%	0.02%	35
2023	2,635,000	N/A	0.02%	33

N/A = Not available

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

Note: Per capita and percentage of personal income ratios are calculated using personal income and population from the prior calendar year.

Note: This table is a ten year schedule. However, county level annual income data is not yet available for the current fiscal year. Therefore, June 30, 2023 income based information will be shown above as "N/A", and will be reported for the year ended June 30, 2024, if applicable.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Legal Debt Margin For Chatham County**  
**Last Ten Fiscal Years**

	Year Taxes are Payable (dollars in thousands)									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value of Property	\$ 9,376,365	\$ 9,418,243	\$ 9,737,933	\$ 10,062,281	\$ 10,686,458	\$ 11,181,508	\$ 11,612,454	\$ 12,165,785	\$ 13,933,718	\$ 14,532,663
Statutory Limitation	\$ 750,109	\$ 753,459	\$ 779,035	\$ 804,982	\$ 854,917	\$ 894,521	\$ 928,996	\$ 973,263	\$ 1,114,697	\$ 1,162,613
Amount of Debt Applicable to Limit										
Gross Debt	135,167	148,983	141,359	131,508	121,912	237,726	234,487	233,480	241,644	238,224
Less: Debt outstanding for water purposes	(19,115)	(18,210)	(16,993)	(15,946)	(14,886)	(13,812)	(12,721)	(11,630)	(10,419)	(9,382)
Total net debt applicable to limit	116,052	130,773	124,366	115,562	107,026	223,914	221,766	221,850	231,225	228,842
Legal Debt Margin	\$ 634,057	\$ 622,686	\$ 654,669	\$ 689,420	\$ 747,891	\$ 670,607	\$ 707,230	\$ 751,413	\$ 883,472	\$ 933,771
Total net debt applicable to the limit as a percentage of debt	15.47%	17.36%	15.96%	14.36%	12.52%	25.03%	23.87%	22.79%	20.74%	19.68%

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports

Note:

(a) NC Statute G.S. 159-55 limits the County's outstanding debt to 8% of the appraised property value subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. 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.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Principal Employers for Chatham County**  
**For Years Ended June 30, 2023 and 2014**

Employer	2023			2014		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment
Chatham County Schools	1,000+	1	3%+	1,000+	1	3%+
Chatham County	500-999	2	2%	250-499	2	1%
Carolina Meadows Inc.	250-499	3	1%	250-499	3	1%
Mountaire Farms of NC Inc.	250-499	4	1%	100-249	8	1%
Galloway Ridge Inc.	250-499	5	1%	250-499	4	1%
NC Health	100-249	6	1%	-	-	-
Wal-Mart	100-249	7	1%	100-249	6	1%
Flakeboard America Limited	100-249	8	1%	-	-	-
NFI Interactive Logistics, Inc.	100-249	9	1%	-	-	-
Piedmont Health Services Inc	100-249	10	1%	-	-	-
Arauco Panels USA LLC	-	-	-	250-499	5	1%
Performance Fibers Inc	-	-	-	100-249	7	1%
Chatham Hospital Inc	-	-	-	100-249	9	1%
Fitch Creations Inc	-	-	-	100-249	10	1%
			<u>13%+</u>			<u>12%+</u>
Total County Employment <sup>(2)</sup>	<u>37,363</u>			<u>32,318</u>		

Sources:

(1) Chatham County, North Carolina Annual Comprehensive Financial Report for the year ended June 30, 2023.

(2) North Carolina Employment Security Commission

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Demographic and Economic Statistics for Chatham County**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Population Estimate	66,618	67,620	68,725	71,815	71,472
Personal Income <sup>(1)</sup>	\$3,563,765	\$3,544,330	\$3,676,829	\$3,853,597	\$4,297,392
Per Capita Income	\$53,336	\$51,593	\$51,839	\$53,342	\$60,127
School Enrollment	8,193	8,330	8,436	8,636	8,747
Unemployment Rate	4.5%	5.2%	4.4%	3.6%	3.6%
<b>Year Ended June 30</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Population Estimate	73,139	74,470	74,470	76,285	79,864
Personal Income <sup>(1)</sup>	\$4,610,745	\$4,826,158	\$5,057,385	\$5,890,292	N/A
Per Capita Income	\$63,041	\$64,807	\$67,912	\$77,214	N/A
School Enrollment	8,809	8,972	8,524	8,762	8,862
Unemployment Rate	4.0%	5.8%	3.9%	3.4%	3.0%

(1) Dollars in thousands

N/A = Not Available

Source: Chatham County, North Carolina Annual Comprehensive Financial Reports.

Note: This table is a ten year schedule. However, county level annual income data is not yet available for the current fiscal year. Therefore, June 30, 2023 income based information will be shown above as "N/A", and will be reported for the year ended June 30, 2024, if applicable.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Employees by Function**  
**Last Ten Fiscal Years**

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
School and School Based Support:										
Principals	17	17	17	17	17	17	17	18	19	19
Assistant Principals	13	14	15	15	15	15	15	15	15	18
Elementary Teachers	399	399	416	416	410	425	426	437	433	418
Secondary Teachers	166	170	171	180	181	181	184	187	196	197
Teacher Assistants	176	159	140	149	156	141	144	143	126	116
Other Teachers	14	14	17	17	17	18	18	16	19	20
Guidance Counselors	21	21	21	22	22	22	22	23	25	24
Psychological	4	4	6	6	6	6	5	5	5	5
Librarian/Audiovisual	16	16	16	16	17	17	16	17	17	18
Other	52	45	52	55	56	82	69	73	99	111
Total School and School Based Support	878	859	871	893	897	924	916	934	954	946
Central Services:										
Administration and Management	18	18	18	18	18	18	18	17	19	21
Technicians	14	14	14	14	14	14	14	14	16	15
Clerical	80	74	72	72	74	74	71	75	84	94
Service Workers	159	151	150	160	157	158	161	153	109	114
Other	28	31	28	33	27	28	28	26	25	23
Total Central Services	299	288	282	297	290	292	292	285	253	267
Total Employees	1,177	1,147	1,153	1,190	1,187	1,216	1,208	1,219	1,207	1,213

Source: North Carolina Public Schools Statistical Profile (2014-2023 Editions)

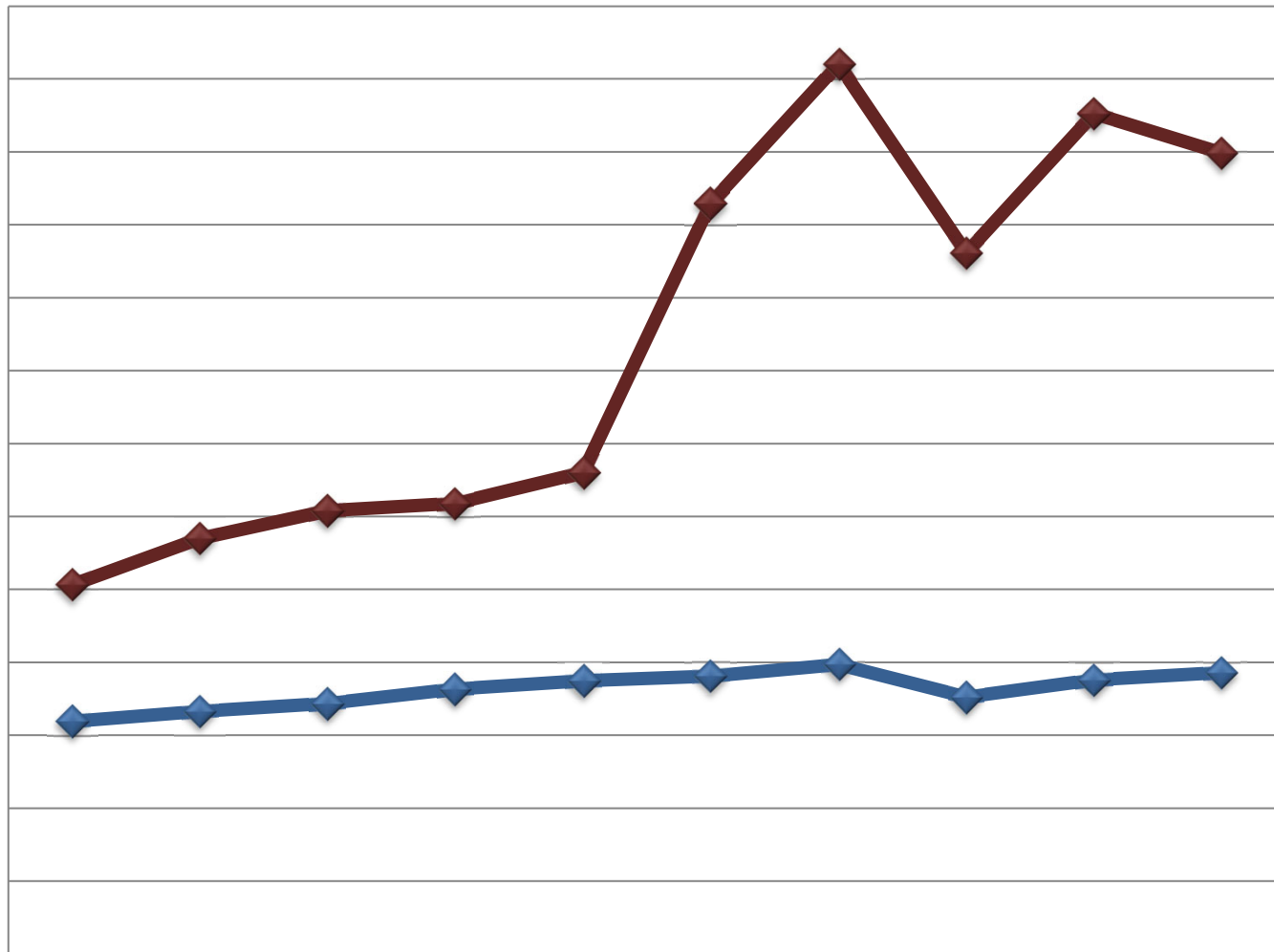
**CHATHAM COUNTY BOARD OF EDUCATION**  
**Operating Indicators**  
**Last Ten Fiscal Years**

Year Ended June 30	Enrollment	Percentage Change	Operating Expenditures	Cost per Pupil	Percentage Change	Number of Schools	Graduating Class
2014	8,193	1.59%	\$82,446,818	\$10,063	-4.43%	17	446
2015	8,330	1.67%	\$89,099,737	\$10,696	6.29%	17	554
2016	8,436	1.27%	\$93,474,310	\$11,080	3.59%	17	536
2017	8,636	2.37%	\$96,553,127	\$11,180	0.90%	17	589
2018	8,747	1.29%	\$101,503,906	\$11,604	3.79%	17	619
2019	8,809	0.71%	\$134,726,157	\$15,294	31.80%	17	631
2020	8,972	1.85%	\$154,375,303	\$17,206	12.50%	17	645
2021	8,524	-4.99%	\$124,571,065	\$14,614	-15.06%	18	620
2022	8,762	2.79%	\$144,791,409	\$16,525	13.08%	19	612
2023	8,862	1.14%	\$141,652,627	\$15,984	-3.27%	19	N/A

Source: North Carolina Public Schools Statistical Profile (2014-2023 Editions)

Note: This table is a ten year schedule. However, the graduate data for the year ended June 30, 2023 could not be obtained from the North Carolina Department of Public Instruction prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

### Enrollment Compared to the Cost per Pupil



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
◆ Enrollment	8,193	8,330	8,436	8,636	8,747	8,809	8,972	8,524	8,762	8,862
◆ Cost per pupil	\$10,063	\$10,696	\$11,080	\$11,180	\$11,604	\$15,294	\$17,206	\$14,614	\$16,525	\$15,984

**CHATHAM COUNTY BOARD OF EDUCATION**  
**Capital Assets**  
**For the Year Ended June 30, 2023**

Schools	Site Size (Acres)	Square Footage	Year First Built	Building Classrooms	Capacity	Enrollment
Elementary Schools:						
North Chatham	31.580	69,390	1990	28	564	585
Perry W. Harrison	43.265	80,780	1996	31	592	210
Pittsboro	20.840	64,208	1960	35	676	476
Siler City	20.750	70,609	1977	33	664	600
Virginia Cross	45.443	101,000	2007	43	822	431
Chatham Grove Elementary	26.150	105,603	2020	42	730	660
Kindergarten - Eighth Grade:						
Bennett	13.956	45,798	1951	14	216	169
Bonlee	12.706	45,000	1951	19	352	294
J.S. Waters	13.349	58,988	1953	21	410	198
Moncure	17.970	48,429	1958	22	462	210
Silk Hope	16.376	52,869	1951	20	404	275
Middle Schools:						
Chatham	56.370	71,042	1996	27	582	554
Horton	24.230	81,050	1956	37	816	371
Margaret B. Pollard	31.530	119,945	2011	38	748	767
High Schools:						
Chatham Central	60.500	103,878	1959	33	715	352
Jordan-Matthews	55.008	134,473	1956	44	924	886
Northwood	94.310	122,678	1972	44	964	922
Seaforth	75.400	213,271	2021	72	1,400	727
Chatham School of Science & Engineering <sup>(1)</sup>	N/A	N/A	N/A	N/A	N/A	85
Chatham County Schools Virtual Academy	N/A	N/A	N/A	N/A	N/A	84
ONE Academy <sup>(2)</sup>	N/A	N/A	N/A	N/A	N/A	6

Source: Chatham County Schools Facilities and Transportation Department

Note:

(1) School of Science & Engineering is located at Central Carolina Community College

(2) ONE Academy is located at Chatham Center for Innovation



**CHATHAM**  
COUNTY SCHOOLS



# ***COMPLIANCE***





# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

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

To the Chatham County Board of Education  
Pittsboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Chatham County Board of Education, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprises the Chatham County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated October 31, 2023.

### ***Report on Internal Control Over Financial Reporting***

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Chatham County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Anderson Smith & Wike PLLC*

*October 31, 2023  
Rockingham, North Carolina*



**INDEPENDENT AUDITOR'S REPORT**

Report On Compliance for Each Major Federal Program and Report on  
Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit  
Implementation Act

To the Chatham County Board of Education  
Pittsboro, North Carolina

***Report on Compliance for Each Major Federal Program***

***Opinion on Each Major Federal Program***

We have audited Chatham County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2023. The Chatham County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Chatham County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Chatham County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Chatham County Board of Education's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we

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

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

### ***Report on Internal Control Over Compliance***

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

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

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

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

*Anderson Smith & Wike PLLC*

*October 31, 2023  
Rockingham, North Carolina*



**INDEPENDENT AUDITOR'S REPORT**

Report On Compliance for Each Major State Program and Report on  
Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit  
Implementation Act

To the Chatham County Board of Education  
Pittsboro, North Carolina

***Report on Compliance for Each Major State Program***

***Opinion on Each Major State Program***

We have audited Chatham County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2023. The Chatham County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Chatham County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Chatham County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Chatham County Board of Education's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

### ***Auditor's Responsibilities for the Audit of Compliance***

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we

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

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

### ***Report on Internal Control Over Compliance***

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

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

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

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

*Anderson Smith & Wike PLLC*

*October 31, 2023  
Rockingham, North Carolina*

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2023**

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**Section I - Summary of Auditor’s Results**

***Financial Statements***

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance to GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None Identified for Reporting*

Noncompliance material to financial statements noted? *No*

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None Identified for Reporting*

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

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

Identification of major federal programs:

<b>AL Number</b>	<b>Name of Federal Program or Cluster</b>
	Special Education Cluster:
84.027	Grants to States - IDEA, part B (611)
84.027	COVID-19 - ARP - Grants to States - IDEA, part B (611)
84.027	Special Needs Targeted Assistance
84.173	Preschool Grants - IDEA, Part B (619)
84.173	Preschool Targeted Assistance
84.010	Title I, Grants to Local Educational Agencies
84.425	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B Programs *\$ 750,000*

Auditee qualified as low-risk auditee? *Yes*

**CHATHAM COUNTY BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Fiscal Year Ended June 30, 2023**

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**Section I - Summary of Auditor's Results (Continued)**

**State Awards**

Internal control over major State programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None Identified for Reporting*

Type of auditor's report issued on compliance for major State programs:

*Unmodified*

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

*No*

Identification of major State programs:

Program Name

State Public School Fund

**Section II - Financial Statement Findings**

None reported.

**Section III - Federal Award Findings and Questioned Costs**

None reported.

**Section IV - State Award Findings and Questioned Costs**

None reported.

**CHATHAM COUNTY BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Fiscal Year Ended June 30, 2023**

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No findings were reported in the prior year.

**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
<b>Federal Grants:</b>			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 337,497
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	777,556
National School Lunch Program	10.555	PRC 035	2,511,524
Supply Chain Assistance Funds	10.555	PRC 035	239,173
After School Snack Program	10.555	PRC 035	543
Seamless Summer Program	10.555	PRC 035	55,292
Cash Assistance Subtotal			<u>3,584,088</u>
Total Child Nutrition Cluster			<u>3,921,585</u>
Local Food for Schools Cooperative Agreement Program	10.185	PRC 035	<u>17,662</u>
Total U.S. Department of Agriculture			<u>3,939,247</u>
<u>U.S. Department of the Treasury</u>			
Passed-through the N.C. Office of State Management and Budget:			
N.C. Pandemic Recovery Office:			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - School Bus Safety Pilot Program	21.027	PRC 140	<u>212,425</u>
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050	1,701,263
Migrant Education (Title I of IASA)	84.011	PRC 051	63,880
Supporting Effective Instruction State Grant	84.367	PRC 103	330,369
Language Acquisition Grant	84.365	PRC 104, 111	175,875
Student Support and Academic Enrichment Program	84.424	PRC 108	105,318
Education for Homeless Children and Youth	84.196	PRC 026	72,514
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	1,873,642
COVID-19 - ARP - Grants to States - IDEA, part B (611)	84.027	PRC 185	90,495
Special Needs Targeted Assistance	84.027	PRC 118	10,500
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	54,692
Preschool Targeted Assistance	84.173	PRC 119	2,000
Total Special Education Cluster			<u>2,031,329</u>
Special Education - State Personnel Development	84.323	PRC 082	179
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	124,947

**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
COVID-19 - Education Stabilization Fund:			
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	2,010,564
COVID-19 - ESSER II - Learning Loss Funding	84.425D	PRC 176	25,237
COVID-19 - ESSER II - Summer Career Accel. Program	84.425D	PRC 177	94,939
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	6,664,719
COVID-19 - ESSER III - Homeless	84.425W	PRC 183	53,862
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	1,787
COVID-19 - ESSER III - Math Enrichment Programs	84.425U	PRC 189	94,879
COVID-19 - ESSER III - NC Preschool Pyramid Expansion	84.425U	PRC 190	2,891
COVID-19 - ESSER III - Grants for Identification and Location of Missing Students	84.425U	PRC 191	12,006
COVID-19 - ESSER III - NBPTS Certification Fee Reimbursement Program	84.425U	PRC 198	10,503
COVID-19 - ESSER III - School Psych. Grant Program	84.425U	PRC 204	30,746
COVID-19 - ESSER III - Principal Retention Supplements	84.425U	PRC 206	2,257
Total COVID-19 - Education Stabilization Fund	84.425		<u>9,004,390</u>
Total U.S. Department of Education			<u>13,610,064</u>
<b>Total Federal Assistance</b>			<b><u>\$ 17,761,736</u></b>
<b>State Grants:</b>			
<u>N.C. Department of Public Instruction</u>			
Cash Assistance:			
State Public School Fund		Various	\$ 63,204,052
Career and Technical Education:			
State Months of Employment		PRC 013	3,379,190
Program Support Funds		PRC 014	306,626
Driver Training		PRC 012	194,959
School Technology Fund		PRC 015	105,726
Cash Assistance Subtotal			<u>67,190,553</u>
Non-Cash Assistance:			
State Buses Appropriation		PRC 120	322,490
Passed-through Chatham County:			
Public School Capital Fund - Lottery			<u>77,128</u>
Total N.C. Department of Public Instruction			<u>67,590,171</u>
<u>N.C. Department of Agriculture</u>			
State Reduced Breakfast Program			7,388
State Reduced Lunch Program			<u>18,972</u>
Total N.C. Department of Agriculture			<u>26,360</u>

**CHATHAM COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Fiscal Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<u>N.C. Department of Health and Human Services</u> Division of Public Health: State School Nurse Initiative			100,000
<b>Total State Assistance</b>			<b><u>67,716,531</u></b>
<b>Total Federal and State Assistance</b>			<b><u>\$ 85,478,267</u></b>

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Chatham County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Chatham County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Chatham County Board of Education.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Chatham County Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



# CHATHAM

## COUNTY SCHOOLS

Chatham County Schools  
468 Renaissance Dr. Pittsboro, NC 27312