

# Chapel Hill – Carrboro City Schools



## Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2021

[chccs.org](http://chccs.org)  
750 S Merritt Mill Road  
Chapel Hill, NC 27517

# **Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021**

## **Chapel Hill – Carrboro City Board of Education Board Members and Principal Official**

Jillian LaSerna, Chair

Deon Temne, Vice Chair

Rani Dasi

Mary Ann Wolf

Ashton Powell

Lisa Kaylie

Dr. Nyah Hamlett, Superintendent

Lincoln Center  
750 South Merritt Mill Road  
Chapel Hill, NC 27516  
(919) 967-8211  
[www.chccs.org](http://www.chccs.org)

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS**

<b>Introductory Section</b>	<u>Page No.</u>
Letter of Transmittal .....	i
Organizational Chart .....	vii
Board Members .....	viii
School District Map .....	ix
Governmental Finance Officers Association Award .....	x
Association of School of Business Officials International Award .....	xi
 <b>Financial Section</b>	
Independent Auditors' Report.....	1
Management's Discussion and Analysis .....	3
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	10
Statement of Activities .....	11
 Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	14
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund and Annually Budgeted Major Special Revenue Funds.....	15
Statement of Net Position - Proprietary Fund Types.....	19
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Fund Types .....	20
Statement of Cash Flows - Proprietary Fund Types.....	21
 Notes to the Basic Financial Statements.....	23
 Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System .....	48
Schedule of Board Contributions – Teachers' and State Employees' Retirement System .....	49
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund .....	50
Schedule of Board Contributions – Retiree Health Benefit Fund .....	51
Schedule of the Board's Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina .....	52
Schedule of Board Contributions – Disability Income Plan of North Carolina .....	53

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

<b>Financial Section (continued)</b>	<u>Page No.</u>
Individual Fund Budgetary and Other Schedules:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	54
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund .....	56
Schedule of Revenues, Expenditures and Changes in Fund Balances - Individual Schools Fund .....	57
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund .....	58
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) Child Care Fund .....	59
<b>Statistical Section</b>	<u>Page No.</u>
Statistical Section Description.....	60
Financial Trends	
Net Position by Component.....	62
Changes in Net Position.....	64
Governmental Funds – Fund Balances .....	66
Governmental Funds – Changes in Fund Balances.....	68
Governmental Funds – Revenue by Source & Expenditures by Function.....	69
Net Position History for the School Food Service and Child Care Funds .....	70
Revenue Capacity	
Financial Perspective – Governmental and Business-type Activities.....	71
Proprietary Fund - Food Service Operations - Revenues by Source.....	72
Proprietary Fund - Food Service Operations - Expenses by Category.....	74
Debt Capacity – Chapel Hill-Carrboro City Board of Education & Orange County, NC	
Governmental Activities – Debt Obligations – Chapel Hill-Carrboro City Board of Education.	76
Ratios of Outstanding Debt by Type – Orange County, NC.....	77
Demographic and Economic Information – Orange County, NC	
Principal Property Taxpayers.....	78
Property Tax Levies and Current Collections.....	79
Assessed Value and Actual Value of Taxable Property.....	80
Demographic Statistics .....	81
Principal Employers.....	82
Operating Information	
Operational Expenditures Per Pupil - Expenditures by Function .....	83
Average Daily Membership.....	85
Full-Time Equivalent Governmental Employees by Function/Program.....	86
Student Statistics.....	87
Instructional Personnel .....	89
School Building Data.....	90



## **Introductory Section**



## **Letter of Transmittal**

December 15, 2021

**To the members of the Chapel Hill – Carrboro City Board of Education and the citizens of Chapel Hill, Carrboro, and Orange County, North Carolina.**

In compliance with the Public School Laws of North Carolina, The Annual Comprehensive Financial Report (ACFR) of the Chapel Hill-Carrboro City Board of Education, operating as the “Chapel Hill – Carrboro City Schools,” for the fiscal year that ended June 30, 2021, is herewith submitted. Responsibility for the accuracy, completeness, and clarity of the report rests with the Superintendent of schools and the Chief Financial Officer.

Management’s discussion and analysis (MD&A) follows the independent auditors’ 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 Budget and Finance Department, with assistance from other departments, has prepared the report 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.

### **Reporting Entity**

The Chapel Hill – Carrboro City Board of Education is a separate governmental entity providing public elementary and secondary education to students of the Chapel Hill and Carrboro Townships in North Carolina. The Board has no tax levying authority or borrowing authority. The County levies taxes but cannot govern the Board’s budget allocated for schools. The County levies all taxes and manages all debt related to the school system. The County does not share in any surpluses generated by the District nor is required to finance any deficits of the school system. Consequently, the Board is not fiscally dependent on the County and is recognized as a primary government entity.

The Board receives State and Federal government funding and must comply with the legal requirements of each funding entity. North Carolina statute 115C-40 empowers the publicly elected

Chapel Hill – Carrboro City Board of Education with general control and supervision of all matters pertaining to the schools in the system.

North Carolina’s legislation authorized charter schools as an alternative to traditional public schools. Students whose residence is within the Chapel Hill and Carrboro Townships are eligible to have the per-pupil County appropriated funding sent to their respective charter schools. Although the County funds pass through the Board, the Board has no authority or responsibility related to the charter schools, and therefore, they are not component units of the Board. The Board does not have any component units nor is it a component unit of any other entity.

The Board consists of seven 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.

### **Economic Condition and Outlook**

Chapel Hill - Carrboro City Schools (CHCCS) serves students in the Chapel Hill and Carrboro townships and is located in Orange County, North Carolina. The Chapel Hill – Carrboro community is known for its southern charm and village-like environment. It is the home of the University of North Carolina (UNC) at Chapel Hill and UNC Hospitals, both nationally known institutions. The Chapel Hill and Carrboro communities are considered great places to live.

The school district is a part of the Research Triangle Region consisting of Orange, Durham, and Wake counties. This 7,000 acre region continues to be rated as one of the nation’s top-ranked areas to live because of the overall quality of life. The prominent Research Triangle Park (RTP) is regarded as the leading and largest high technology research and science park in the country. RTP is home to over 300 companies, employing over 55,000 employees, 10,000 contractors, and promotes research collaborations between the higher learning institutions in the region, such as UNC and Duke University, that have led to groundbreaking innovations documented by thousands of patents and trademarks. University-based research is a key factor to economic growth in the Research Triangle region accounting for \$3.7 billion in annual spending. RTP remains a model for collaboration, as one of North America's largest and, arguably, the world's most successful research park.

Orange County had an estimated 2020 population of 149,077, with an average growth rate of 4.9% over the past five years. Orange County includes Hillsborough, the county seat, and the towns of Chapel Hill, Carrboro, and Mebane. Chapel Hill has the largest municipal population with 61,960 residents and Carrboro has the second largest population with 21,295. Together, the two townships represent approximately 56% of the total population in Orange County. Orange County is the 19<sup>th</sup> largest county, by population, of the 100 counties in the State of North Carolina.

The economy of Orange County, North Carolina employs 77,100 people. The leading industries in Orange County continue to be educational services, health care and social assistance, 54%; professional, scientific, management, administrative, retail, and waste management services, 19%; arts, entertainment, recreation, accommodation and food services, 18%; and, all others 9%. Orange County’s per capita personal income is the highest in North Carolina at \$65,185. Orange County continues to be an attractive place to live and offers a great deal of diversity.

CHCCS is one of two public school systems residing in Orange County along with two public charter schools. During the 2020-2021 school year, the District operated four high schools, four middle schools, eleven elementary schools, and a hospital school. The District had an average daily membership of 11,645 for 2020-2021. The District's budgeted student enrollment for the current year is 12,351 students. The current enrollment is 939 students under the projection. Total Orange County student enrollment for 2020-2021 was 19,463 including the 2 charter schools.

CHCCS' school buildings were built between 1952 and 2013. The District has a backlog of deferred maintenance and repair needs at the older facilities and the county provided \$891,000 of funding dedicated towards those deferred maintenance efforts in FY 2020-21. A Capital Investment Plan that establishes a plan to renovate and repair all of our older schools over the next 10 years is maintained from year to year. Adequate funding to meet the scheduled renovations continues to be a challenge, especially with current State class-size mandated requirements needing to be implemented. The District is working aggressively with the County to resolve our potential capacity issues. See the Statistical Section of this report for more detailed data on our school buildings. The 2013 Comprehensive Facility Assessment identified over \$50M dollars of immediate needs and an additional \$300M of needs in order to renovate older schools, update them to state capacity standards and to expand capacity for future student membership growth. The District is currently evaluating school renovation needs as part of the long-range capital plans.

The County's unemployment rate of 3.7% in June 2021 was an improvement from the June 2020 rate of 5.9%. Orange County's unemployment rate was lower than the State's reported June 2021 rate of 4.9%. With an average unemployment rate of 4.2% over the last five years, the economic stability of the region is still evidenced by an unemployment rate lower than the State or national average. Overall, the County's tax base is 80% residential and 20% commercial.

The North Carolina General assembly made minimal gains to raise the State's average teacher salary in 2020-21. The beginning teacher salary remained at \$35,000 and only some teachers received an adjustment in their pay based on years' experience. All other employees' salaries remained unchanged from the prior year. North Carolina's average teacher pay still continues to lag behind the national average.

The County continued its strong support for public education and provided a \$14.75 per pupil increase (0.3%), which helped maintain Local funding in FY 2020-21. The special district tax rate remained at \$.2018 in 2020-21. However, due to the slight decline in enrollment, Local funding declined slightly by \$24,000. The Board appropriated \$3.2 million at adoption to balance the Local budget and subsequently appropriated an additional \$1.8 million in COVID-19 mitigation efforts. However the need for the majority of those funds was not realized due to cost saving measures taken to maximize State and Federal revenue sources during the year.

A 10% cost increase in the State retirement employer match rates and a \$341 per person increase in the health insurance match rates in the 2020-21 budget continue to greatly impact school district budgets across the state. Funds are required to be matched by local counties for staff not paid from State funds which has resulted in a loss of purchasing power in other areas of the budget as those rates continue to climb. The rate increases are set by the State's legislature and are mandatory.



Orange County continues to make education funding a fiscal priority. Nearly half of the county's budget is earmarked to the two public school systems. Funds for the charter schools flow through the public school systems as required under State general statute.

### **Major Instructional Initiatives**

The District is in the third and final year of its Strategic Plan for FY 2019-2021. Our main goals are to Empower, Inspire, and Engage EVERY CHILD in our district. We have four main areas of focus: Student Success, Employee Experience, Family and Community Engagement and Organizational Effectiveness. We continued concerted efforts towards equity training in our District and entire county through joint efforts with Orange County schools and the Orange County government. CHCCS has also prioritized professional development in Literacy/Language Arts and partnered with higher education institutions to offer graduate level coursework to our teachers and create pathways of dual certification in key areas, including English as a Second Language, Gifted Education, and Exceptional Children. In addition to developing a district instructional framework based on high yield, culturally responsive strategies, we have also implemented a new Community Code of Character, Conduct and Support to create equity-centered learning environments in every classroom.

The District achieved a 92.8% cohort graduation rate in 2020-2021 compared to 87% for the State.

CHCCS remains one of the top-ranked public school districts in the United States and in North Carolina. The District has maintained its ranking as a high performing school district and has one of the highest SAT and ACT average scores in the State of North Carolina.

### **Major Financial Initiatives**

The District is almost completed with the major renovation of Chapel Hill High School with funding from a bond referendum. The \$72 million from the 2016 bond referendum, plus some additional reserve funds from the District of about \$1 million, will be needed to complete the project.

The District remains financially stable, has an adequate fund balance, and continues to strategically utilize district resources to provide an excellent education for students in Chapel Hill and Carrboro.

### **Accounting System**

In order to provide a challenging and engaging learning experience to the students attending CHCCS, 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. In doing so, the Board is unable to summarize all governmental financial transactions and balances into one accounting entity. Instead, the accounting system is comprised of two separate entities, each referred to as a "fund." The board's funds are divided into governmental and proprietary types. Each fund is a self-balancing set of accounts that are segregated for the purpose of carrying on specific activities in accordance with the law, good accounting practices, special regulations, or other limitations. Governmental fund types include general, special revenue, and capital projects. The enterprise funds: Child Nutrition and Child Care comprise the proprietary fund types.

## **Internal Controls**

The District's fiscal activities are governed by the North Carolina School Budget and Fiscal Control Act which requires a pre-audit procedure to ensure funds are available for expenditures. The accounting records for the general, special revenue, and capital projects, are maintained on a modified accrual basis while the enterprise funds are presented on a full accrual basis. Because the cost of a control should not exceed the benefits to be derived, the internal controls provide reasonable, but not absolute, assurance that assets will be safeguarded against loss from theft, loss, or fraud, and to ensure the reliability of financial records for preparation of financial statements. The Finance Office is responsible for establishing and maintaining an internal control system.

## **Budgetary Control**

The general statutes of North Carolina require all governmental agencies to adopt balanced budgets each July 1. The Board approves the annual budget by State defined funds, functions, and program report codes. Funds are encumbered in the budget for purchasing obligations. In all fund codes except special revenue funds, outstanding encumbrances are carried forward to the next fiscal year and the respective budgets are also carried forward.

The budget serves as the basis for the District's financial planning and control. The Superintendent is authorized to approve budget transfers within all functions. Board policies govern the Superintendent's level of authority to move funds without prior Board approval. The Board ratifies all budget transfers not requiring prior Board approval at a subsequent time. Transfers that alter the total budget by fund code must have prior approval by the school board.

It is customary in the Chapel Hill – Carrboro City School System to encourage schools and departments to spend as needed for instructional purposes and to implement cost saving measures wherever possible. Salaries and benefits budgets are managed at the Central Office level as a budget constraint to minimize reversions of State and Federal funds at most functional levels in the budget due to staff attrition. Lapsed salaries are available to schools for temporary hires as vacancies are recruited and filled. Positions are allotted to schools based on enrollment and programming. Fund balance stability is crucial to cash flow due to the cyclical nature of some revenue sources in the General Fund. This practice creates a positive variance at most purpose levels in the comparison of the amended budget and actual results.

The 2020-21 General fund ended the year with an unassigned fund balance of \$11.3 million. Due to the uncertainty in the State budget the District implemented some cost savings strategies to ensure it did not need the entire appropriation of \$5 million choosing to reserve those funds to guard against those funding uncertainties. This provides the Board a balance of about 5.7% of total expenditures.

## **Independent Audit**

North Carolina General Statutes require an annual independent audit by independent certified public accountants. Anderson Smith & Wike PLLC, a firm of independent certified public accountants, has audited the financial statements and has issued an unmodified opinion which is included in the financial section of this report. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and

related OMB Uniform Guidance. The auditors' report on the basic financial statements and individual fund statements and schedules is included in the financial section of this report.

### **Awards**

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Chapel Hill-Carrboro City Board of Education for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This award is a national program that provides unique professional recognition in the preparation and issuance of ACFRs by school systems.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Chapel Hill-Carrboro City Board of Education for its annual comprehensive financial report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded these certificates a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. These awards are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the ASBO and GFOA requirements and we are submitting it to ASBO and GFOA to determine its eligibility for renewed awards.

### **Acknowledgments**

Staff in the Budget and Finance Office prepared this report with assistance from personnel from other District administrative offices, the Orange County Finance Office, and our independent audit firm. Sincere appreciation is extended to everyone who assisted in any way to the development of this ACFR.

We thank the Chapel Hill – Carrboro City Board of Education for its commitment to providing a quality education for all students as well their commitment to maintaining the financial stability of the school district. We also extend our sincere thanks to the Orange County Commissioners for their continued support for Chapel Hill – Carrboro City Schools.

Respectfully submitted,

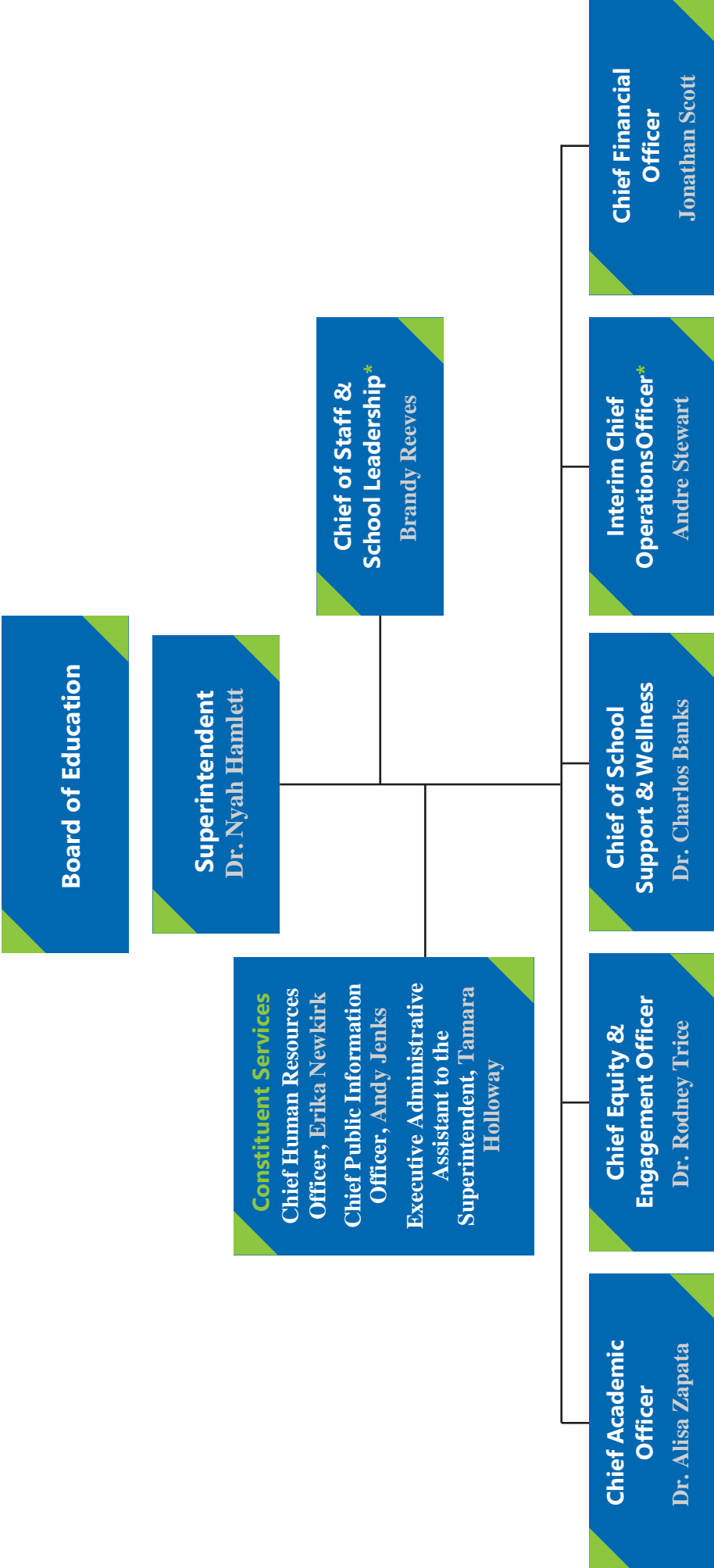


Dr. Nyah Hamlett  
Superintendent



Jonathan Scott  
Chief Financial Officer

# Superintendent's Cabinet & Central Services Division



\*Superintendent's designee(s) if/when the Superintendent is out of the office.

## Board of Education

The Board of Education is comprised of seven community members elected to set policy and direction for the local school district. The Chapel Hill-Carrboro City Schools Board of Education includes seven members who serve four-year terms.

### CHCCS School Board's Mission Statement:

To facilitate the CHCCS Mission by establishing and maintaining policies that are in the best interest of our students, communicating and engaging with key stakeholders, and hiring and collaborating with the district superintendent.

**Jillian LaSerna,  
Chair**

jillian.laserna@chccs.k12.nc.us



**Deon Temne,  
Vice Chair**

dtemne@chccs.k12.nc.us



**Lisa Kaylie**

lkaylie@chccs.k12.nc.us



**Mary Ann Wolf**

mawolf@chccs.k12.nc.us



**Ashton Powell**

apowell@chccs.k12.nc.us

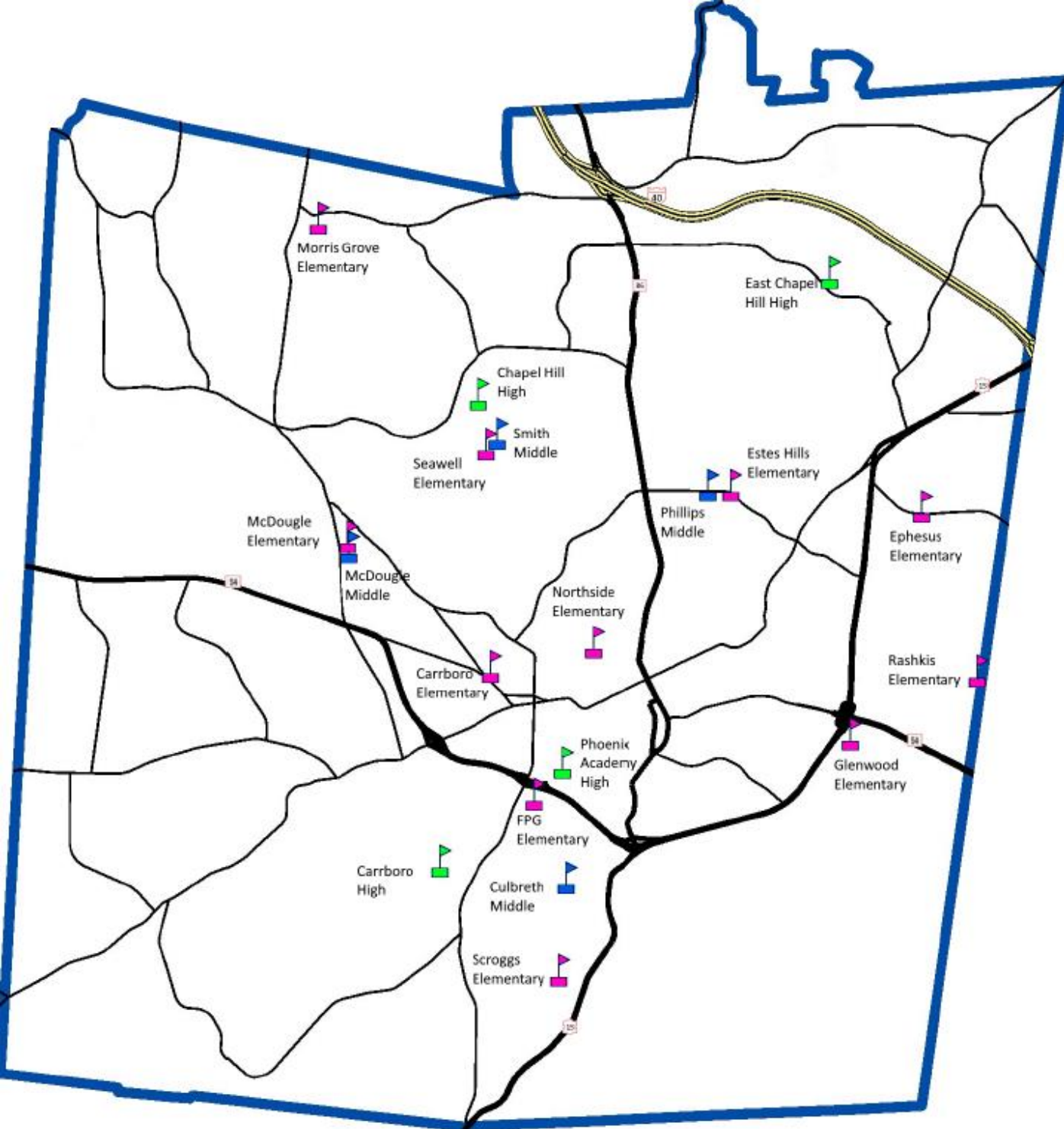


**Rani Dasi**

rdasi@chccs.k12.nc.us



# Chapel Hill-Carrboro City Schools District Map





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Chapel Hill-Carrboro City Board of Education  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Chapel Hill-Carrboro City  
Board of Education**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

The report meets the criteria established for  
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal  
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis  
Executive Director





## **Financial Section**



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Chapel Hill-Carrboro City Board of Education  
Chapel Hill, North Carolina

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chapel Hill-Carrboro City Board of Education, as of and for the year ended June 30, 2021 and the related notes to the basic financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chapel Hill-Carrboro City Board of Education as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, Federal Grants, and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 9 and the Schedule of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedules of Board Contributions on pages 48 through 53, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chapel Hill-Carrboro City Board of Education's basic financial statements. The introductory section, individual fund budgetary and other schedules, and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary and other schedules are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2021 on our consideration of the Chapel Hill-Carrboro City Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chapel Hill-Carrboro City Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

November 10, 2021  
Rockingham, North Carolina

## **CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

This section of the Chapel Hill-Carrboro City 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, 2021. This information should be read in conjunction with the audited financial statements included in this report.

### ***Impact of Coronavirus on District***

During the fiscal year, the State and nation continued to be affected by the spread of a coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

### ***Financial Highlights***

For the fiscal year ended June 30, 2021, the Board's total government-wide net position increased by \$13.9 million. Governmental activities net position increased by \$14.3 million and business-type activities net position decreased by \$412,000.

- Total government-wide net investment in capital assets increased by \$7.8 million, or 3.6%, over the prior year. Governmental activities net investment in capital assets increased by \$7.8 million and business-type activities investment in capital assets decreased by \$14,000.
- The Board's total government-wide restricted net position increased by \$2.0 million over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2021 increased by \$4.1 million over the prior year.
- The fiscal management of the district and its resource management are aligned to the district's strategic plan and support all main goals of the plan: Student Success, Family & Community Engagement, Employee Experience, and Organizational Effectiveness.
- A financial reporting award from the Association of School Business Officials International was received for the 2020 year.

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

The audited financial statements of the Chapel Hill-Carrboro City Board of Education consist of five components. They are as follows:

- *Independent Auditors' 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 individual and combining fund statements and schedules for governmental and enterprise funds.*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *Government-wide Statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the

## **CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

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 and proprietary funds. 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 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 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 and City districts' property tax bases 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 and City district 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.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Chapel Hill-Carrboro City Board of Education has two types of funds:

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

*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 Chapel Hill-Carrboro City Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

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

Total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$37.2 million as of June 30, 2021 as compared to \$51.1 million as of June 30, 2020.

Following is a summary of the Statement of Net Position at June 30, 2021 and 2020:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Current assets	\$ 31,460,224	\$ 33,396,069	\$ 1,227,394	\$ 2,014,192	\$ 32,687,618	\$ 35,410,261
Capital assets	227,211,094	217,014,591	439,422	453,262	227,650,516	217,467,853
Total assets	<u>258,671,318</u>	<u>250,410,660</u>	<u>1,666,816</u>	<u>2,467,454</u>	<u>260,338,134</u>	<u>252,878,114</u>
Deferred outflows of resources	47,672,478	45,535,463	649,103	647,532	48,321,581	46,182,995
Current liabilities	12,431,763	14,075,171	533,733	650,187	12,965,496	14,725,358
Long-term liabilities	250,267,379	259,247,607	3,365,800	3,684,762	253,633,179	262,932,369
Total liabilities	<u>262,699,142</u>	<u>273,322,778</u>	<u>3,899,533</u>	<u>4,334,949</u>	<u>266,598,675</u>	<u>277,657,727</u>
Deferred inflows of resources	78,245,157	71,496,266	1,065,378	1,016,703	79,310,535	72,512,969
Net investment in capital assets	224,589,310	216,820,123	439,422	453,262	225,028,732	217,273,385
Restricted net position	6,877,809	4,917,092	7,041	9,038	6,884,850	4,926,130
Unrestricted net position (deficit)	<u>(266,067,622)</u>	<u>(270,610,136)</u>	<u>(3,095,455)</u>	<u>(2,698,966)</u>	<u>(269,163,077)</u>	<u>(273,309,102)</u>
Total net position (deficit)	<u>\$ (34,600,503)</u>	<u>\$ (48,872,921)</u>	<u>\$ (2,648,992)</u>	<u>\$ (2,236,666)</u>	<u>\$ (37,249,495)</u>	<u>\$ (51,109,587)</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$14.3 million during the year, from \$(48.9) million at June 30, 2020 to \$(34.6) million at June 30, 2021, indicating an improvement in the financial condition of the Board. Restricted net position increased by \$2.0 million while unrestricted net position increased by \$4.5 million over the prior

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

year. Net investment in capital assets increased \$7.8 million due to an excess of capital additions over depreciation expense for the year. 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.

Net position of the Board's business-type activities decreased \$412,000 during the year. This is the combined net loss incurred by our school food service and child care operations during the 2021 fiscal year.

Following is a condensed Statement of Activities for the current and prior fiscal years:

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 753,030	\$ 2,046,244	\$ 253,883	\$ 3,096,190	\$ 1,006,913	\$ 5,142,434
Operating grants and contributions	85,335,666	81,803,744	3,196,586	2,719,248	88,532,252	84,522,992
Capital grants and contributions	150,527	150,527	-	-	150,527	150,527
General revenues:						
Other revenues	104,346,216	125,244,137	16,272	-	104,362,488	125,244,137
Total revenues	<u>190,585,439</u>	<u>209,244,652</u>	<u>3,466,741</u>	<u>5,815,438</u>	<u>194,052,180</u>	<u>215,060,090</u>
Expenses:						
Governmental activities:						
Instructional services	134,606,355	138,146,302	-	-	134,606,355	138,146,302
System-wide support services	33,410,932	32,186,498	-	-	33,410,932	32,186,498
Ancillary services	186,857	145,254	-	-	186,857	145,254
Payments to other governments	820,979	754,422	-	-	820,979	754,422
Unallocated depreciation	6,990,430	6,748,407	-	-	6,990,430	6,748,407
Business-type activities:						
School food service	-	-	3,195,863	4,125,552	3,195,863	4,125,552
Child care	-	-	980,672	1,504,712	980,672	1,504,712
Total expenses	<u>176,015,553</u>	<u>177,980,883</u>	<u>4,176,535</u>	<u>5,630,264</u>	<u>180,192,088</u>	<u>183,611,147</u>
Excess (deficiency) before transfers	14,569,886	31,263,769	(709,794)	185,174	13,860,092	31,448,943
Transfers in (out)	<u>(297,468)</u>	<u>(315,881)</u>	<u>297,468</u>	<u>315,881</u>	-	-
Increase (decrease) in net position	14,272,418	30,947,888	(412,326)	501,055	13,860,092	31,448,943
Beginning net position (deficit)	<u>(48,872,921)</u>	<u>(79,820,809)</u>	<u>(2,236,666)</u>	<u>(2,737,721)</u>	<u>(51,109,587)</u>	<u>(82,558,530)</u>
Ending net position (deficit)	<u>\$ (34,600,503)</u>	<u>\$ (48,872,921)</u>	<u>\$ (2,648,992)</u>	<u>\$ (2,236,666)</u>	<u>\$ (37,249,495)</u>	<u>\$ (51,109,587)</u>

Total governmental activities generated revenues of \$190.6 million while expenses in this category totaled \$176.0 million for the year ended June 30, 2021, resulting in an increase in net position of \$14.3 million (including net transfers to business-type activities of \$297,000). Comparatively, revenues were \$209.2 million, expenses totaled \$178.0 million and net transfers out were \$316,000 for the year ended June 30, 2020, resulting in an increase in net position of \$30.9 million. In comparing the two years, revenues from Orange County for capital projects decreased from the prior year accounting for the majority of the change in revenues. Expenses were comparable to the prior year, decreasing by \$2.0 million, or 1.1%.

## **CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

---

The Board's primary sources of revenues were funding from the State of North Carolina, Orange County, Chapel Hill and Carrboro townships and the United States Government, which respectively comprised 40.2%, 40.7%, 13.0% and 3.6% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 76.5% of our total expenses during the most recent fiscal year. Of the remaining 23.5% of our total expenses, 19.0% was attributable to system-wide support services.

Our business-type activities generated revenues of \$3.5 million, while expenses in this category totaled \$4.2 million and net transfers in from governmental activities totaled \$297,000 for the year ended June 30, 2021. For the year, net position decreased by \$412,000. Comparatively, revenues were \$5.8 million, expenses were \$5.6 million and net transfers in from governmental activities totaled \$316,000 for the year ended June 30, 2020, resulting in an increase in net position of \$501,000. In comparing the two years, revenues declined \$2.3 million, or 40.4%, while expenses declined \$1.5 million, or 25.8%. Due to the ongoing COVID-19 pandemic and student instruction being provided remotely most of the year, fewer meals were served resulting in a significant decline in revenues from food sales and federal reimbursements. As would be expected with the decline in meals served, management fees and salaries and benefits expenses decreased significantly during the year which contributed to the overall decrease in expenses. Revenues and expenses in the Child Care Fund also both declined significantly due to the pandemic.

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

*Governmental Funds:* The focus of Chapel Hill-Carrboro City 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 \$24.0 million at June 30, 2021, an increase of \$558,000 over the \$23.4 million reported at June 30, 2020. Revenues were \$190.7 million for the year ended June 30, 2021, compared to \$209.2 million in the prior year, a decrease of \$18.5 million, or 8.9%. Expenditures were \$193.3 million for the current year, compared to \$203.9 million in the prior year, a decrease of \$10.5 million, or 5.2%. County funding for school construction and renovations decreased \$19.8 million and capital outlay expenditures decreased \$16.3 million, accounting for the majority of the overall change in governmental funds revenues and expenditures.

The Board's General Fund reported a \$345,000 decrease to fund balance during year compared to a budgeted use of \$5.0 million. Due to some State and federal revenue sources being uncertain at the start of the year, management budgeted \$5.0 million of fund balance in case it was needed to cover instructional or system-wide support service costs that could not be paid from State or federal funds. The district did not have to use this appropriated fund balance as State and federal sources were used to pay these budgeted expenditures. The district was able to generate cost savings in some operational areas during the 2021 school year due to students not being in classroom for the majority of the year, while expenditures increased in other areas in response to the pandemic. The district received federal COVID-19 grants which were used to help offset increased costs incurred due to COVID-19. These were the primary factors which enabled the district to preserve fund balance for the year.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these two funds are expended in the year received. Combined revenues (and expenditures) in these two funds totaled \$82.0 million for the year ended June 30, 2021 and \$78.4 million for the year ended June 30, 2020, an increase of \$3.6 million, or 4.6%. Increases in revenues and expenditures are primarily attributable to the receipt and disbursement of federal COVID-19 grants in these funds during the year.

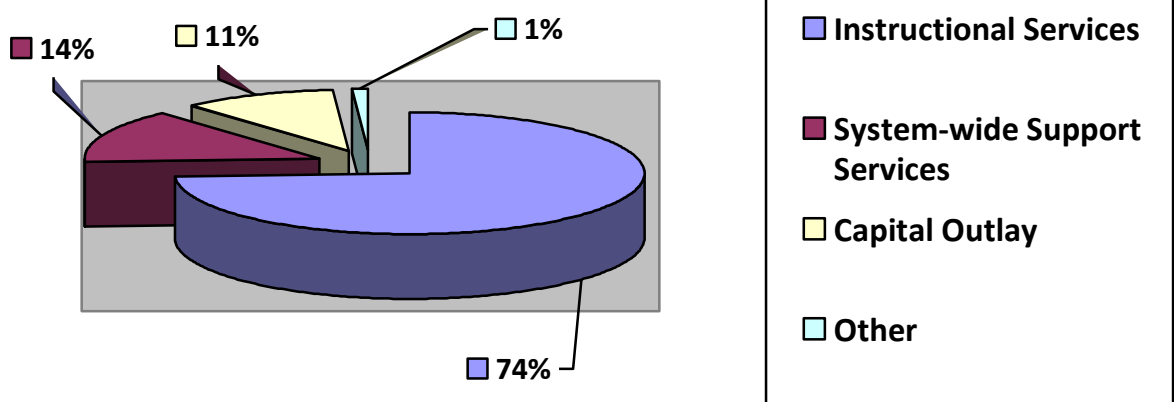
The Other Special Revenue Fund reported an increase in fund balance for the year ended June 30, 2021 of \$304,000 compared to an increase of \$1.4 million in 2020. Revenues decreased \$1.2 million while expenditures declined by \$151,000. Declines in health and safety funding from the County and tuition and fees revenues were the primary factors contributing to the year-over-year decrease in revenues. These declines were largely attributable to the pandemic.



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Fund balance in the Capital Outlay Fund increased \$670,000, ending the year at \$2.8 million. As previously mentioned, county funding for school construction and renovations decreased significantly during the year due to a decline in project activity. Virtually all of the Board’s capital outlay funding is provided by the County.

**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

*Proprietary Funds:* The Board’s business-type funds, the School Food Service and Child Care funds, reported a combined decrease in net position of \$412,000 for the year ended June 30, 2021 compared to a \$501,000 increase in the 2020 year. The School Food Service Fund reported an increase in net position of \$322,000 in the current year compared to an increase of \$201,000 in the prior fiscal year. The Child Care Fund reported a decrease in net position for the 2021 year of \$735,000 compared to an increase of \$300,000 in the prior year. See the discussion above under “*Financial Analysis of the Board as a Whole*” for further details regarding the year-over-year changes in operating results for the School Food Service and Child Care funds.

**General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and 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 as revenue and expenditure expectations remained consistent throughout the year.

**Capital Assets**

Total primary government capital assets were \$227.7 million at June 30, 2021, an increase of 4.7% over the \$217.5 million reported at June 30, 2020. More detailed information about the Board’s capital assets is contained in Note 2 to the financial statements.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The following is a summary of the Board’s capital assets, net of depreciation, at June 30, 2021 and 2020:

**Table 3  
Summary of Capital Assets  
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Land	\$ 6,485,407	\$ 6,485,407	\$ -	\$ -	\$ 6,485,407	\$ 6,485,407
Construction in progress	74,452,053	60,100,406	-	-	74,452,053	60,100,406
Buildings and improvements	137,524,474	143,421,508	-	-	137,524,474	143,421,508
Land improvements	3,172,034	3,249,926	-	-	3,172,034	3,249,926
Equipment and furniture	3,741,320	1,626,719	439,422	453,262	4,180,742	2,079,981
Vehicles	1,835,806	2,130,625	-	-	1,835,806	2,130,625
Total	<u>\$ 227,211,094</u>	<u>\$ 217,014,591</u>	<u>\$ 439,422</u>	<u>\$ 453,262</u>	<u>\$ 227,650,516</u>	<u>\$ 217,467,853</u>

**Debt Outstanding**

During the year, the Board’s long-term debt increased by \$2.4 million to a balance of \$2.6 million at June 30, 2021. The increase was due largely to borrowings during the year for laptops. 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.

**Economic Factors**

- The County enjoys a consistently low unemployment rate. The unemployment rates estimated by the North Carolina Employment Security Commission were 3.7% and 5.9% at June 2021 and 2020, respectively, among the lowest in the State. The State averages for June 2021 and 2020 were 4.9% and 7.7%, respectively.
- The student enrollment of the district decreased by 625 students in 2020-2021 to 11,645 based on the average daily membership certified by the NC Department of Public Instruction. The decrease in enrollment is primarily due to the ongoing effects of the COVID-19 pandemic.
- The district has received additional emergency funding to help address the COVID-19 pandemic. To date, The State and Federal government has allotted \$13.5 million in NC Coronavirus Relief Funding (CRF), Governor’s Emergency Relief Funding (GEER), Coronavirus Aid, Relief and Economic Security Act (CARES Act) funding, and Elementary and Secondary School Emergency Relief Fund (ESSER). This funding continues to be utilized to support the safe return to in person learning and meet the social, emotional, mental health, and academic needs of students and staff.
- The district remains committed to compensate employees in compliance with the Orange County Living Wage. Funding was included in the adopted 2021-2022 budget to ensure all qualifying employees are paid a minimum of \$15.40 per hour.

**Requests for Information**

This report is intended to provide a summary of the financial condition of Chapel Hill-Carrboro City Board of Education. Questions or requests for additional information should be addressed to:

Jonathan Scott, Chief Financial Officer, Business and Financial Services  
Chapel Hill-Carrboro City Board of Education  
Lincoln Center, 750 S. Merritt Mill Road  
Chapel Hill, NC 27516

---

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

---

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 25,277,600	\$ 1,035,351	\$ 26,312,951
Due from other governments	3,778,609	188,111	3,966,720
Receivables	1,040,662	75	1,040,737
Net OPEB asset	283,303	3,857	287,160
Prepaid expenses	1,080,050	-	1,080,050
Capital assets:			
Land and construction in progress	80,937,460	-	80,937,460
Other capital assets, net of depreciation	146,273,634	439,422	146,713,056
Total capital assets	227,211,094	439,422	227,650,516
Total assets	258,671,318	1,666,816	260,338,134
<b>Deferred Outflows of Resources</b>	47,672,478	649,103	48,321,581
<b>Liabilities</b>			
Accounts payable and accrued expenses	2,694,648	153,032	2,847,680
Accrued salaries and wages payable	4,469,514	-	4,469,514
Due to other governments	5,257	-	5,257
Unearned revenue	581,633	323,976	905,609
Long-term liabilities:			
Due within one year	4,680,711	56,725	4,737,436
Due in more than one year	250,267,379	3,365,800	253,633,179
Total liabilities	262,699,142	3,899,533	266,598,675
<b>Deferred Inflows of Resources</b>	78,245,157	1,065,378	79,310,535
<b>Net position</b>			
Net investment in capital assets	224,589,310	439,422	225,028,732
Restricted for:			
Stabilization by State statute	1,675,892	-	1,675,892
School capital outlay	2,829,266	-	2,829,266
Instructional services	582,752	-	582,752
Individual schools activities	1,272,756	-	1,272,756
DIPNC OPEB plan	517,143	7,041	524,184
Unrestricted (deficit)	(266,067,622)	(3,095,455)	(269,163,077)
Total net position (deficit)	\$ (34,600,503)	\$ (2,648,992)	\$ (37,249,495)

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

**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	\$ 73,285,711	\$ -	\$ 47,251,522	\$ -	\$ (26,034,189)	\$ -	\$ (26,034,189)
Special populations	25,206,973	-	15,193,556	-	(10,013,417)	-	(10,013,417)
Alternative programs	10,168,658	-	7,250,861	-	(2,917,797)	-	(2,917,797)
School leadership	8,210,170	-	3,365,729	-	(4,844,441)	-	(4,844,441)
Co-curricular	3,014,608	620,498	-	-	(2,394,110)	-	(2,394,110)
School-based support	14,720,235	-	4,356,227	-	(10,364,008)	-	(10,364,008)
System-wide support services:							
Support and development	1,483,228	-	201,149	-	(1,282,079)	-	(1,282,079)
Special population support and development	836,336	-	278,004	-	(558,332)	-	(558,332)
Alternative programs and services support and development	226,221	-	139,846	-	(86,375)	-	(86,375)
Technology support	2,843,160	-	573,692	-	(2,269,468)	-	(2,269,468)
Operational support	20,870,289	132,532	5,924,369	150,527	(14,662,861)	-	(14,662,861)
Financial and human resource services	2,368,840	-	123,392	-	(2,245,448)	-	(2,245,448)
Accountability	533,119	-	-	-	(533,119)	-	(533,119)
System-wide pupil support	1,057,107	-	-	-	(1,057,107)	-	(1,057,107)
Policy, leadership and public relations	3,192,632	-	486,332	-	(2,706,300)	-	(2,706,300)
Ancillary services	186,857	-	55,639	-	(131,218)	-	(131,218)
Payments to other governments	820,979	-	135,348	-	(685,631)	-	(685,631)
Unallocated depreciation expense**	6,990,430	-	-	-	(6,990,430)	-	(6,990,430)
Total governmental activities	<u>176,015,553</u>	<u>753,030</u>	<u>85,335,666</u>	<u>150,527</u>	<u>(89,776,330)</u>	<u>-</u>	<u>(89,776,330)</u>
Business-type activities:							
School food service	3,195,863	7,955	3,196,586	-	-	8,678	8,678
Child care	980,672	245,928	-	-	-	(734,744)	(734,744)
Total business-type activities	<u>4,176,535</u>	<u>253,883</u>	<u>3,196,586</u>	<u>-</u>	<u>-</u>	<u>(726,066)</u>	<u>(726,066)</u>
Total primary government	<u>\$ 180,192,088</u>	<u>\$ 1,006,913</u>	<u>\$ 88,532,252</u>	<u>\$ 150,527</u>	<u>(89,776,330)</u>	<u>(726,066)</u>	<u>(90,502,396)</u>
General revenues:							
					78,223,822	-	78,223,822
					22,772,246	-	22,772,246
					44,650	-	44,650
					43,603	-	43,603
					3,261,895	16,272	3,278,167
					(297,468)	297,468	-
					<u>104,048,748</u>	<u>313,740</u>	<u>104,362,488</u>
					14,272,418	(412,326)	13,860,092
					<u>(48,872,921)</u>	<u>(2,236,666)</u>	<u>(51,109,587)</u>
					<u>\$ (34,600,503)</u>	<u>\$ (2,648,992)</u>	<u>\$ (37,249,495)</u>

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

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

---

## **FUND FINANCIAL STATEMENTS**

---

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2021**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 17,730,956	\$ -	\$ 5,257	\$ 3,523,625	\$ 2,745,006	\$ 1,272,756	\$ 25,277,600
Due from other governments	306,902	2,713,332	83,249	-	675,126	-	3,778,609
Accounts receivable	25,638	-	-	1,015,024	-	-	1,040,662
Prepaid expenditures	1,080,050	-	-	-	-	-	1,080,050
<b>Total assets</b>	<b>\$ 19,143,546</b>	<b>\$ 2,713,332</b>	<b>\$ 88,506</b>	<b>\$ 4,538,649</b>	<b>\$ 3,420,132</b>	<b>\$ 1,272,756</b>	<b>\$ 31,176,921</b>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,077,116	\$ -	\$ -	\$ 26,666	\$ 590,866	\$ -	\$ 2,694,648
Accrued salaries and wages payable	1,535,136	2,713,332	83,249	137,797	-	-	4,469,514
Due to other governments	-	-	5,257	-	-	-	5,257
Unearned revenue	-	-	-	11,800	-	-	11,800
<b>Total liabilities</b>	<b>3,612,252</b>	<b>2,713,332</b>	<b>88,506</b>	<b>176,263</b>	<b>590,866</b>	<b>-</b>	<b>7,181,219</b>
Fund balances:							
Nonspendable:							
Prepaid expenditures	1,080,050	-	-	-	-	-	1,080,050
Restricted:							
Stabilization by State statute	573,216	-	-	1,102,676	-	-	1,675,892
School capital outlay	-	-	-	-	2,829,266	-	2,829,266
Instructional services	-	-	-	582,752	-	-	582,752
Individual schools	-	-	-	-	-	1,272,756	1,272,756
Assigned:							
Subsequent year's expenditures	2,532,092	-	-	-	-	-	2,532,092
Special revenues	-	-	-	2,676,958	-	-	2,676,958
Unassigned	11,345,936	-	-	-	-	-	11,345,936
<b>Total fund balances</b>	<b>15,531,294</b>	<b>-</b>	<b>-</b>	<b>4,362,386</b>	<b>2,829,266</b>	<b>1,272,756</b>	<b>23,995,702</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,143,546</b>	<b>\$ 2,713,332</b>	<b>\$ 88,506</b>	<b>\$ 4,538,649</b>	<b>\$ 3,420,132</b>	<b>\$ 1,272,756</b>	

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

Net OPEB asset	283,303
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	227,211,094
Deferred outflows of resources related to pensions	30,545,842
Deferred outflows of resources related to OPEB	17,126,636
Difference in unearned lease revenue attributable to difference in income recognition periods for governmental funds and governmental activities.	(569,833)
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.	(13,225,828)
Net pension liability	(79,006,153)
Net OPEB liability	(162,716,109)
Deferred inflows of resources related to pensions	(1,186,878)
Deferred inflows of resources related to OPEB	(77,058,279)
<b>Net position (deficit) of governmental activities</b>	<b>\$ (34,600,503)</b>

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
<b>Revenues:</b>							
State of North Carolina	\$ -	\$ 76,574,663	\$ -	\$ -	\$ 150,527	\$ -	\$ 76,725,190
Orange County:							
Local current expense	53,395,309	-	-	-	-	-	53,395,309
Other	-	-	-	1,442,712	22,772,246	-	24,214,958
U.S. Government	-	1,319,492	4,083,291	1,389,349	44,650	-	6,836,782
Other	25,711,856	-	-	2,998,904	223,393	620,498	29,554,651
<b>Total revenues</b>	<b>79,107,165</b>	<b>77,894,155</b>	<b>4,083,291</b>	<b>5,830,965</b>	<b>23,190,816</b>	<b>620,498</b>	<b>190,726,890</b>
<b>Expenditures:</b>							
Current:							
Instructional services:							
Regular instructional	28,610,377	47,003,015	248,507	409,812	3,710,486	-	79,982,197
Special populations	10,976,258	13,251,659	1,029,307	987,784	-	-	26,245,008
Alternative programs	3,199,297	3,601,729	1,203,502	2,456,473	-	-	10,461,001
School leadership	5,169,809	3,365,729	-	58	-	-	8,535,596
Co-curricular	2,399,899	-	-	-	-	691,557	3,091,456
School-based support	9,464,478	4,193,185	163,042	1,419,648	-	-	15,240,353
System-wide support services:							
Support and development	1,371,863	201,149	-	-	-	-	1,573,012
Special population support and development	596,778	-	278,004	-	-	-	874,782
Alternative programs / services support and development	15,935	-	139,846	75,748	-	-	231,529
Technology support	1,968,367	257,111	316,581	-	384,926	-	2,926,985
Operational support	7,940,454	5,310,968	567,662	611	242,001	-	14,061,696
Financial and human resource services	2,318,043	123,392	-	106	-	-	2,441,541
Accountability	545,087	-	-	-	-	-	545,087
System-wide pupil support	1,053,577	-	-	-	-	-	1,053,577
Policy, leadership and public relations	2,747,058	484,840	1,492	41,900	-	-	3,275,290
Ancillary services	2,016	55,639	-	104,904	26,729	-	189,288
Non-programmed charges	848,102	-	135,348	30,115	-	-	1,013,565
Debt service:							
Principal retirement	-	-	-	-	1,008,522	-	1,008,522
Capital outlay	-	-	-	-	20,591,214	-	20,591,214
<b>Total expenditures</b>	<b>79,227,398</b>	<b>77,848,416</b>	<b>4,083,291</b>	<b>5,527,159</b>	<b>25,963,878</b>	<b>691,557</b>	<b>193,341,699</b>
Revenues over expenditures	(120,233)	45,739	-	303,806	(2,773,062)	(71,059)	(2,614,809)
Other financing sources (uses):							
Insurance proceeds	-	-	-	-	7,301	-	7,301
Transfers to other funds	(225,000)	(45,739)	-	-	-	-	(270,739)
Installment purchase obligations issued	-	-	-	-	3,435,838	-	3,435,838
<b>Total other financing sources (uses)</b>	<b>(225,000)</b>	<b>(45,739)</b>	<b>-</b>	<b>-</b>	<b>3,443,139</b>	<b>-</b>	<b>3,172,400</b>
Net change in fund balance	(345,233)	-	-	303,806	670,077	(71,059)	557,591
Fund balances:							
Beginning of year	15,876,527	-	-	4,058,580	2,159,189	1,343,815	23,438,111
End of year	\$ 15,531,294	\$ -	\$ -	\$ 4,362,386	\$ 2,829,266	\$ 1,272,756	\$ 23,995,702

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



**CHAPEL HILL-CARRBORO CITY 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, 2021**

**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ 557,591
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.	10,202,842
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	14,777,611
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	6,768,906
Difference in lease income recognized from unearned revenue due to difference between income recognition periods for governmental funds and governmental activities.	43,834
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	2,787,322
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.	(2,427,316)
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	(22,278,194)
OPEB (expense) benefit	4,417,540
Compensated absences	(571,379)
Loss on disposal of capital assets	<u>(6,339)</u>
Total changes in net position of governmental activities	<u>\$ 14,272,418</u>

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION** **Exhibit 6**  
**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, 2021**

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Orange County	\$ 53,395,111	\$ 53,395,111	\$ 53,395,309	\$ 198
Other	<u>25,312,972</u>	<u>25,312,972</u>	<u>25,711,856</u>	<u>398,884</u>
Total revenues	<u>78,708,083</u>	<u>78,708,083</u>	<u>79,107,165</u>	<u>399,082</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	26,057,208	28,632,950	28,610,377	22,573
Special populations	12,168,995	11,040,408	10,976,258	64,150
Alternative programs	3,782,150	3,330,139	3,199,297	130,842
School leadership	5,007,743	5,286,258	5,169,809	116,449
Co-curricular	2,694,483	2,402,832	2,399,899	2,933
School-based support	<u>9,540,347</u>	<u>9,475,200</u>	<u>9,464,478</u>	<u>10,722</u>
Total instructional services	<u>59,250,926</u>	<u>60,167,787</u>	<u>59,820,118</u>	<u>347,669</u>
System-wide support services:				
Support and development	1,304,464	1,373,169	1,371,863	1,306
Special population support and development	677,074	628,312	596,778	31,534
Alternative programs and services support and development	25,643	27,643	15,935	11,708
Technology support	2,720,454	2,509,774	1,968,367	541,407
Operational support	11,064,752	10,780,556	7,940,454	2,840,102
Financial and human resource services	2,732,265	2,564,790	2,318,043	246,747
Accountability	579,549	571,399	545,087	26,312
System-wide pupil support	76,772	1,618,170	1,053,577	564,593
Policy, leadership and public relations	<u>3,050,561</u>	<u>2,902,626</u>	<u>2,747,058</u>	<u>155,568</u>
Total system-wide support services	<u>22,231,534</u>	<u>22,976,439</u>	<u>18,557,162</u>	<u>4,419,277</u>
Ancillary services:				
Nutrition	<u>1,643</u>	<u>2,016</u>	<u>2,016</u>	<u>-</u>
Nonprogrammed charges	<u>735,530</u>	<u>848,102</u>	<u>848,102</u>	<u>-</u>
Total expenditures	<u>82,219,633</u>	<u>83,994,344</u>	<u>79,227,398</u>	<u>4,766,946</u>
Revenues under expenditures	<u>(3,511,550)</u>	<u>(5,286,261)</u>	<u>(120,233)</u>	<u>5,166,028</u>
Other financing sources (uses):				
Transfers from other funds	528,000	528,000	-	(528,000)
Transfers to other funds	<u>(225,000)</u>	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>303,000</u>	<u>303,000</u>	<u>(225,000)</u>	<u>(528,000)</u>
Fund balance appropriated	<u>3,208,550</u>	<u>4,983,261</u>	<u>-</u>	<u>(4,983,261)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(345,233)</u>	<u>\$ (345,233)</u>
Fund balances:				
Beginning of year			<u>15,876,527</u>	
End of year			<u>\$ 15,531,294</u>	

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

**CHAPEL HILL-CARRBORO CITY 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, 2021**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 73,717,089	\$ 77,756,110	\$ 76,574,663	\$ (1,181,447)
U.S. Government	-	1,319,492	1,319,492	-
Total revenues	<u>73,717,089</u>	<u>79,075,602</u>	<u>77,894,155</u>	<u>(1,181,447)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	48,792,193	47,093,340	47,003,015	90,325
Special populations	9,140,223	13,517,202	13,251,659	265,543
Alternative programs	4,073,430	4,025,144	3,601,729	423,415
School leadership	3,299,195	3,475,267	3,365,729	109,538
School-based support	2,791,518	4,193,196	4,193,185	11
Total instructional services	<u>68,096,559</u>	<u>72,304,149</u>	<u>71,415,317</u>	<u>888,832</u>
System-wide support services:				
Support and development	185,891	208,382	201,149	7,233
Technology support	-	257,111	257,111	-
Operational support	4,928,841	5,475,240	5,310,968	164,272
Financial and human resource services	-	123,392	123,392	-
Policy, leadership and public relations	505,798	523,762	484,840	38,922
Total system-wide support services	<u>5,620,530</u>	<u>6,587,887</u>	<u>6,377,460</u>	<u>210,427</u>
Ancillary services:				
Nutrition	-	137,827	55,639	82,188
Total expenditures	<u>73,717,089</u>	<u>79,029,863</u>	<u>77,848,416</u>	<u>1,181,447</u>
Revenues over (under) expenditures	-	45,739	45,739	-
Other financing uses:				
Transfers to other funds	-	(45,739)	(45,739)	-
Net change in fund balance	<u>\$ -</u>	<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.

**CHAPEL HILL-CARRBORO CITY 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, 2021**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 4,292,096	\$ 9,366,914	\$ 4,083,291	\$ (5,283,623)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	326,965	426,171	248,507	177,664
Special populations	1,939,054	2,390,869	1,029,307	1,361,562
Alternative programs	932,967	4,641,464	1,203,502	3,437,962
School-based support	176,207	318,018	163,042	154,976
Total instructional services	<u>3,375,193</u>	<u>7,776,522</u>	<u>2,644,358</u>	<u>5,132,164</u>
System-wide support services:				
Special population support and development	315,666	315,666	278,004	37,662
Alternative programs and services support and development	206,933	139,846	139,846	-
Technology support	-	367,306	316,581	50,725
Operational support	105,000	568,000	567,662	338
Policy, leadership and public relations	50,000	1,500	1,492	8
Total system-wide support services	<u>677,599</u>	<u>1,392,318</u>	<u>1,303,585</u>	<u>88,733</u>
Nonprogrammed charges	<u>239,304</u>	<u>198,074</u>	<u>135,348</u>	<u>62,726</u>
Total expenditures	<u>4,292,096</u>	<u>9,366,914</u>	<u>4,083,291</u>	<u>5,283,623</u>
Net change in fund balance	<u>\$ -</u>	<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.*

**CHAPEL HILL-CARRBORO CITY 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, 2021**

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Orange County	\$ 1,923,619	\$ 1,923,619	\$ 1,442,712	\$ (480,907)
U.S. Government	1,615,958	1,615,958	1,389,349	(226,609)
Other	<u>6,344,160</u>	<u>6,908,797</u>	<u>2,998,904</u>	<u>(3,909,893)</u>
Total revenues	<u>9,883,737</u>	<u>10,448,374</u>	<u>5,830,965</u>	<u>(4,617,409)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	168,939	485,391	409,812	75,579
Special populations	238,961	987,784	987,784	-
Alternative programs	3,185,895	2,746,898	2,456,473	290,425
School leadership	-	70	58	12
School-based support	<u>5,055,975</u>	<u>5,075,975</u>	<u>1,419,648</u>	<u>3,656,327</u>
Total instructional services	<u>8,649,770</u>	<u>9,296,118</u>	<u>5,273,775</u>	<u>4,022,343</u>
System-wide support services:				
Alternative programs and services support and development	74,146	75,748	75,748	-
Operational support	-	1,747	611	1,136
Financial and human resource services	-	3,895	106	3,789
Policy, leadership and public relations	<u>601,644</u>	<u>570,444</u>	<u>41,900</u>	<u>528,544</u>
Total system-wide support services	<u>675,790</u>	<u>651,834</u>	<u>118,365</u>	<u>533,469</u>
Ancillary services:				
Nutrition	<u>30,300</u>	<u>106,127</u>	<u>104,904</u>	<u>1,223</u>
Nonprogrammed charges	<u>527,877</u>	<u>587,375</u>	<u>30,115</u>	<u>557,260</u>
Total expenditures	<u>9,883,737</u>	<u>10,641,454</u>	<u>5,527,159</u>	<u>5,114,295</u>
Revenues over (under) expenditures	-	(193,080)	303,806	496,886
Fund balance appropriated	-	<u>193,080</u>	-	<u>(193,080)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	303,806	<u>\$ 303,806</u>
Fund balances:				
Beginning of year			<u>4,058,580</u>	
End of year			<u>\$ 4,362,386</u>	

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPES**  
**June 30, 2021**

**Exhibit 7**

	Enterprise		
	Major Funds		Totals
	School Food Service	Child Care	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 759,977	\$ 275,374	\$ 1,035,351
Due from other governments	188,111	-	188,111
Receivables	-	75	75
Net OPEB asset	1,593	2,264	3,857
Total current assets	<u>949,681</u>	<u>277,713</u>	<u>1,227,394</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	439,422	-	439,422
Total assets	<u>1,389,103</u>	<u>277,713</u>	<u>1,666,816</u>
<b>Deferred Outflows of Resources</b>	<u>268,184</u>	<u>380,919</u>	<u>649,103</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	144,321	8,711	153,032
Compensated absences	27,966	28,759	56,725
Unearned revenue	214,951	109,025	323,976
Total current liabilities	<u>387,238</u>	<u>146,495</u>	<u>533,733</u>
Noncurrent liabilities:			
Net pension liability	444,454	631,286	1,075,740
Net OPEB liability	915,371	1,300,156	2,215,527
Compensated absences	53,189	21,344	74,533
Total noncurrent liabilities	<u>1,413,014</u>	<u>1,952,786</u>	<u>3,365,800</u>
Total liabilities	<u>1,800,252</u>	<u>2,099,281</u>	<u>3,899,533</u>
<b>Deferred Inflows of Resources</b>	<u>440,173</u>	<u>625,205</u>	<u>1,065,378</u>
<b>Net position</b>			
Investment in capital assets	439,422	-	439,422
Restricted for DIPNC OPEB plan	2,908	4,133	7,041
Unrestricted (deficit)	(1,025,468)	(2,069,987)	(3,095,455)
Total net position (deficit)	<u>\$ (583,138)</u>	<u>\$ (2,065,854)</u>	<u>\$ (2,648,992)</u>

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 8**

	Enterprise		
	Major Funds		Totals
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 7,955	\$ -	\$ 7,955
Child care fees	-	213,033	213,033
Rental of school property	-	32,895	32,895
Other	<u>16,272</u>	<u>-</u>	<u>16,272</u>
Total operating revenues	<u>24,227</u>	<u>245,928</u>	<u>270,155</u>
Operating expenses:			
Purchase of food	8,466	7,873	16,339
Salaries and benefits	742,656	954,798	1,697,454
Indirect costs	95,815	-	95,815
Materials and supplies	7,079	15,064	22,143
Repairs and maintenance	46,551	-	46,551
Depreciation	104,268	-	104,268
Non-capitalized equipment	43,503	-	43,503
Chartwells management fees	2,190,815	-	2,190,815
Other	<u>52,525</u>	<u>2,937</u>	<u>55,462</u>
Total operating expenses	<u>3,291,678</u>	<u>980,672</u>	<u>4,272,350</u>
Operating loss	<u>(3,267,451)</u>	<u>(734,744)</u>	<u>(4,002,195)</u>
Nonoperating revenues:			
Federal reimbursements	2,886,425	-	2,886,425
Federal commodities	310,161	-	310,161
Indirect costs not paid	<u>95,815</u>	<u>-</u>	<u>95,815</u>
Total nonoperating revenues	<u>3,292,401</u>	<u>-</u>	<u>3,292,401</u>
Income (loss) before transfers and contributions	24,950	(734,744)	(709,794)
Transfers from other funds	270,739	-	270,739
Capital contributions	<u>26,729</u>	<u>-</u>	<u>26,729</u>
Change in net position	322,418	(734,744)	(412,326)
Net position (deficit), beginning of year	<u>(905,556)</u>	<u>(1,331,110)</u>	<u>(2,236,666)</u>
Net position (deficit), end of year	<u>\$ (583,138)</u>	<u>\$ (2,065,854)</u>	<u>\$ (2,648,992)</u>

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2021**

**Exhibit 9**

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 5,847	\$ 158,471	\$ 164,318
Cash paid for goods and services	(2,075,076)	(17,163)	(2,092,239)
Cash paid to employees for services	(782,883)	(1,140,020)	(1,922,903)
Other	16,272	-	16,272
Net cash used by operating activities	<u>(2,835,840)</u>	<u>(998,712)</u>	<u>(3,834,552)</u>
Cash flows from noncapital financing activities:			
Transfers from other funds	225,000	-	225,000
Federal reimbursements	2,958,889	-	2,958,889
Net cash provided by noncapital financing activities	<u>3,183,889</u>	<u>-</u>	<u>3,183,889</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(63,699)	-	(63,699)
Net increase (decrease) in cash and cash equivalents	284,350	(998,712)	(714,362)
Cash and cash equivalents, beginning of year	475,627	1,274,086	1,749,713
Cash and cash equivalents, end of year	<u>\$ 759,977</u>	<u>\$ 275,374</u>	<u>\$ 1,035,351</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (3,267,451)	\$ (734,744)	\$ (4,002,195)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	104,268	-	104,268
Donated commodities	310,161	-	310,161
Salaries paid by State Public School Fund	45,739	-	45,739
Indirect costs not paid	95,815	-	95,815
Changes in assets and liabilities:			
Decrease in accounts receivable	-	239	239
Increase in net OPEB asset	(133)	(134)	(267)
Increase (decrease) in accounts payable and accrued liabilities	(36,298)	8,711	(27,587)
Decrease in unearned revenue	(2,108)	(87,696)	(89,804)
Increase in net pension liability	49,663	54,960	104,623
Decrease in net OPEB liability	(151,153)	(256,781)	(407,934)
(Increase) decrease in deferred outflows	(4,940)	3,369	(1,571)
Increase in deferred inflows	26,851	21,824	48,675
Decrease in compensated absences payable	(6,254)	(8,460)	(14,714)
Total adjustments	<u>431,611</u>	<u>(263,968)</u>	<u>167,643</u>
Net cash used by operating activities	<u>\$ (2,835,840)</u>	<u>\$ (998,712)</u>	<u>\$ (3,834,552)</u>

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



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS (continued)**  
**PROPRIETARY FUND TYPES**  
**For the Fiscal Year Ended June 30, 2021**

---

**Exhibit 9 (continued)**

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$310,161 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.

The State Public School Fund paid salaries and benefits of \$45,739 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

School Food Service capital assets with a value of \$26,729 were purchased by the Capital Outlay Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

Indirect costs of \$95,815 that would be due to the General Fund were not paid. These unpaid costs are reflected as a non-operating revenue and an operating expense on Exhibit 8.

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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

The accounting policies of Chapel Hill-Carrboro City 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 Chapel Hill-Carrboro City 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 the cities of Chapel Hill and Carrboro, 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. 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. Separate statements for each fund category – *governmental and proprietary* – 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. Interfund services provided and used are not eliminated in the process of consolidation.

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.

*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.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

*Other Special Revenue Fund.* The Other Special Revenue Fund is used to account for gifts and grants restricted as to use, certain federal and state grants restricted as to use, federal and state appropriations made directly to local school administrative units, funds received for refunds, reimbursements and various 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 Orange County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain 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 funds:

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

*Child Care Fund.* The Child Care Fund is used to account for the afterschool care program within the school system, as well as revenues from the rental of school property.

C. Measurement Focus and Basis of Accounting

*Government-wide and Proprietary Fund Financial Statements.* The government-wide and proprietary 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 capital leases 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.

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 individual schools special revenue funds, as required by the

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 functional level for all annually budgeted funds. Amounts may be transferred between functions of the same purpose of the same fund with a monthly report of such transfers provided to the Board of Education and entered in the Board's minutes. Amendments are required for any revisions that alter total expenditures of any fund or that change appropriations at the purpose level. 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. Prepaid Expenditures

Prepaid expenditures represent amounts paid to vendors for goods or services in one period that benefit a future period. The Board utilizes the consumption method of accounting and recognizes prepaid items as expenditures in the period consumed.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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.

Orange 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.

For capital assets utilized in both 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	50
Land improvements	15
Equipment and furniture	3 - 10
Vehicles	6

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.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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, 2021 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:

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

Prepaid expenditures- portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

*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 instructional services – grant and other revenues restricted for expenditure for various instructional services, as allowable by the funding source.

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes.

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

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 the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

*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 other governmental funds if expenditures incurred for specific purposes exceeded 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. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 \$(58,596,205) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$ 368,404,461
Less accumulated depreciation	<u>(141,193,367)</u>
Net capital assets	227,211,094
Net OPEB asset	283,303
Deferred outflows of resources related to pensions	30,545,842
Deferred outflows of resources related to OPEB	17,126,636
Difference in unearned lease revenue attributable to difference in income recognition periods for governmental funds and governmental activities	(569,833)
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	(2,621,784)
Compensated absences	(10,604,044)
Net pension liability	(79,006,153)
Net OPEB liability	(162,716,109)
Deferred inflows of resources related to pensions	(1,186,878)
Deferred inflows of resources related to OPEB	<u>(77,058,279)</u>
Total adjustment	<u><u>\$ (58,596,205)</u></u>



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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 \$13,714,827 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 17,590,560
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	(7,387,718)
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	(3,435,838)
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	1,008,522
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	14,777,611
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	6,768,906
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	2,787,322
Difference in lease income recognized from unearned revenue due to difference between income recognition periods for governmental funds and governmental activities.	43,834
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	(22,278,194)
OPEB (expense) benefit	4,417,540
Loss on disposal of capital assets	(6,339)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(571,379)
Total adjustment	<u>\$ 13,714,827</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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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.

**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 concentration risk, foreign currency risk or custodial credit risk for deposits.

At June 30, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$13,333,297 and with the State Treasurer of \$5,257. The bank balances with the financial institutions and the State Treasurer were \$13,950,880 and \$828,618, respectively. Of these balances, \$1,432,698 was covered by federal depository insurance and \$13,346,800 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2021, the Board had \$12,974,397 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, 2021. The Board has no investment balances in the NCCMT as of June 30, 2021. The Board has no policy for managing interest rate risk or credit risk. 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.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2021 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ 306,902	\$ 25,638	\$ 332,540
Other governmental activities	<u>3,471,707</u>	<u>1,015,024</u>	<u>4,486,731</u>
Total governmental activities	<u>\$ 3,778,609</u>	<u>\$ 1,040,662</u>	<u>\$ 4,819,271</u>
Business-type activities:			
School Food Service Fund	\$ 188,111	\$ -	\$ 188,111
Child Care Fund	<u>-</u>	<u>75</u>	<u>75</u>
Total business-type activities	<u>\$ 188,111</u>	<u>\$ 75</u>	<u>\$ 188,186</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 306,902	Amounts due from County
State Public School Fund	2,713,332	Operating funds from DPI
Federal Grants Fund	83,249	Federal grant funds
Capital Outlay Fund	<u>675,126</u>	Amounts due from County
Total governmental activities	<u>\$ 3,778,609</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 188,111</u>	Federal grant funds

All of the Board's receivable balances are expected to be collected during the year ended June 30, 2022.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,485,407	\$ -	\$ -	\$ 6,485,407
Construction in progress	<u>60,100,406</u>	<u>17,296,917</u>	<u>2,945,270</u>	<u>74,452,053</u>
Total capital assets not being depreciated	<u>66,585,813</u>	<u>17,296,917</u>	<u>2,945,270</u>	<u>80,937,460</u>
Capital assets being depreciated:				
Buildings and improvements	258,516,313	103,455	-	258,619,768
Land improvements	8,342,158	248,822	-	8,590,980
Equipment and furniture	9,960,152	2,784,167	6,339	12,737,980
Vehicles	<u>7,415,804</u>	<u>102,469</u>	<u>-</u>	<u>7,518,273</u>
Total capital assets being depreciated	<u>284,234,427</u>	<u>3,238,913</u>	<u>6,339</u>	<u>287,467,001</u>
Less accumulated depreciation for:				
Buildings and improvements	115,094,805	6,000,489	-	121,095,294
Land improvements	5,092,232	326,714	-	5,418,946
Equipment and furniture	8,333,433	663,227	-	8,996,660
Vehicles	<u>5,285,179</u>	<u>397,288</u>	<u>-</u>	<u>5,682,467</u>
Total accumulated depreciation	<u>133,805,649</u>	<u>7,387,718</u>	<u>-</u>	<u>141,193,367</u>
Total capital assets being depreciated, net	<u>150,428,778</u>			<u>146,273,634</u>
Governmental activity capital assets, net	<u>\$ 217,014,591</u>			<u>\$ 227,211,094</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 1,788,650	\$ 90,428	\$ -	\$ 1,879,078
Less accumulated depreciation for:				
Equipment and furniture	<u>1,335,388</u>	<u>104,268</u>	<u>-</u>	<u>1,439,656</u>
School Food Service capital assets, net	<u>\$ 453,262</u>			<u>\$ 439,422</u>

Depreciation was charged to governmental functions as follows:

System-wide support services	\$ 397,288
Unallocated depreciation	<u>6,990,430</u>
Total	<u>\$ 7,387,718</u>

5. Construction and Other Significant Commitments

As of June 30, 2021, the Board had two capital projects in progress in the district. At year-end, the Board's commitments with contractors for the remaining portion of the contracts related to these projects totaled approximately \$744,000.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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, 2021, was 14.78% 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 \$14,978,821 for the year ended June 30, 2021.

*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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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, 2021, the Board reported a liability of \$80,081,893 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 and at June 30, 2019, the Board's proportion was 0.6628% and 0.6681%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$22,556,055. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 4,412,943	\$ -
Changes of assumptions	2,713,751	-
Net difference between projected and actual earnings on pension plan investments	8,856,236	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,203,038
Board contributions subsequent to the measurement date	<u>14,978,821</u>	<u>-</u>
Total	<u>\$ 30,961,751</u>	<u>\$ 1,203,038</u>

\$14,978,821 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, 2022. 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>	
2022	\$ 5,053,147
2023	3,843,789
2024	3,244,608
2025	<u>2,638,348</u>
Total	<u>\$ 14,779,892</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

Inflation	3.0 percent
Salary increases	3.5 to 8.1 percent, including inflation and productivity factor
Investment rate of return	7.00 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, 2019 valuation were based on the results of an actuarial experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

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 rate used to measure the total pension liability reported at June 30, 2021 and 2020 was 7.00% 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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Board's proportionate share of the net pension liability (asset)	\$ 144,128,598	\$ 80,081,893	\$ 26,359,960

*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 University Employees' Optional Retirement Program (ORP), and a small number of local governments,



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$6,769,860. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 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 \$2,825,274

At June 30, 2021, the Board reported a liability of \$164,931,636 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 and 2019, the Board's proportion was 0.5945% and 0.5914%, respectively.

\$6,769,860 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

Year ended June 30:

2022	\$ (23,566,791)
2023	(23,548,679)
2024	(10,973,778)
2025	(4,386,507)
2026	<u>(5,278,796)</u>
Total	\$ <u>(67,754,551)</u>

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

Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected for mortality improvement using Scale MP-2015

*Discount rate.* The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2021 and 2020 were 2.21% and 3.50%, 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 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

*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 (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	1% decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 195,598,484	\$ 164,931,636	\$ 140,224,378

*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:

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 For the Fiscal Year Ended June 30, 2021**

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical -5.00-6.50%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.50%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 132,964,720	\$ 164,931,636	\$ 207,659,722

*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, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$91,211 for the year ended June 30, 2021.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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, 2021, the Board reported an asset of \$287,160 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2020 and 2019, the Board's proportion was 0.5837% and 0.5934%, respectively.

\$91,211 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 asset in the year ending June 30, 2022. 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>	
2022	\$ 55,352
2023	35,821
2024	15,962
2025	28,606
2026	2,103
Thereafter	<u>7,969</u>
Total	<u>\$ 145,813</u>

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

Inflation	3.00%
Salary increases	3.5%-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

*Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB asset, as well as what the District's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
Net OPEB asset	\$ 248,003	\$ 287,160	\$ 325,178

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 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, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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 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, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. 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, 2020 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, 2021:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (4,832,137)	\$ 211,589	\$ (4,620,548)
OPEB liability (asset)	164,931,636	(287,160)	164,644,476
Proportionate share of the net OPEB liability (asset)	0.5945%	0.5837%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 149,416	\$ 208,024	\$ 357,440
Changes of assumptions	7,233,194	22,328	7,255,522
Net difference between projected and actual earnings on plan investments	347,446	-	347,446
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,534,773	3,578	2,538,351
Board contributions subsequent to the measurement date	6,769,860	91,211	6,861,071
Totals	<u>\$ 17,034,689</u>	<u>\$ 325,141</u>	<u>\$ 17,359,830</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 6,452,328	\$ -	\$ 6,452,328
Changes of assumptions	66,931,862	22,614	66,954,476
Net difference between projected and actual earnings on plan investments	-	48,648	48,648
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,635,190	16,855	4,652,045
Totals	<u>\$ 78,019,380</u>	<u>\$ 88,117</u>	<u>\$ 78,107,497</u>

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

2. Accounts Payable

Accounts payable as of June 30, 2021 are as follows:

	<u>Vendors and Other</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 2,077,116	\$ 1,535,136	\$ 3,612,252
Other governmental activities	<u>617,532</u>	<u>2,934,378</u>	<u>3,551,910</u>
Total governmental activities	<u>\$ 2,694,648</u>	<u>\$ 4,469,514</u>	<u>\$ 7,164,162</u>
Business-type activities:			
School Food Service Fund	\$ 144,321	\$ -	\$ 144,321
Child Care Fund	<u>8,711</u>	<u>-</u>	<u>8,711</u>
Total business-type activities	<u>\$ 153,032</u>	<u>\$ -</u>	<u>\$ 153,032</u>

3. Unearned Revenues

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

Governmental activities:		
Prepayment of pre-k tuition (Other Special Revenue Fund)		\$ 11,800
Prepaid use fee (Capital Outlay Fund - see below)		<u>569,833</u>
Total governmental activities		<u>\$ 581,633</u>
Business-type activities:		
Prepayments of meals (School Food Service Fund)		\$ 214,951
Prepayments of tuition (Child Care Fund)		<u>109,025</u>
Total business-type activities		<u>\$ 323,976</u>

During the 2004 fiscal year, the Board entered into a lease agreement with the University of North Carolina at Chapel Hill (the "University"), whereby the Board constructed additional space at Smith Middle School which is being leased to the University for a period of thirty years. During the first ten years of the agreement, the parties could terminate the agreement only upon a breach of the agreement that remained uncured for a reasonable amount of time after receipt of notice of the breach. In such event, the Board shall refund the University an amount equal to the use fee prorated over the remaining number of years of the ten-year period. The agreement required the University to pay a use fee of \$1,315,000 at the beginning of the lease. Due to the terms of the agreement, this fee is being recognized as revenue by the Board over a ten-year period in the governmental funds statements (Capital Outlay Fund) and over a thirty-year period in the governmental activities statements. At June 30, 2021 the fee had been fully recognized as revenue in the fund statements while unearned revenue reported in the Statement of Net Position for governmental activities totaled \$569,833.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,770,383	\$ 6,452,328
Changes of assumptions	9,969,273	66,954,476
Net difference between projected and actual earnings on pension and OPEB plan investments	9,203,682	48,648
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,538,351	5,855,083
Board contributions subsequent to the measurement date	<u>21,839,892</u>	<u>-</u>
Total	<u>\$ 48,321,581</u>	<u>\$ 79,310,535</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. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$3,150,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Additionally, the Board purchases commercial general liability insurance through a private insurer. Through the private insurer, the Board maintains general liability coverage of \$1 million per claim. The private insurer has an annual aggregate limit for general liability of \$3 million, as well as an additional \$2 million in umbrella liability. 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 purchased through a private insurer. The policy coverage insures the tangible property assets of the Board. Buildings and contents are insured on an agreed value basis.

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 \$100,000.

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.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

6. Contingent Liabilities

As of the date of our report, the Board was a defendant to two lawsuits for \$1,000,000 each, alleging negligence on the part of the school system. Also, the Board was assessed an additional contribution of approximately \$89,000 from the Teachers' and State Employees' Retirement System (TSERS) pursuant to N.C.G.S. 135-8(f)(2)(f). The Board has not paid the assessment and has challenged the matter through a petition. The Board was also a defendant to several other threatened lawsuits and petitions as of the date of our report. The Board's management and the Board's attorneys have been unable to determine the amount of loss, if any, the Board might 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 moneys 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 2018-2019 fiscal year, the Board entered into such a contract 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 acquired under outstanding installment purchase contracts totaled \$175,750 at June 30, 2021. The contract requires 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.

During the 2020-2021 fiscal year, the Board entered into a direct placement installment purchase contract for the purchase of laptops totaling \$3,435,838. The laptops are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments for four years beginning in the fiscal year 2020-2021.

<u>Year Ending June 30:</u>	<u>Governmental Activities Principal</u>
2022	\$ 901,936
2023	857,995
2024	<u>861,853</u>
Totals	<u>\$ 2,621,784</u>



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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, 2021:

	July 1, 2020	Increases	Decreases	June 30, 2021	Current Portion
Governmental activities:					
Direct placement installment purchases	\$ 194,468	\$ 3,435,838	\$ 1,008,522	\$ 2,621,784	\$ 901,936
Net pension liability	68,290,523	10,715,630	-	79,006,153	-
Net OPEB liability	184,485,942	-	21,769,833	162,716,109	-
Compensated absences	10,032,665	6,442,254	5,870,875	10,604,044	3,778,775
Total	<u>\$263,003,598</u>	<u>\$ 20,593,722</u>	<u>\$ 28,649,230</u>	<u>\$254,948,090</u>	<u>\$ 4,680,711</u>
Business-type activities:					
Net pension liability	\$ 971,117	\$ 104,623	\$ -	\$ 1,075,740	\$ -
Net OPEB liability	2,623,461	-	407,934	2,215,527	-
Compensated absences	145,972	95,465	110,179	131,258	56,725
Total	<u>\$ 3,740,550</u>	<u>\$ 200,088</u>	<u>\$ 518,113</u>	<u>\$ 3,422,525</u>	<u>\$ 56,725</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. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2021 consisted of the following:

From the General Fund to the School Food Service Fund for the payment of operating expenses	<u>\$ 225,000</u>
From the State Public School Fund to the School Food Service Fund for the payment of administrative salaries	<u>\$ 45,739</u>

2. Transfers / Contributed Capital

During the year ended June 30, 2021, the Capital Outlay Fund purchased capitalized equipment for the School Food Service Fund totaling \$26,729. This amount is presented as a transfer between governmental and business-type activities in Exhibit 2 and as contributed capital in Exhibit 8.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

D. 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	\$ 15,531,294
Less:	
Prepaid expenditures	(1,080,050)
Stabilization by State statute	(573,216)
Appropriated fund balance in the fiscal year 2021-2022 budget	<u>(2,532,092)</u>
Unassigned fund balance at June 30, 2021	<u>\$ 11,345,936</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances outstanding at June 30, 2021 are as follows:

	<u>Encumbrances</u>
General Fund	\$ 240,676
Capital Outlay Fund	35,427
Other Special Revenue Fund	87,652
School Food Service Fund	57,340
Child Care Fund	1,609

**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.

---

## **REQUIRED SUPPLEMENTARY INFORMATION**

---

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*

**CHAPEL HILL-CARRBORO CITY 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 EIGHT FISCAL YEARS\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net pension liability (asset)	0.663%	0.668%	0.669%	0.657%	0.664%
Board's proportionate share of the net pension liability (asset)	\$ 80,081,893	\$ 69,261,640	\$ 66,616,191	\$ 52,139,592	\$ 60,979,747
Board's covered payroll	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	80.67%	70.71%	71.84%	57.68%	70.71%
Plan fiduciary net position as a percentage of the total pension liability	85.98%	87.56%	87.61%	89.51%	87.32%
	<u>2016</u>	<u>2015</u>	<u>2014</u>		
Board's proportion of the net pension liability (asset)	0.649%	0.629%	0.624%		
Board's proportionate share of the net pension liability (asset)	\$ 23,928,359	\$ 7,373,239	\$ 37,907,443		
Board's covered payroll	\$ 85,908,323	\$ 81,794,672	\$ 81,543,352		
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.85%	9.01%	46.49%		
Plan fiduciary net position as a percentage of the total pension liability	94.64%	98.24%	90.60%		

\* 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 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only eight years of data presented.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 14,978,821	\$ 12,875,432	\$ 12,037,895	\$ 9,995,687	\$ 9,020,938
Contributions in relation to the contractually required contribution	<u>14,978,821</u>	<u>12,875,432</u>	<u>12,037,895</u>	<u>9,995,687</u>	<u>9,020,938</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160
Contributions as a percentage of covered payroll	14.78%	12.97%	12.29%	10.78%	9.98%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 7,890,669	\$ 7,860,612	\$ 7,107,957	\$ 6,797,566	\$ 6,016,874
Contributions in relation to the contractually required contribution	<u>7,890,669</u>	<u>7,860,612</u>	<u>7,107,957</u>	<u>6,797,566</u>	<u>6,016,874</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672	\$ 81,603,434	\$ 80,871,960
Contributions as a percentage of covered payroll	9.15%	9.15%	8.69%	8.33%	7.44%

**CHAPEL HILL-CARRBORO CITY 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 FIVE FISCAL YEARS\***

	2021	2020	2019	2018	2017
Board's proportion of the net OPEB liability (asset)	0.595%	0.591%	0.602%	0.607%	0.593%
Board's proportionate share of the net OPEB liability (asset)	\$ 164,931,636	\$ 187,109,403	\$ 171,504,963	\$ 198,969,592	\$ 257,834,844
Board's covered payroll	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	166.14%	191.03%	184.96%	220.12%	298.98%
Plan fiduciary net position as a percentage of the total OPEB liability	6.92%	4.40%	4.40%	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 five years of data presented.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
RETIREE HEALTH BENEFIT FUND  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 6,769,860	\$ 6,422,825	\$ 6,141,383	\$ 5,609,824	\$ 5,225,842
Contributions in relation to the contractually required contribution	<u>6,769,860</u>	<u>6,422,825</u>	<u>6,141,383</u>	<u>5,609,824</u>	<u>5,225,842</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%	6.05%	5.81%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 4,833,393	\$ 4,693,298	\$ 4,408,641	\$ 4,324,982	\$ 4,043,598
Contributions in relation to the contractually required contribution	<u>4,833,393</u>	<u>4,693,298</u>	<u>4,408,641</u>	<u>4,324,982</u>	<u>4,043,598</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672	\$ 81,603,434	\$ 80,871,960
Contributions as a percentage of covered payroll	5.60%	5.49%	5.40%	5.30%	5.00%

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST FIVE FISCAL YEARS\***

	2021	2020	2019	2018	2017
Board's proportion of the net OPEB asset	0.584%	0.593%	0.592%	0.584%	0.596%
Board's proportionate share of the net OPEB asset	\$ 287,160	\$ 256,035	\$ 179,756	\$ 357,198	\$ 369,905
Board's covered payroll	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.29%	0.26%	0.19%	0.40%	0.43%
Plan fiduciary net position as a percentage of the total OPEB asset	115.57%	113.00%	108.47%	116.23%	116.06%

5 \* 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 five years of data presented.



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF BOARD CONTRIBUTIONS  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 91,211	\$ 99,271	\$ 137,128	\$ 129,814	\$ 341,793
Contributions in relation to the contractually required contribution	<u>91,211</u>	<u>99,271</u>	<u>137,128</u>	<u>129,814</u>	<u>341,793</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.38%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 353,873	\$ 350,501	\$ 359,223	\$ 359,055	\$ 420,534
Contributions in relation to the contractually required contribution	<u>353,873</u>	<u>350,501</u>	<u>359,223</u>	<u>359,055</u>	<u>420,534</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672	\$ 81,603,434	\$ 80,871,960
Contributions as a percentage of covered payroll	0.41%	0.41%	0.44%	0.44%	0.52%

---

**INDIVIDUAL FUND BUDGETARY  
AND OTHER SCHEDULES**

---

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Orange County:			
Local current expense	\$ 53,395,111	\$ 53,395,309	\$ 198
Other:			
Fines and forfeitures	375,000	252,588	(122,412)
Supplemental school taxes	24,267,972	24,828,513	560,541
Interest earned on investment	125,000	43,603	(81,397)
Indirect costs allocated	220,000	192,586	(27,414)
Transportation revenue	-	244,274	244,274
Sales and use tax refund	135,000	132,396	(2,604)
Miscellaneous	190,000	17,896	(172,104)
Total other	<u>25,312,972</u>	<u>25,711,856</u>	<u>398,884</u>
Total revenues	<u>78,708,083</u>	<u>79,107,165</u>	<u>399,082</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	28,632,950	28,610,377	22,573
Special populations	11,040,408	10,976,258	64,150
Alternative programs	3,330,139	3,199,297	130,842
School leadership	5,286,258	5,169,809	116,449
Co-curricular	2,402,832	2,399,899	2,933
School-based support	9,475,200	9,464,478	10,722
Total instructional services	<u>60,167,787</u>	<u>59,820,118</u>	<u>347,669</u>
System-wide support services:			
Support and development	1,373,169	1,371,863	1,306
Special population support and development	628,312	596,778	31,534
Alternative programs and services support and development	27,643	15,935	11,708
Technology support	2,509,774	1,968,367	541,407
Operational support	10,780,556	7,940,454	2,840,102
Financial and human resource services	2,564,790	2,318,043	246,747
Accountability	571,399	545,087	26,312
System-wide pupil support	1,618,170	1,053,577	564,593
Policy, leadership and public relations	2,902,626	2,747,058	155,568
Total system-wide support services	<u>22,976,439</u>	<u>18,557,162</u>	<u>4,419,277</u>

**CHAPEL HILL-CARRBORO CITY 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, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (Continued):			
Current:			
Ancillary services:			
Nutrition	<u>2,016</u>	<u>2,016</u>	<u>-</u>
Non-programmed charges:			
Payments to other governments	<u>848,102</u>	<u>848,102</u>	<u>-</u>
Total expenditures	<u>83,994,344</u>	<u>79,227,398</u>	<u>4,766,946</u>
Revenues under expenditures	<u>(5,286,261)</u>	<u>(120,233)</u>	<u>5,166,028</u>
Other financing sources (uses):			
Transfers from other funds	528,000	-	(528,000)
Transfers to other funds	<u>(225,000)</u>	<u>(225,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>303,000</u>	<u>(225,000)</u>	<u>(528,000)</u>
Fund balance appropriated	<u>4,983,261</u>	<u>-</u>	<u>(4,983,261)</u>
Net change in fund balance	<u>\$ -</u>	<u>(345,233)</u>	<u>\$ (345,233)</u>
Fund balance:			
Beginning of year		<u>15,876,527</u>	
End of year		<u>\$ 15,531,294</u>	

**CHAPEL HILL-CARRBORO CITY 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, 2021**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 150,527	\$ 150,527	\$ -
U.S. Government:			
FEMA Disaster Grants - Public Assistance	-	44,650	44,650
Orange County:			
Local bond revenues	26,519,730	20,972,546	(5,547,184)
General county appropriations	1,799,700	1,799,700	-
Total Orange County	28,319,430	22,772,246	(5,547,184)
Other:			
Sales tax refund	-	74,660	74,660
Miscellaneous	-	148,733	148,733
Total other	-	223,393	223,393
Total revenues	28,469,957	23,190,816	(5,279,141)
Expenditures:			
Current:			
Instructional services:			
Regular instructional	3,827,318	3,710,486	116,832
System-wide support services:			
Technology support	435,000	384,926	50,074
Operational support	241,243	242,001	(758)
Total system-wide support services	676,243	626,927	49,316
Ancillary services:			
Nutrition	45,000	26,729	18,271
Debt service:			
Principal retirement	1,008,222	1,008,522	(300)
Capital outlay	27,586,607	20,591,214	6,995,393
Total expenditures	33,143,390	25,963,878	7,179,512
Revenues under expenditures	(4,673,433)	(2,773,062)	1,900,371
Other financing sources:			
Insurance proceeds	-	7,301	7,301
Installment purchase obligations issued	3,435,838	3,435,838	-
Total other financing sources	3,435,838	3,443,139	7,301
Fund balance appropriated	1,237,595	-	(1,237,595)
Net change in fund balance	\$ -	670,077	\$ 670,077
Fund balance:			
Beginning of year		2,159,189	
End of year		\$ 2,829,266	

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
INDIVIDUAL SCHOOLS FUND  
For the Fiscal Year Ended June 30, 2021**

---

	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Totals</u>
Revenues	\$ 87,633	\$ 96,317	\$ 436,548	\$ 620,498
Expenditures	<u>124,498</u>	<u>152,059</u>	<u>415,000</u>	<u>691,557</u>
Net change in fund balance	(36,865)	(55,742)	21,548	(71,059)
Fund balances:				
Beginning of year	<u>229,708</u>	<u>297,966</u>	<u>816,141</u>	<u>1,343,815</u>
End of year	<u>\$ 192,843</u>	<u>\$ 242,224</u>	<u>\$ 837,689</u>	<u>\$ 1,272,756</u>

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 1,660,800	\$ 7,955	\$ (1,652,845)
Other	9,500	16,272	6,772
Total operating revenues	<u>1,670,300</u>	<u>24,227</u>	<u>(1,646,073)</u>
Operating expenditures:			
Business support services:			
Purchase of food		8,466	
Salaries and benefits		828,622	
Materials and supplies		7,079	
Repairs and maintenance		46,551	
Non-capitalized equipment		43,503	
Chartwells management fees		2,190,815	
Other		52,525	
Capital outlay		63,699	
Total operating expenditures	<u>4,851,966</u>	<u>3,241,260</u>	<u>1,610,706</u>
Operating loss	<u>(3,181,666)</u>	<u>(3,217,033)</u>	<u>(3,256,779)</u>
Nonoperating revenues:			
Federal reimbursements		2,886,425	
Federal commodities		310,161	
Total nonoperating revenues	<u>2,849,000</u>	<u>3,196,586</u>	<u>347,586</u>
Deficiency of revenues over expenditures before other financing sources and fund balance appropriated	(332,666)	(20,447)	312,219
Other financing sources:			
Transfers from other funds	225,000	270,739	45,739
Fund balance appropriated	<u>107,666</u>	<u>-</u>	<u>(107,666)</u>
Net change in fund balance	<u>\$ -</u>	<u>250,292</u>	<u>\$ 250,292</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(104,268)	
Net OPEB asset		133	
Net pension liability		(49,663)	
Net OPEB liability		151,153	
Deferred outflows - pension and OPEB		4,940	
Deferred inflows - pension and OPEB		(26,851)	
Capital contributions		26,729	
Equipment purchases		63,699	
Indirect costs		(95,815)	
Indirect costs not paid		95,815	
Decrease in compensated absences payable		6,254	
Change in net position (full accrual)		<u>\$ 322,418</u>	

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**CHILD CARE FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Child care fees	\$ 1,658,949	\$ 213,033	\$ (1,445,916)
Rental of school property	260,000	32,895	(227,105)
Total operating revenue	<u>1,918,949</u>	<u>245,928</u>	<u>(1,673,021)</u>
Operating expenditures:			
Regular community services:			
Purchase of food		7,873	
Salaries and benefits		1,140,020	
Materials and supplies		15,064	
Other		2,937	
Total operating expenditures	<u>1,981,189</u>	<u>1,165,894</u>	<u>815,295</u>
Operating loss	<u>(62,240)</u>	<u>(919,966)</u>	<u>(857,726)</u>
Nonoperating revenues:			
Contributions and donations	12,240	-	(12,240)
Other	50,000	-	(50,000)
Total nonoperating revenues	<u>62,240</u>	<u>-</u>	<u>(62,240)</u>
Net change in fund balance	<u>\$ -</u>	<u>(919,966)</u>	<u>\$ (919,966)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		134	
Net pension liability		(54,960)	
Net OPEB liability		256,781	
Deferred outflows - pension and OPEB		(3,369)	
Deferred inflows - pension and OPEB		(21,824)	
Decrease in compensated absences payable		8,460	
Change in net position (full accrual)		<u>\$ (734,744)</u>	





## **Statistical Section**

## STATISTICAL SECTION

The Statistical Section of the 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 says about the district's overall financial status and outlook.

### **Financial Trends**

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

- Net Position by Component
- Changes in Net Position
- Governmental Funds – Fund Balances
- Governmental Funds - Changes in Fund Balances
- Net Position History for the School Food Service and Child Care Funds

### **Revenue Capacity**

These schedules contain trend information to help the reader assess the Board's most significant revenue sources.

- Financial Perspective – Governmental and Business-type Activities
- Proprietary Fund – Food Services Operations – Revenues by Source and Expenses by Category

### **Debt Capacity—Chapel Hill—Carrboro City Board of Education and Orange County, NC**

Since the Board has no tax-levying or debt-issuing authority, the County of Orange provides significant funding to the school system. Debt is issued by the County on behalf of CHCCS to fund capital projects by bond referendum or private financing. Selected fiscal data from the County of Orange have been included to help the reader better understand the school system and its financial operations.

- Debt Obligations - Chapel Hill - Carrboro City Board of Education
- Ratios of Outstanding Debt by Type - Orange County, NC

### **Demographic and Economic Information – Orange County, NC**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

- Principal Property Taxpayers
- Property Tax Levies and Current Collections
- Assessed Value and Actual Value of Taxable Property
- Demographic Statistics
- Principal Employers

## STATISTICAL SECTION (continued)

### **Operating Information**

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

Operational Expenditures Per Pupil – Expenditures by Function  
Average Daily Membership  
Full-Time Equivalent Governmental Employees by Function/Program  
Student Statistics  
Instructional Personnel  
School Building Data

### **Sources of Information**

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant years.

## CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

### Net Position by Component

#### Last Ten Fiscal Years

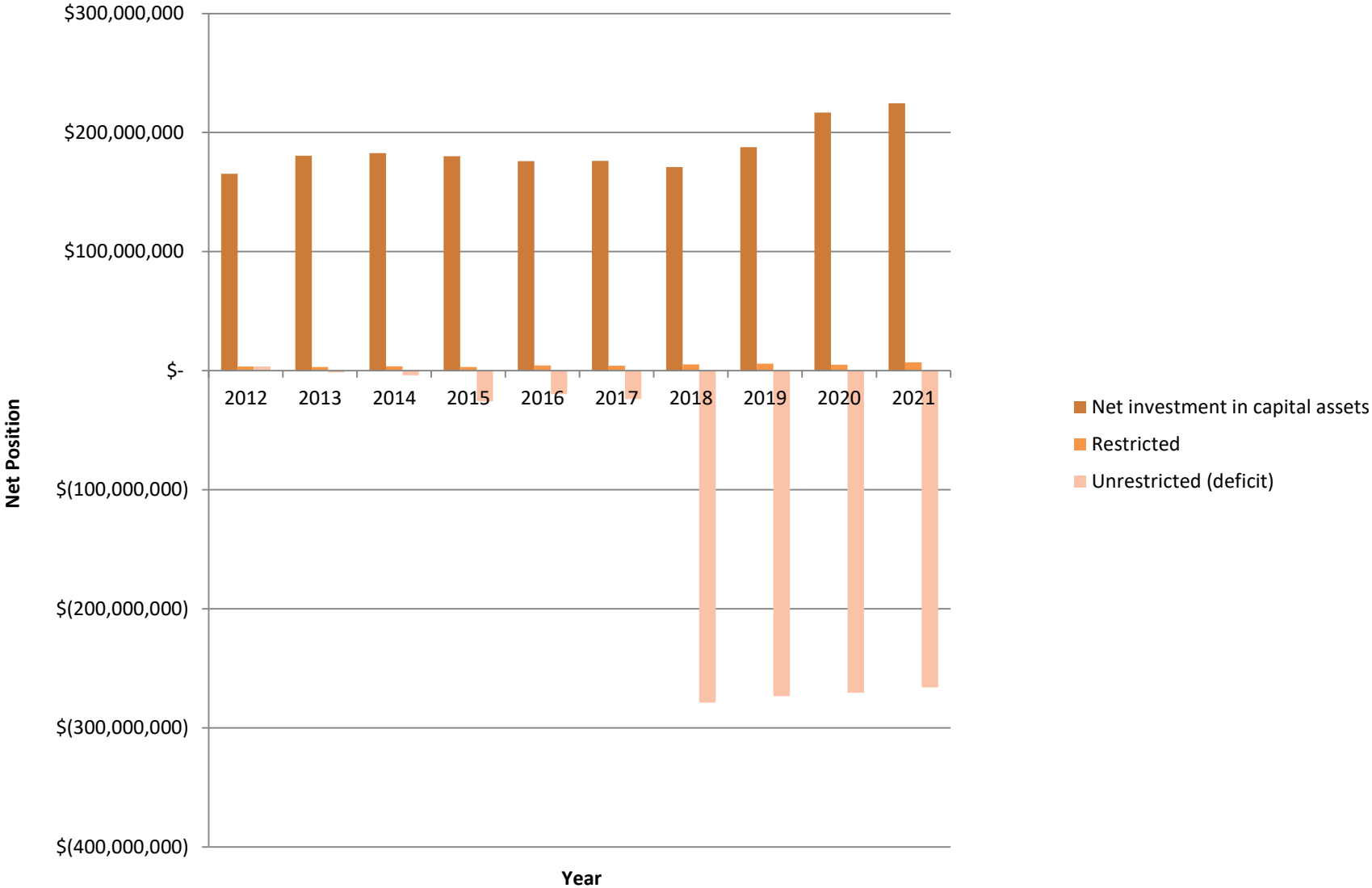
Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net investment in capital assets	\$ 165,245,825	\$ 180,562,451	\$ 182,769,201	\$ 180,120,404	\$ 175,930,029	\$ 176,085,739	\$ 170,960,490	\$ 187,623,578	\$ 216,820,123	\$ 224,589,310
Restricted	3,403,894	2,943,181	3,733,701	3,060,507	4,313,375	4,149,855	5,165,492	5,851,605	4,917,092	6,877,809
Unrestricted (deficit)	3,355,228	(1,507,943)	(4,026,196)	(25,876,479)	(19,810,737)	(23,893,751)	(278,867,260)	(273,295,992)	(270,610,136)	(266,067,622)
	<u>\$ 172,004,947</u>	<u>\$ 181,997,689</u>	<u>\$ 182,476,706</u>	<u>\$ 157,304,432</u>	<u>\$ 160,432,667</u>	<u>\$ 156,341,843</u>	<u>\$ (102,741,278)</u>	<u>\$ (79,820,809)</u>	<u>\$ (48,872,921)</u>	<u>\$ (34,600,503)</u>
Business-type activities:										
Investment in capital assets	\$ 340,873	\$ 329,853	\$ 595,469	\$ 662,343	\$ 599,209	\$ 574,753	\$ 591,918	\$ 521,987	\$ 453,262	\$ 439,422
Restricted	-	-	-	-	-	-	10,748	11,747	9,038	7,041
Unrestricted (deficit)	336,611	363,478	252,864	(192,193)	10,783	209,146	(3,899,505)	(3,271,455)	(2,698,966)	(3,095,455)
	<u>\$ 677,484</u>	<u>\$ 693,331</u>	<u>\$ 848,333</u>	<u>\$ 470,150</u>	<u>\$ 609,992</u>	<u>\$ 783,899</u>	<u>\$ (3,296,839)</u>	<u>\$ (2,737,721)</u>	<u>\$ (2,236,666)</u>	<u>\$ (2,648,992)</u>
Government-wide:										
Net investment in capital assets	\$ 165,586,698	\$ 180,892,304	\$ 183,364,670	\$ 180,782,747	\$ 176,529,238	\$ 176,660,492	\$ 171,552,408	\$ 188,145,565	\$ 217,273,385	\$ 225,028,732
Restricted	3,403,894	2,943,181	3,733,701	3,060,507	4,313,375	4,149,855	5,176,240	5,863,352	4,926,130	6,884,850
Unrestricted (deficit)	3,691,839	(1,144,465)	(3,773,332)	(26,068,672)	(19,799,954)	(23,684,605)	(282,766,765)	(276,567,447)	(273,309,102)	(269,163,077)
	<u>\$ 172,682,431</u>	<u>\$ 182,691,020</u>	<u>\$ 183,325,039</u>	<u>\$ 157,774,582</u>	<u>\$ 161,042,659</u>	<u>\$ 157,125,742</u>	<u>\$ (106,038,117)</u>	<u>\$ (82,558,530)</u>	<u>\$ (51,109,587)</u>	<u>\$ (37,249,495)</u>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

Note: Net position for 2014 and before are not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its 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



## CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

### Changes in Net Position Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses:</b>										
Governmental Activities:										
Instructional services	\$ 104,948,573	\$ 109,512,140	\$ 109,586,544	\$ 108,968,591	\$ 110,941,537	\$ 124,200,421	\$ 131,693,298	\$ 131,036,239	\$ 138,146,302	\$ 134,606,355
System-wide support services	23,529,956	26,104,923	26,114,404	27,034,498	27,081,107	26,185,198	30,885,328	30,088,691	32,186,498	33,410,932
Ancillary services	136,883	106,706	90,470	61,433	61,697	65,179	73,074	80,787	145,254	186,857
Payments to other governments	527,076	508,313	649,613	819,752	691,229	682,572	651,420	696,636	754,422	820,979
Interest on long-term debt	675	20,142	32,455	24,695	16,704	8,476	-	-	-	-
Unallocated depreciation expense	5,757,524	6,284,193	5,358,748	6,996,814	7,101,720	7,090,769	6,939,689	6,712,646	6,748,407	6,990,430
Total governmental activities	134,900,687	142,536,417	141,832,234	143,905,783	145,893,994	158,232,615	170,242,809	168,614,999	177,980,883	176,015,553
Business-type activities:										
School food service	4,009,913	4,174,046	4,265,306	4,170,678	4,203,705	4,438,518	4,521,692	4,097,841	4,125,552	3,195,863
Child care	1,484,031	1,591,053	1,629,050	1,605,549	1,693,970	1,687,495	2,210,003	1,734,825	1,504,712	980,672
Total business-type activities	5,493,944	5,765,099	5,894,356	5,776,227	5,897,675	6,126,013	6,731,695	5,832,666	5,630,264	4,176,535
Total government-wide	\$ 140,394,631	\$ 148,301,516	\$ 147,726,590	\$ 149,682,010	\$ 151,791,669	\$ 164,358,628	\$ 176,974,504	\$ 174,447,665	\$ 183,611,147	\$ 180,192,088
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
Co-curricular	\$ 2,712,319	\$ 2,900,197	\$ 2,626,915	\$ 2,434,363	\$ 2,578,856	\$ 2,511,886	\$ 2,434,193	\$ 2,761,964	\$ 1,959,562	\$ 620,498
Operational support	515,397	494,505	725,262	755,480	852,073	832,866	825,930	246,199	86,682	132,532
Operating grants and contributions	64,339,584	64,250,067	63,995,592	68,179,662	68,043,688	69,805,753	71,869,257	80,806,884	81,803,744	85,335,666
Capital grants and contributions	39,470	162,818	61,675	102,730	226,924	145,250	231,314	193,580	150,527	150,527
Total governmental activities	67,606,770	67,807,587	67,409,444	71,472,235	71,701,541	73,295,755	75,360,694	84,008,627	84,000,515	86,239,223
Business-type activities:										
Charges for services:										
School food service	1,861,576	1,785,164	1,720,720	1,652,723	1,671,160	1,714,143	1,784,876	1,820,105	1,304,039	7,955
Child care	1,749,274	1,872,606	1,838,115	1,941,681	1,997,142	2,109,648	2,147,574	2,073,301	1,792,151	245,928
Operating grants and contributions	1,863,465	2,055,701	2,177,773	2,154,519	2,334,424	2,449,659	2,457,780	2,401,813	2,719,248	3,196,586
Total business-type activities	5,474,315	5,713,471	5,736,608	5,748,923	6,002,726	6,273,450	6,390,230	6,295,219	5,815,438	3,450,469
Total government-wide	\$ 73,081,085	\$ 73,521,058	\$ 73,146,052	\$ 77,221,158	\$ 77,704,267	\$ 79,569,205	\$ 81,750,924	\$ 90,303,846	\$ 89,815,953	\$ 89,689,692
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (67,293,917)	\$ (74,728,830)	\$ (74,422,790)	\$ (72,433,548)	\$ (74,192,453)	\$ (84,936,860)	\$ (94,882,115)	\$ (84,606,372)	\$ (93,980,368)	\$ (89,776,330)
Business-type activities	(19,629)	(51,628)	(157,748)	(27,304)	105,051	147,437	(341,465)	462,553	185,174	(726,066)
Total government-wide	\$ (67,313,546)	\$ (74,780,458)	\$ (74,580,538)	\$ (72,460,852)	\$ (74,087,402)	\$ (84,789,423)	\$ (95,223,580)	\$ (84,143,819)	\$ (93,795,194)	\$ (90,502,396)

## CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

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

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county and city appropriations - operating	\$ 56,321,027	\$ 58,563,905	\$ 62,845,255	\$ 66,966,712	\$ 68,428,740	\$ 71,161,573	\$ 74,210,787	\$ 75,752,318	\$ 77,711,917	\$ 78,223,822
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	-	-	-	44,650
Unrestricted county appropriations - capital	10,115,516	24,379,684	10,909,841	8,504,463	6,880,353	7,788,064	8,922,442	27,455,446	42,585,529	22,772,246
Investment earnings, unrestricted	86,429	42,140	38,313	23,785	32,149	59,843	88,417	128,483	128,787	43,603
Miscellaneous, unrestricted	1,850,521	1,803,318	1,421,148	2,214,920	2,014,237	1,863,024	2,415,695	4,287,159	4,817,904	3,261,895
Transfers	(141,654)	(67,475)	(312,750)	(193,286)	(34,791)	(26,470)	(176,945)	(96,565)	(315,881)	(297,468)
<b>Total governmental activities</b>	<b>68,231,839</b>	<b>84,721,572</b>	<b>74,901,807</b>	<b>77,516,594</b>	<b>77,320,688</b>	<b>80,846,034</b>	<b>85,460,396</b>	<b>107,526,841</b>	<b>124,928,256</b>	<b>104,048,748</b>
Business-type activities:										
Miscellaneous, unrestricted	-	-	-	-	-	-	-	-	-	16,272
Transfers	141,654	67,475	312,750	193,286	34,791	26,470	176,945	96,565	315,881	297,468
<b>Total business-type activities</b>	<b>141,654</b>	<b>67,475</b>	<b>312,750</b>	<b>193,286</b>	<b>34,791</b>	<b>26,470</b>	<b>176,945</b>	<b>96,565</b>	<b>315,881</b>	<b>313,740</b>
<b>Total government-wide</b>	<b>\$ 68,373,493</b>	<b>\$ 84,789,047</b>	<b>\$ 75,214,557</b>	<b>\$ 77,709,880</b>	<b>\$ 77,355,479</b>	<b>\$ 80,872,504</b>	<b>\$ 85,637,341</b>	<b>\$ 107,623,406</b>	<b>\$ 125,244,137</b>	<b>\$ 104,362,488</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 937,922	\$ 9,992,742	\$ 479,017	\$ 5,083,046	\$ 3,128,235	\$ (4,090,826)	\$ (9,421,719)	\$ 22,920,469	\$ 30,947,888	\$ 14,272,418
Business-type activities	122,025	15,847	155,002	165,982	139,842	173,907	(164,520)	559,118	501,055	(412,326)
<b>Total government-wide</b>	<b>\$ 1,059,947</b>	<b>\$ 10,008,589</b>	<b>\$ 634,019</b>	<b>\$ 5,249,028</b>	<b>\$ 3,268,077</b>	<b>\$ (3,916,919)</b>	<b>\$ (9,586,239)</b>	<b>\$ 23,479,587</b>	<b>\$ 31,448,943</b>	<b>\$ 13,860,092</b>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

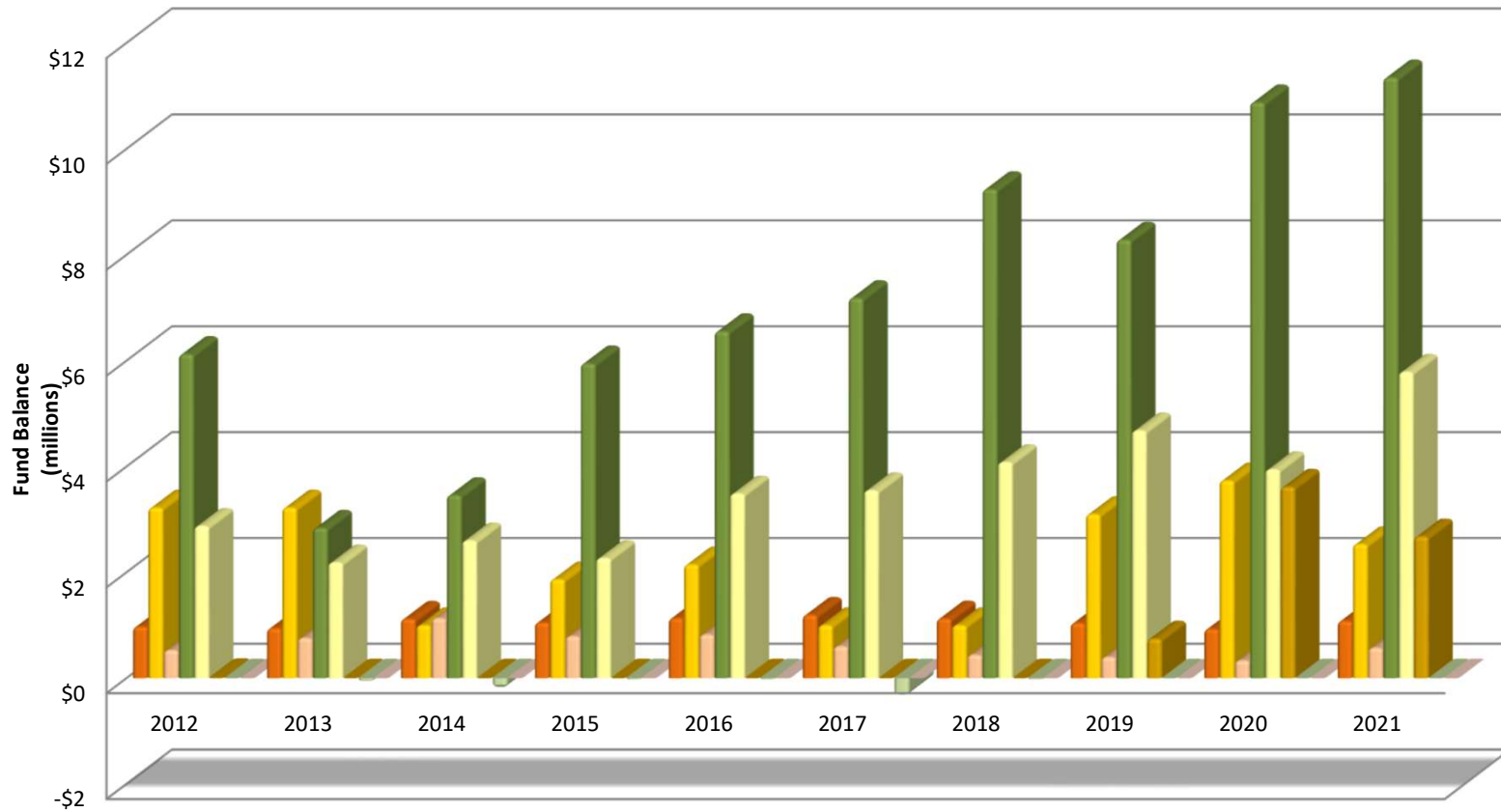
## Governmental Funds Fund Balances Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ 972,818	\$ 941,271	\$ 1,120,202	\$ 1,051,690	\$ 1,134,291
Restricted	528,824	758,515	1,131,274	792,982	824,953
Assigned	3,222,913	3,222,913	1,000,000	1,868,000	2,148,000
Unassigned	6,123,908	2,841,362	3,458,330	5,947,241	6,554,954
<b>Total General Fund</b>	<b>\$ 10,848,463</b>	<b>\$ 7,764,061</b>	<b>\$ 6,709,806</b>	<b>\$ 9,659,913</b>	<b>\$ 10,662,198</b>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 425	\$ -	\$ -	\$ -	\$ -
Restricted	2,875,070	2,184,666	2,602,427	2,267,525	3,488,422
Assigned, reported in Special Revenue Funds	11,169	-	-	-	-
Unassigned, reported in Special Revenue Funds	-	(63,868)	(187,210)	(28,864)	(28,863)
<b>Total all other governmental funds</b>	<b>\$ 2,886,664</b>	<b>\$ 2,120,798</b>	<b>\$ 2,415,217</b>	<b>\$ 2,238,661</b>	<b>\$ 3,459,559</b>
<b>Year Ended June 30</b>					
	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>General Fund</b>					
Nonspendable	\$ 1,194,588	\$ 1,125,306	\$ 1,041,973	\$ 928,896	\$ 1,080,050
Restricted	601,148	441,331	398,795	335,440	573,216
Assigned	1,000,000	1,000,000	3,100,000	3,736,550	2,532,092
Unassigned	7,180,587	9,236,779	8,281,224	10,875,641	11,345,936
<b>Total General Fund</b>	<b>\$ 9,976,323</b>	<b>\$ 11,803,416</b>	<b>\$ 12,821,992</b>	<b>\$ 15,876,527</b>	<b>\$ 15,531,294</b>
<b>All Other Governmental Funds:</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	3,548,707	4,080,456	4,679,641	3,946,128	5,787,450
Assigned, reported in Special Revenue Funds	-	-	746,110	3,615,456	2,676,958
Unassigned, reported in Special Revenue Funds	(335,567)	(31,201)	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 3,213,140</b>	<b>\$ 4,049,255</b>	<b>\$ 5,425,751</b>	<b>\$ 7,561,584</b>	<b>\$ 8,464,408</b>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.



## Governmental Funds Fund Balance



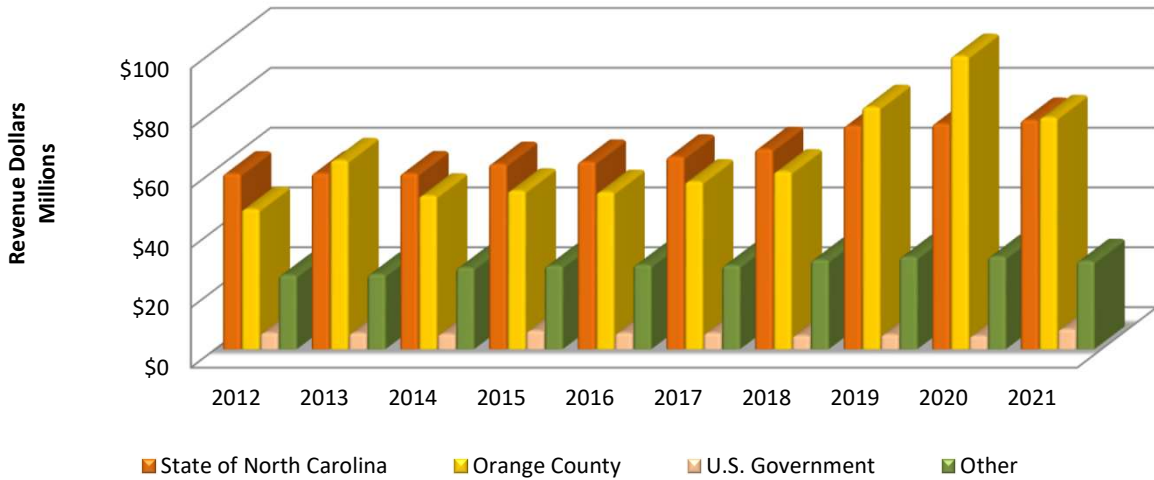
- Nonspendable, General
- Assigned, General
- Restricted, General
- Unassigned, General
- Restricted, All Other Governmental Funds
- Assigned, All Other Governmental Funds
- Unassigned, All Other Governmental Funds
- Nonspendable, All Other Governmental Funds

**Chapel Hill-Carrboro City Board of Education**  
**Governmental Funds**  
**Changes in Fund Balances**  
**Last Ten Fiscal Years**

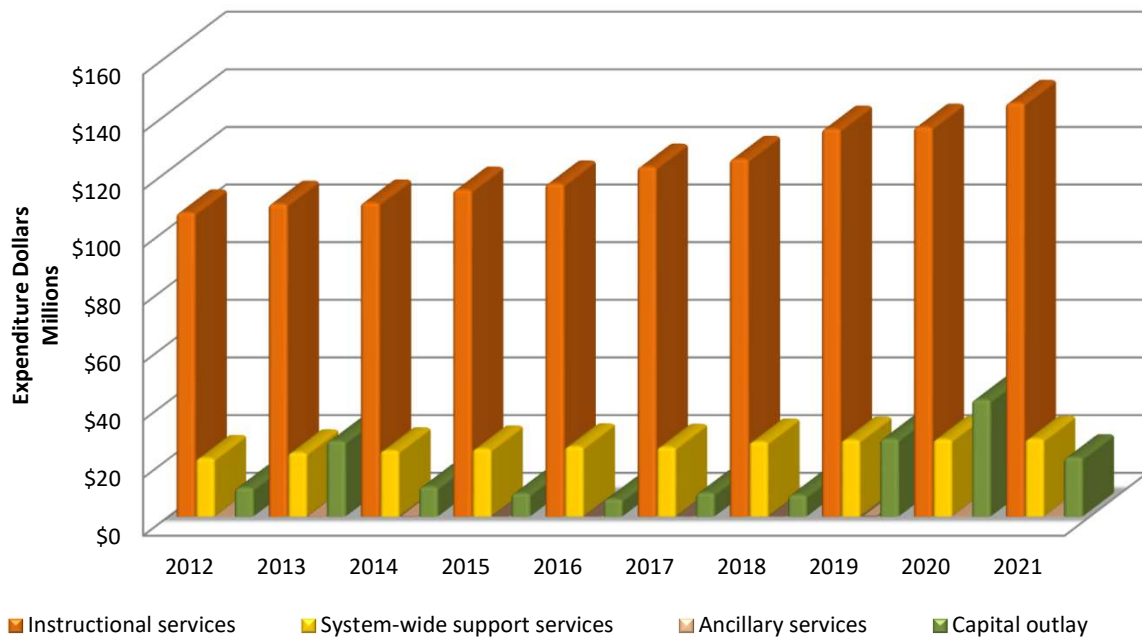
Year Ended June 30	2012	2013	2014	2015	2016
<b>Revenues</b>					
State of North Carolina	\$ 58,808,280	\$ 58,911,178	\$ 58,878,531	\$ 61,999,596	\$ 62,738,821
Orange County	46,915,324	63,241,889	51,422,939	53,064,569	52,627,490
U.S. Government	5,570,774	5,501,707	5,178,736	6,282,796	5,531,791
Other	24,885,251	25,157,529	27,375,623	27,977,875	28,264,396
Total revenues	<u>136,179,629</u>	<u>152,812,303</u>	<u>142,855,829</u>	<u>149,324,836</u>	<u>149,162,498</u>
<b>Expenditures</b>					
Instructional services	105,498,842	108,523,623	108,971,020	113,420,291	115,549,913
System-wide support services	20,327,573	22,260,008	22,987,200	23,595,307	24,343,796
Ancillary services	136,883	106,706	90,470	63,164	63,669
Non-programmed charges	638,776	636,315	793,774	1,006,307	840,540
Debt service - principal	98,292	435,540	322,084	370,899	503,084
Debt service - interest	675	20,142	32,455	24,695	16,704
Capital outlay	10,097,491	26,258,936	10,409,996	8,116,798	6,117,029
Total expenditures	<u>136,798,532</u>	<u>158,241,270</u>	<u>143,606,999</u>	<u>146,597,461</u>	<u>147,434,735</u>
Revenues over (under) expenditures	(618,903)	(5,428,967)	(751,170)	2,727,375	1,727,763
<b>Other financing sources (uses)</b>					
Transfers from other funds	896,939	850,425	293,373	341,610	1,154,000
Transfers to other funds	(1,004,309)	(880,273)	(302,039)	(377,544)	(1,157,478)
Installment purchase obligations	-	1,608,547	-	82,110	498,898
Insurance proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>(107,370)</u>	<u>1,578,699</u>	<u>(8,666)</u>	<u>46,176</u>	<u>495,420</u>
Net change in fund balances	<u>\$ (726,273)</u>	<u>\$ (3,850,268)</u>	<u>\$ (759,836)</u>	<u>\$ 2,773,551</u>	<u>\$ 2,223,183</u>
Ratio of debt service to non-capital expenditures	0.08%	0.35%	0.27%	0.29%	0.36%
Year Ended June 30	2017	2018	2019	2020	2021
<b>Revenues</b>					
State of North Carolina	\$ 64,424,499	\$ 66,960,199	\$ 74,766,764	\$ 75,458,354	\$ 76,725,190
Orange County	56,147,185	59,464,033	81,027,750	98,094,316	77,610,267
U.S. Government	5,526,504	4,690,607	5,034,629	4,624,676	6,836,782
Other	28,133,506	29,976,249	30,979,708	31,068,943	29,554,651
Total revenues	<u>154,231,694</u>	<u>161,091,088</u>	<u>191,808,851</u>	<u>209,246,289</u>	<u>190,726,890</u>
<b>Expenditures</b>					
Instructional services	121,387,316	124,096,523	134,585,266	135,257,654	143,555,611
System-wide support services	24,189,919	26,040,728	26,702,568	26,869,192	26,983,499
Ancillary services	64,112	69,709	82,413	144,261	189,288
Non-programmed charges	789,838	788,307	917,287	897,547	1,013,565
Debt service - principal	429,638	231,314	193,580	150,527	1,008,522
Debt service - interest	8,476	-	-	-	-
Capital outlay	8,297,696	7,578,417	27,059,202	40,569,049	20,591,214
Total expenditures	<u>155,166,995</u>	<u>158,804,998</u>	<u>189,540,316</u>	<u>203,888,230</u>	<u>193,341,699</u>
Revenues over (under) expenditures	(935,301)	2,286,090	2,268,535	5,358,059	(2,614,809)
<b>Other financing sources (uses)</b>					
Transfers from other funds	1,283,632	200,000	200,000	-	-
Transfers to other funds	(1,280,625)	(249,243)	(249,213)	(265,346)	(270,739)
Installment purchase obligations issued	-	426,361	175,750	-	3,435,838
Insurance proceeds	-	-	-	97,655	7,301
Total other financing sources (uses)	<u>3,007</u>	<u>377,118</u>	<u>126,537</u>	<u>(167,691)</u>	<u>3,172,400</u>
Net change in fund balances	<u>\$ (932,294)</u>	<u>\$ 2,663,208</u>	<u>\$ 2,395,072</u>	<u>\$ 5,190,368</u>	<u>\$ 557,591</u>
Ratio of debt service to non-capital expenditures	0.30%	0.15%	0.12%	0.09%	0.58%

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

## Chapel Hill-Carborro City Board of Education Governmental Funds Revenue by Source



## Expenditures by Function



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
NET POSITION HISTORY FOR THE SCHOOL FOOD SERVICE AND CHILD CARE FUNDS  
FOR THE LAST TEN YEARS**

YEAR	SCHOOL FOOD SERVICE FUND			CHILD CARE FUND		
	NET POSTION (DEFICIT)	EXPENSES	NET POSITION (DEFICIT) TO EXPENSES	NET POSTION (DEFICIT)	EXPENSES	NET POSITION (DEFICIT) TO EXPENSES
2021	\$ (583,138)	\$ 3,291,678	-17.72%	\$ (2,065,854)	\$ 980,672	-210.66%
2020	(905,556)	4,215,226	-21.48%	(1,331,110)	1,504,712	-88.46%
2019	(1,106,932)	4,190,760	-26.41%	(1,630,789)	1,734,825	-94.00%
2018	(1,527,574)	4,637,872	-32.94%	(1,769,265)	2,210,003	-80.06%
2017	237,283	4,561,520	5.20%	546,616	1,687,495	32.39%
2016	235,529	4,354,973	5.41%	374,463	1,693,970	22.11%
2015	148,859	4,312,157	3.45%	321,291	1,605,549	20.01%
2014	355,140	4,419,337	8.04%	493,193	1,629,050	30.27%
2013	165,830	4,310,893	3.85%	527,501	1,591,053	33.15%
2012	228,950	4,152,526	5.51%	448,534	1,484,031	30.22%

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

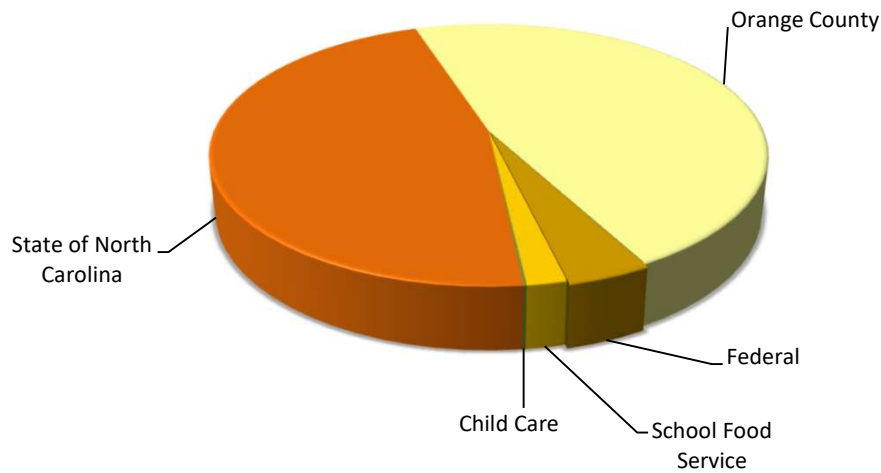
Note: Net position for 2014 and before are not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its participation in the statewide 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).

# Financial Perspective

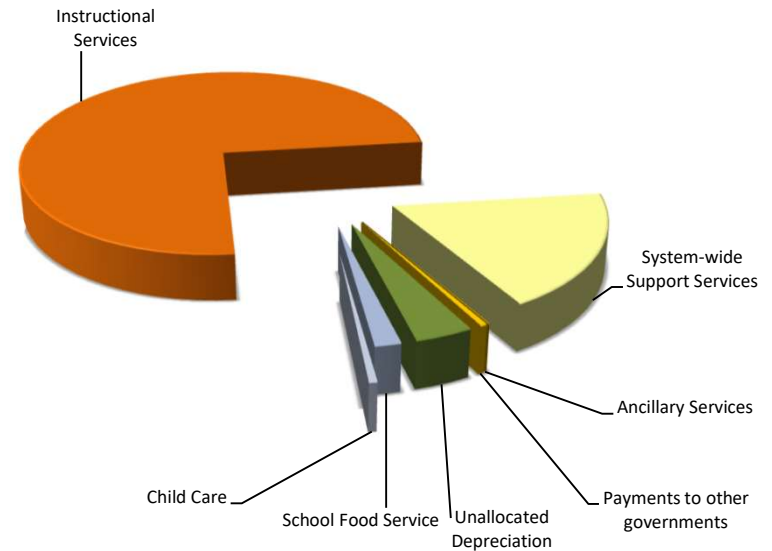
## Governmental and Business-type Activities for Fiscal Year 2020-2021

### Revenue Sources



State of North Carolina	\$ 76,725,190
Orange County	77,610,267
Federal	6,836,782
School Food Service	3,220,813
Child Care	245,928
Other	29,413,200
<b>Total</b>	<b><u>\$ 194,052,180</u></b>

### Expenses



Instructional Services	\$ 134,606,355
System-wide Support Services	33,410,932
Ancillary Services	186,857
Payments to other governments	820,979
Unallocated Depreciation	6,990,430
School Food Service	3,195,863
Child Care	980,672
<b>Total</b>	<b><u>\$ 180,192,088</u></b>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021.

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## Proprietary Fund - Food Service Operations

### Revenues by Source

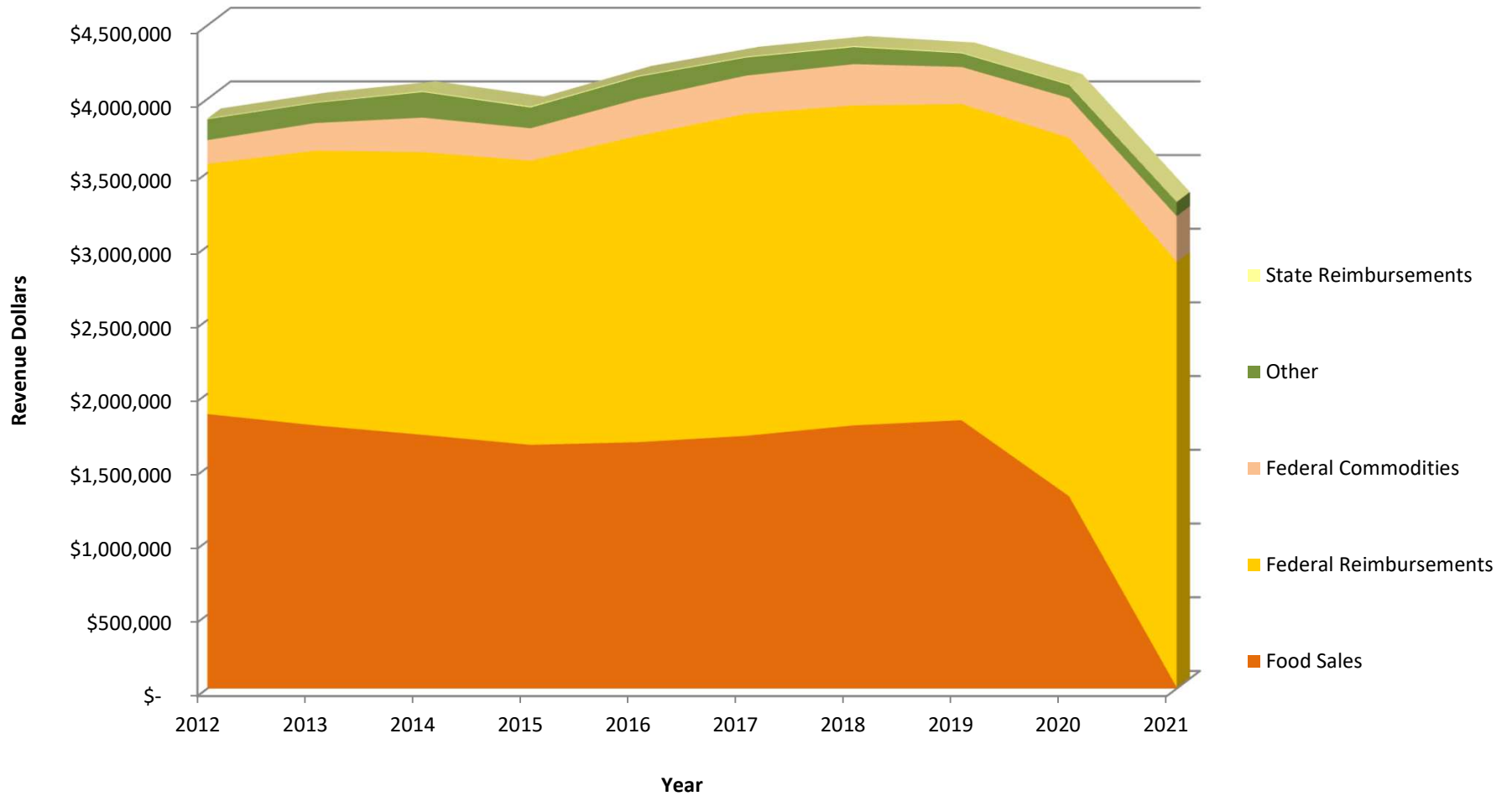
#### Last Ten Fiscal Years

Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Food Sales	\$ 1,861,576	\$ 1,785,164	\$ 1,720,720	\$ 1,652,723	\$ 1,671,160	\$ 1,714,143	\$ 1,784,876	\$ 1,820,105	\$ 1,304,039	\$ 7,955
Federal Reimbursements	1,697,467	1,863,739	1,918,154	1,927,898	2,077,777	2,184,617	2,171,052	2,145,199	2,431,852	2,886,425
Federal Commodities	161,631	187,786	234,534	220,602	251,491	260,164	280,656	252,214	270,644	310,161
Other	142,613	136,847	174,031	141,479	151,268	123,002	116,180	92,919	89,674	112,087
State Reimbursements	4,367	4,176	5,085	6,019	5,156	4,878	6,072	4,400	4,512	-
<b>Totals</b>	<b>\$ 3,867,654</b>	<b>\$ 3,977,712</b>	<b>\$ 4,052,524</b>	<b>\$ 3,948,721</b>	<b>\$ 4,156,852</b>	<b>\$ 4,286,804</b>	<b>\$ 4,358,836</b>	<b>\$ 4,314,837</b>	<b>\$ 4,100,721</b>	<b>\$ 3,316,628</b>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

Other revenue includes interest earned, gain on disposal of capital assets, indirect costs not paid, and other revenue.

## Chapel Hill-Carrboro City Board of Education Proprietary Fund - Food Service Operations - Revenues by Source



# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## Proprietary Fund - Food Service Operations

### Expenses by Category

#### Last Ten Fiscal Years

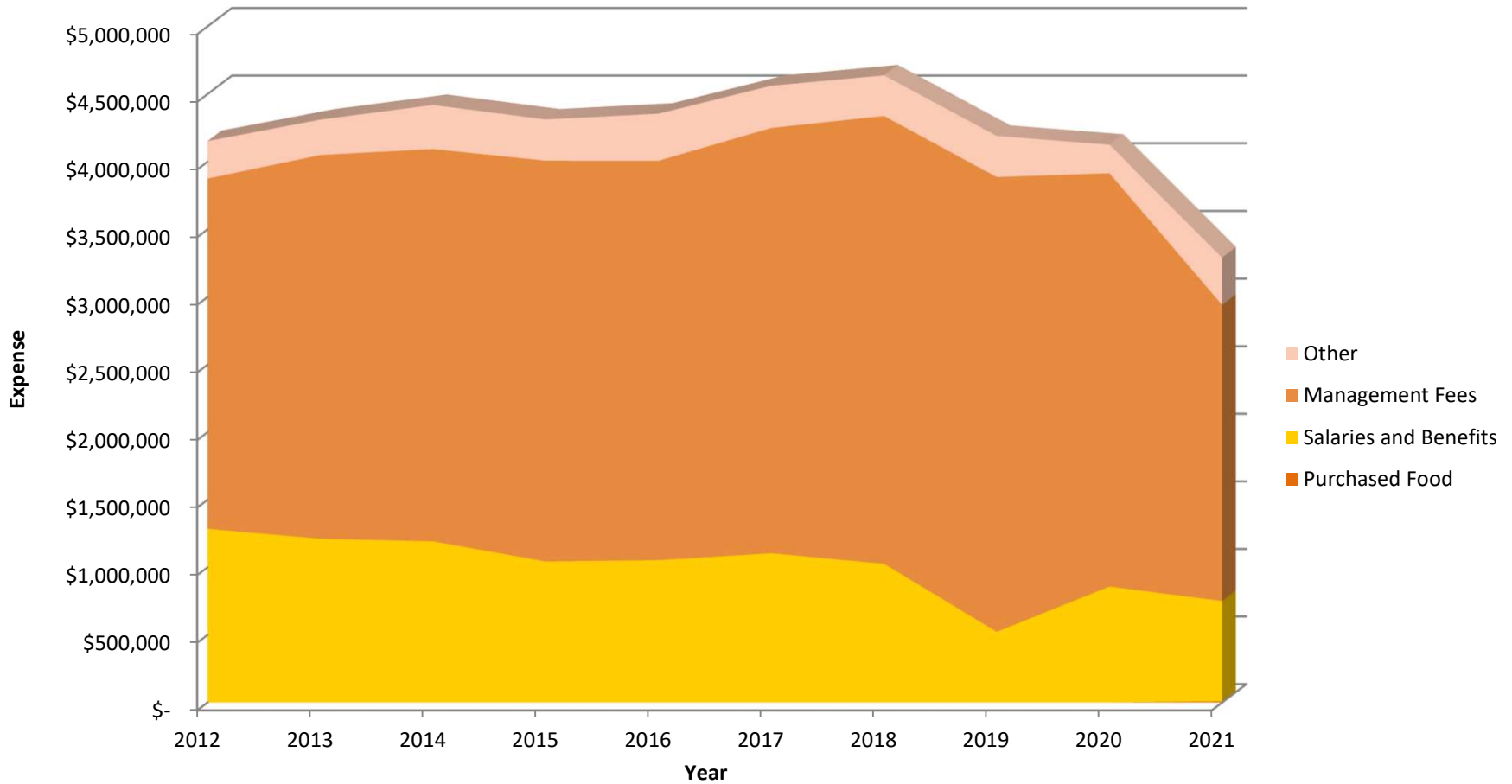
Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Purchased Food	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	525	\$ 8,466
Salaries and Benefits	1,284,983	1,211,722	1,191,652	1,043,464	1,052,796	1,104,337	1,026,005	523,115	856,907	742,656
Management Fees	2,590,338	2,837,669	2,902,209	2,964,019	2,954,241	3,145,099	3,311,733	3,363,535	3,057,486	2,190,815
Other	277,205	261,502	325,476	304,674	347,936	312,084	300,134	304,110	210,634	349,741
<b>Totals</b>	<b>\$ 4,152,526</b>	<b>\$ 4,310,893</b>	<b>\$ 4,419,337</b>	<b>\$ 4,312,157</b>	<b>\$ 4,354,973</b>	<b>\$ 4,561,520</b>	<b>\$ 4,637,872</b>	<b>\$ 4,190,760</b>	<b>\$ 4,125,552</b>	<b>\$ 3,291,678</b>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

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



## Chapel Hill-Carrboro City Board of Education Proprietary Fund - Food Service Operations - Expenses By Category



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
GOVERNMENTAL ACTIVITIES - DEBT OBLIGATIONS  
FOR THE LAST TEN YEARS**

---

Year Ended June 30	Installment Purchases	Total Debt Obligations	Per Capita
2021	\$ 2,621,784	\$ 2,621,784	N/A
2020	194,468	194,468	\$ 1.30
2019	344,995	344,995	2.32
2018	362,825	362,825	2.48
2017	167,778	167,778	1.16
2016	597,416	597,416	4.21
2015	601,602	601,602	4.26
2014	890,391	890,391	6.34
2013	1,212,475	1,212,475	8.64
2012	39,468	39,468	0.29

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.

**Orange County, North Carolina  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business -Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Capitalized Leases	Installment Loans	General Obligation Bonds	Capitalized Leases	Installment Loans				
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$ -	\$ 160,217,516	\$ 131,000,000	\$ -	\$ 12,053,942	\$ 303,271,458	N/A	\$ 2,034	
2019	-	112,389,455	125,740,000	-	11,501,093	249,630,548	2.58%	1,681	
2018	-	111,568,633	71,185,000	-	11,164,960	193,918,593	1.97%	1,328	
2017	-	117,955,775	50,430,000	-	12,185,551	180,571,326	2.00%	1,246	
2016	-	118,995,610	59,280,000	-	9,799,916	188,075,526	2.27%	1,326	
2015	-	122,631,057	68,355,000	-	9,980,805	200,966,862	2.57%	1,422	
2014	-	120,189,844	77,150,000	-	8,724,908	206,064,752	2.77%	1,467	
2013	1,746,223	107,796,269	86,205,000	325,128	9,429,225	205,501,845	2.80%	1,464	
2012	2,486,176	114,393,535	95,520,000	606,855	10,175,318	223,181,884	3.13%	1,613	

N/A = Not Available

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2021 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2020 and June 30, 2021 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

**Orange County, North Carolina**  
**Principal Property Taxpayers**  
**For the Years Ended June 30, 2020 and 2012**

Taxpayer	Type of Business	2020			2012		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	Public Utility	\$ 145,235,672	1	0.77%	\$ 94,322,711	1	0.59%
Chapel Hill Foundation Real Estate Inc.	Apartments/Retail	103,704,168	2	0.55%	47,460,632	4	0.30%
BIR Chapel Hill LLC	Apartments/Retail	68,603,700	3	0.36%	-	-	-
Piedmont Electric Membership	Public Utility	64,957,329	4	0.34%	52,865,394	2	0.33%
Northwestern Mutual Life Insurance Co.	Insurance Provider	57,473,228	5	0.30%	-	-	-
Public Service Co. of NC Inc.	Public Utility	55,128,293	6	0.29%	-	-	-
State Employees' Credit Union	Bank	50,884,688	7	0.27%	-	-	-
East 54 Office Retail LLC	Apartments/Retail	40,135,700	8	0.21%	48,493,428	3	0.30%
Health System Properties LLC	Medical	37,646,298	9	0.20%	-	-	-
Chapel Hill at the Pointe Villager LLC	Apartment rental	36,842,700	10	0.19%	-	-	-
Blue Cross Blue Shield of N.C.	Health Insurance	-	-	-	39,711,864	5	0.25%
VAC Limited Partnership	Apartment Rental	-	-	-	36,293,156	6	0.23%
Corium LLC	Insurance Provider	-	-	-	35,399,117	7	0.22%
ACC GF III Chapel Ridge/Chapel View LLC	Apartment rental	-	-	-	34,973,544	8	0.22%
Madison University Mall Properties	Retail	-	-	-	34,260,850	9	0.21%
Europa Center LLC	Hotel	-	-	-	27,779,617	10	0.17%
<b>Total</b>		<u>\$ 660,611,776</u>		<u>3.48%</u>	<u>\$ 451,560,313</u>		<u>2.82%</u>
<b>Total Assessed Valuation</b>		<u>\$ 18,956,491,582</u>			<u>\$ 15,940,616,184</u>		

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2021 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

**Orange County, North Carolina**  
**Property Tax Levies and Current Collections**  
**Last Ten Fiscal Years**

<b>TAX YEAR</b>	<b>FISCAL YEAR ENDED June 30</b>	<b>TOTAL TAX LEVY</b>	<b>CURRENT YEAR'S LEVY COLLECTIONS</b>	<b>PERCENT OF LEVY COLLECTED</b>	<b>PRIOR YEARS' LEVY COLLECTIONS</b>	<b>TOTAL COLLECTIONS DURING YEAR</b>
2020	2021	N/A	N/A	N/A	N/A	N/A
2019	2020	\$ 164,884,700	\$ 163,403,993	99.10	\$ 1,188,587	\$ 164,592,580
2018	2019	159,101,577	157,743,510	99.15	1,332,779	159,076,289
2017	2018	153,783,722	152,424,863	99.12	1,179,696	153,604,559
2016	2017	149,566,210	148,358,015	99.19	1,155,219	149,513,234
2015	2016	146,967,477	145,747,667	99.17	1,309,964	147,057,631
2014	2015	145,238,432	143,903,487	99.08	1,504,945	145,408,432
2013	2014	142,778,607	141,033,067	98.78	2,026,279	143,059,346
2012	2013	137,962,627	135,750,916	98.40	1,636,473	137,235,475
2011	2012	136,779,611	134,715,752	98.49	1,157,337	135,873,089

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2021 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

**ORANGE COUNTY, NORTH CAROLINA  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN YEARS**

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public-Service Companies</b>	<b>Less Tax Exempt Property</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Market Value</b>	<b>Assessed Value as a Percent of Actual Value</b>
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	\$ 16,974,899,491	\$ 1,726,673,593	\$ 337,564,917	\$ 82,646,419	\$ 18,956,491,582	0.868	\$ 21,116,733,410	89.77%
2019	16,603,198,106	1,821,061,820	337,735,426	80,381,765	18,681,613,587	0.850	20,299,482,328	92.03%
2018	16,385,248,774	1,711,150,366	315,583,138	81,081,408	18,330,900,870	0.838	19,247,060,972	95.24%
2017	15,168,750,327	1,620,578,558	306,434,830	71,244,631	17,024,519,084	0.878	19,932,700,016	85.41%
2016	15,020,157,254	1,442,897,338	382,744,805	67,617,005	16,778,182,392	0.878	19,676,536,170	85.27%
2015	14,863,350,430	1,461,891,252	244,191,811	67,500,359	16,501,933,134	0.878	19,323,118,424	85.40%
2014	14,734,501,833	1,724,462,428	239,923,242	66,527,135	16,632,360,368	0.858	19,398,362,762	85.74%
2013	14,630,730,056	1,274,117,983	235,565,073	64,439,641	16,075,973,471	0.858	18,896,681,052	85.07%
2012	14,509,087,828	1,217,661,746	234,219,001	61,832,450	15,899,136,125	0.858	18,726,408,865	84.90%

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2021 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

**Orange County, North Carolina  
Demographic Statistics  
Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Population Estimate (1)	138,330	140,352	140,420	141,354	141,796
Personal Income (2)	\$7,131,776	\$7,345,876	\$7,440,708	\$7,822,299	\$8,286,315
Per Capita Income (2)	\$51,556	\$52,339	\$52,989	\$55,338	\$58,438
Median Age (3)	33.0	33.5	32.5	32.7	34.8
School Enrollment (4)	19,462	19,445	19,682	19,530	19,466
Unemployment Rate (5)	7.1%	6.4%	4.8%	5.0%	4.6%
<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Population Estimate (1)	144,946	146,027	148,476	149,077	N/A
Personal Income (2)	\$9,015,914	\$9,840,004	\$9,678,411	N/A	N/A
Per Capita Income (2)	\$62,202	\$67,384	\$65,185	N/A	N/A
Median Age (3)	35.3	35.8	36.0	36.3	36.7
School Enrollment (4)	19,526	19,554	19,572	19,628	18,652
Unemployment Rate (5)	3.7%	3.7%	4.0%	5.9%	3.7%

N/A = Not Available

Sources:

- (1) Office of State Budget and Management
- (2) Bureau of Economic Analysis (Personal Income is shown in thousands of dollars)
- (3) Office of State Budget and Management
- (4) North Carolina Department of Public Instruction (excludes charter schools)
- (5) North Carolina Department of Commerce

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2020 and June 30, 2021 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

**Orange County, North Carolina**  
**Principal Employers**  
**For the Years Ended June 30, 2020 and 2012**

Employer	2020			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC Health Care System	13,029	1	16.44%	8,675	2	13.02%
UNC Chapel Hill	12,078	2	15.24%	15,785	1	23.68%
Chapel Hill-Carrboro City Schools	2,000	3	2.52%	2,209	3	3.31%
Orange County	1,272	4	1.61%	858	6	1.29%
Orange County Schools	1,167	5	1.47%	1,019	4	1.53%
Town of Chapel Hill Inc	680	6	0.86%	880	5	1.32%
General Electric Company	412	7	0.52%	-	-	-
AKG of America	379	8	0.48%	-	-	-
The Chapel Hill Residential	355	9	0.45%	-	-	-
PHE Inc	314	10	0.40%	-	-	-
Blue Cross Blue Shield	-	-	-	788	7	1.18%
Harris Teeter	-	-	-	493	8	0.74%
Aramark Services	-	-	-	444	9	0.67%
A Southern Season	-	-	-	441	10	0.66%
	<u>31,686</u>		<u>39.99%</u>	<u>31,592</u>		<u>47.40%</u>
Total County employment	<u>79,235</u>			<u>66,650</u>		

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2021 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.



## CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

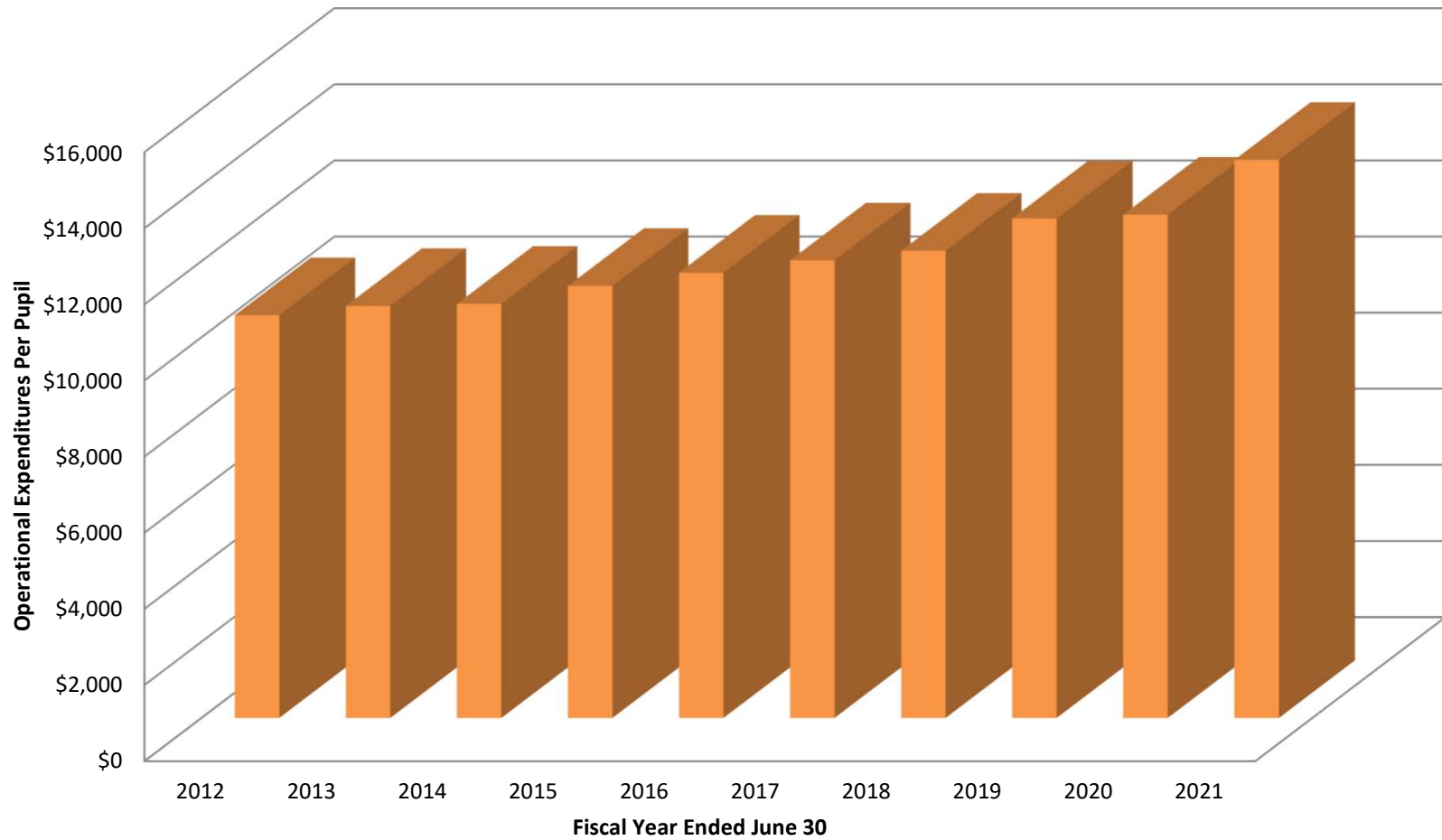
### Operational Expenditures Per Pupil Expenditures by Function Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average Daily Membership	11,905	12,094	12,138	12,076	11,965	12,113	12,239	12,296	12,270	11,645
Instructional	\$ 8,862	\$ 8,973	\$ 8,978	\$ 9,392	\$ 9,657	\$ 10,021	\$ 10,139	\$ 10,945	\$ 11,023	\$ 12,328
Support	1,707	1,841	1,894	1,954	2,035	1,997	2,128	2,172	2,190	2,317
Ancillary	11	9	7	5	5	5	6	7	12	16
<b>Total Expenditures</b>	<b>\$ 10,580</b>	<b>\$ 10,823</b>	<b>\$ 10,879</b>	<b>\$ 11,351</b>	<b>\$ 11,697</b>	<b>\$ 12,023</b>	<b>\$ 12,273</b>	<b>\$ 13,124</b>	<b>\$ 13,225</b>	<b>\$ 14,661</b>

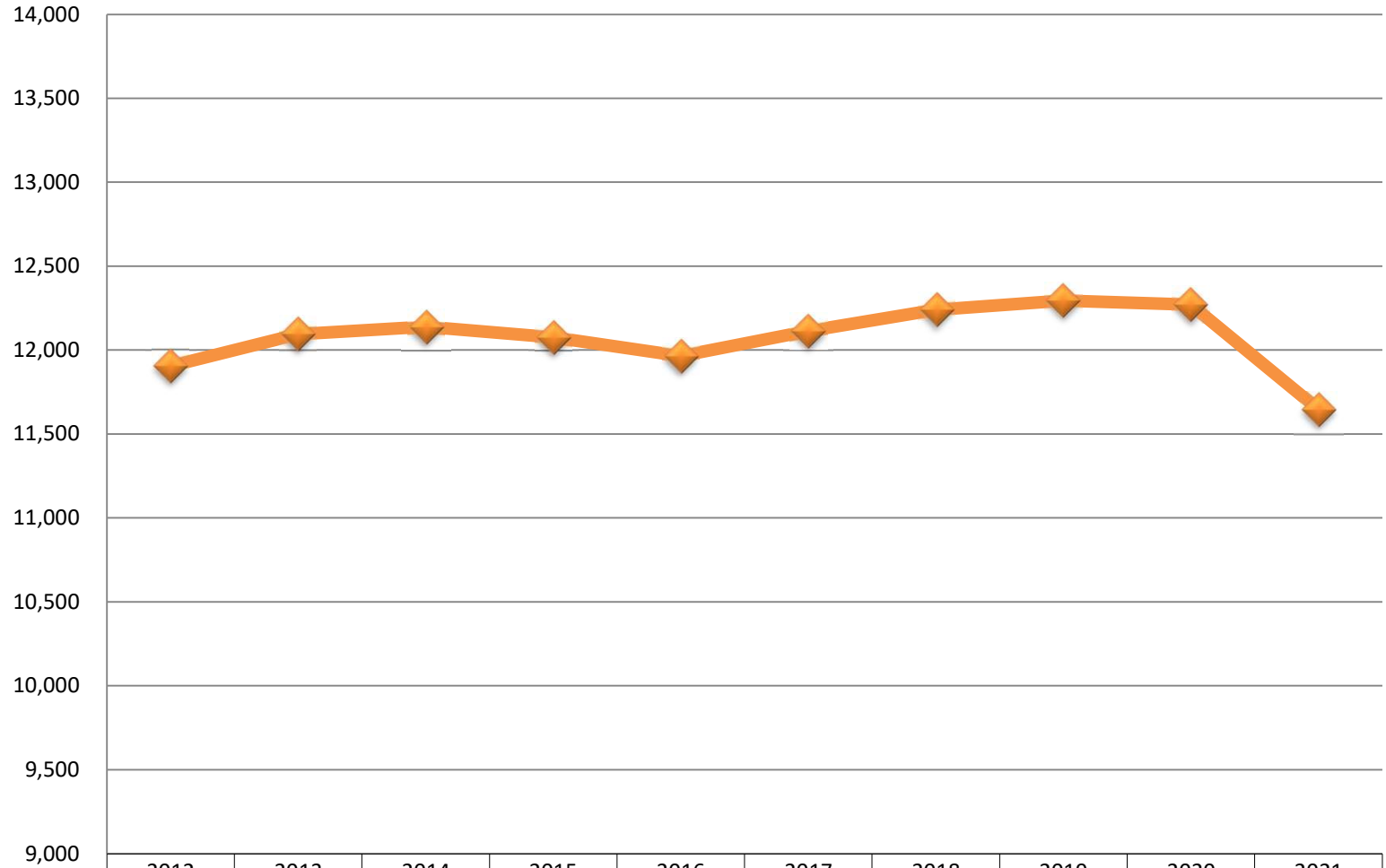
Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

Note: The above operational expenditures per pupil include all governmental funds.

# Chapel Hill-Carrboro City Board of Education Operational Expenditures Per Pupil Total Expenditures



## CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION Average Daily Membership Last Ten Fiscal Years



◆ Avg Daily Membership	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	11,905	12,094	12,138	12,076	11,965	12,113	12,239	12,296	12,270	11,645

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## Full-Time Equivalent Governmental Employees by Function/Program Last Ten Fiscal Years

Year ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Officials, Admins, Mgrs	38	24	28	27	30	28	31	33	32	30
Principals	19	22	22	20	20	20	20	20	21	20
Asst. Principals, Non-Teaching	23	22	18	22	23	22	24	25	24	25
<b>Total Administrators</b>	<b>80</b>	<b>68</b>	<b>68</b>	<b>69</b>	<b>73</b>	<b>70</b>	<b>75</b>	<b>78</b>	<b>77</b>	<b>75</b>
Elementary Teachers	459	415	408	388	387	377	385	384	379	387
Secondary Teachers	261	144	142	153	154	151	159	165	170	167
Other Teachers	273	376	344	376	376	372	367	376	378	383
<b>Total Teachers</b>	<b>993</b>	<b>935</b>	<b>894</b>	<b>917</b>	<b>917</b>	<b>900</b>	<b>911</b>	<b>925</b>	<b>927</b>	<b>937</b>
Guidance	39	44	39	42	43	39	43	43	41	38
Psychological	9	8	7	8	9	8	10	10	7	8
Librarian, Audiovisual	32	33	32	35	34	35	36	36	36	36
Consultant, Supervisor	15	17	15	14	15	13	14	13	13	13
Other Professionals	127	149	157	157	161	169	172	166	171	179
<b>Total Professionals</b>	<b>1,295</b>	<b>1,254</b>	<b>1,212</b>	<b>1,242</b>	<b>1,252</b>	<b>1,234</b>	<b>1,261</b>	<b>1,271</b>	<b>1,272</b>	<b>1,286</b>
Teacher Assistants	359	359	397	375	358	343	336	334	319	314
Technicians	26	13	14	14	14	12	12	16	17	19
Clerical, Secretarial	155	104	109	111	114	108	112	110	109	108
Service Workers	119	104	117	114	112	83	91	83	87	83
Skilled Crafts	26	27	31	30	30	27	24	29	30	19
<b>Totals</b>	<b>1,980</b>	<b>1,861</b>	<b>1,880</b>	<b>1,886</b>	<b>1,880</b>	<b>1,807</b>	<b>1,836</b>	<b>1,843</b>	<b>1,834</b>	<b>1,829</b>

Source: North Carolina Public Schools Statistical Profile (2012-2021 Editions)

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**Student Statistics**  
**Last Ten Fiscal Years**

Year Ended June 30	Teaching Staff <sup>(3)</sup>	Average Daily Membership	Pupil/ Teacher Ratio	Student Attendance Percentage <sup>(1)</sup>	Students Receiving Free/ Reduced Lunch Percentage <sup>(2)</sup>
2021	937	11,645	1/13	97.72%	23.41%
2020	927	12,270	1/13	96.75%	23.83%
2019	925	12,296	1/13	95.40%	25.60%
2018	911	12,239	1/13	95.69%	27.45%
2017	900	12,113	1/13	95.62%	23.98%
2016	917	11,965	1/13	95.98%	25.00%
2015	917	12,076	1/13	95.68%	27.89%
2014	894	12,138	1/14	96.46%	23.95%
2013	935	12,094	1/13	95.80%	27.09%
2012	993	11,905	1/12	96.00%	23.40%

Sources:

- (1) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports (2012-2021)
- (2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2021 obtained from Chapel Hill-Carrboro City Board of Education Student Data.
- (3) North Carolina Public Schools Statistical Profile (2012-2021 Editions).

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**Student Statistics**  
**Last Ten Fiscal Years**

Year Ended June 30	Ethnic Distribution Percentage						Graduates	Graduates Continuing Education Percentage
	American Indian/ Alaskan Indian	White	Black	Asian	Hispanic	Other		
2021	0.12%	50.24%	11.32%	13.61%	17.47%	7.24%	1,271	84.3%
2020	0.19%	50.39%	10.94%	13.91%	17.27%	7.30%	917	81.1%
2019	0.20%	50.89%	11.10%	14.21%	16.78%	6.82%	922	90.3%
2018	0.23%	51.25%	11.18%	14.39%	16.40%	6.55%	848	88.7%
2017	0.26%	51.52%	11.21%	15.01%	15.74%	6.26%	821	90.4%
2016	0.34%	51.73%	11.04%	14.94%	15.66%	6.29%	865	92.4%
2015	0.37%	52.32%	10.97%	15.15%	15.03%	6.16%	916	90.3%
2014	0.47%	52.51%	11.28%	15.01%	14.40%	6.33%	860	92.1%
2013	0.50%	52.30%	11.40%	15.00%	14.30%	6.50%	863	92.2%
2012	0.60%	49.50%	10.80%	13.10%	14.10%	11.90%	814	93.9%

Source: North Carolina Public Schools Statistical Profile (2012-2021 Editions).

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**Instructional Personnel**  
**Last Ten Fiscal Years**

Year Ended June 30	Teacher Salaries			Bachelors Degree	Masters Degree	Sixth Year Degree	Doctorate Degree
	Minimum	Maximum	Average				
2021	\$ 40,600	\$ 84,144	\$ 57,861	N/A	N/A	N/A	N/A
2020	40,600	82,480	56,620	585	573	41	13
2019	40,600	82,460	57,340	538	551	43	21
2018	40,600	82,463	62,000	503	611	35	23
2017	40,600	81,400	69,720	505	616	40	27
2016	40,600	88,890	69,556	555	552	54	18
2015	36,960	87,615	70,615	562	570	59	18
2014	34,496	85,063	68,511	585	542	55	18
2013	34,496	82,365	64,937	512	535	56	11
2012	34,082	81,388	64,167	524	396	4	9

N/A = Not Available

The above tabulation represents total salaries including both State base and the system-wide local supplement, but does not include the following:

- ( a ) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.
- ( b ) Payments of varying amounts for performing extra duties.
- ( c ) Bonus payments

Source: Chapel Hill-Carrboro City Schools' Human Resources Department.

Note: This table is a ten year schedule. However, the degree data for the year ended June 30, 2021 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.

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## School Building Data

June 30, 2021

Site	Year Built	Square Footage	Capacity	Current Membership	Over/(Under) Capacity	Condition
<b><u>ELEMENTARY SCHOOLS</u></b>						
Carrboro Elementary	1957	61,562	533	478	(55)	Poor
Ephesus Elementary	1972	73,096	448	348	(100)	Poor
Estes Hills Elementary	1958	57,989	527	375	(152)	Poor
FP Graham Elementary	1960	68,513	538	563	25	Poor
Glenwood Elementary	1952	55,372	423	431	8	Poor
McDougle Elementary	1996	99,920	564	487	(77)	Good
Morris Grove Elementary	2008	90,221	585	489	(96)	Excellent
Northside Elementary	2013	97,423	585	403	(182)	Excellent
Rashkis Elementary	2003	95,729	585	443	(142)	Excellent
Mary Scroggs Elementary	1999	92,900	575	401	(174)	Good
Seawell Elementary	1969	67,715	466	468	2	Poor
<b><u>MIDDLE SCHOOLS</u></b>						
Culbreth Middle	1969	122,467	774	731	(43)	Good
McDougle Middle	1994	138,141	732	748	16	Good
Phillips Middle	1962	109,498	706	683	(23)	Poor
Smith Middle	2001	136,054	732	729	(3)	Good
<b><u>HIGH SCHOOLS</u></b>						
Carrboro High School	2007	165,976	860	817	(43)	Excellent
Chapel Hill High	1966	254,551	1,520	1,525	5	Poor
East Chapel Hill High	1996	267,549	1,515	1,512	(3)	Good
UNC Hospital School (School is a part of the UNC Hospitals Facilities)				-		
Phoenix Academy (Alternative School is a part of Lincoln)				14		
<b><u>ADMINISTRATIVE OFFICES</u></b>						
Transportation Center		5,089				
Lincoln Center		72,932				



# Annual Comprehensive Financial Report



Chapel Hill – Carrboro City Board of Education  
750 S. Merritt Mill Road, Chapel Hill, NC 27516  
Web Site: [chccs.org](http://chccs.org)  
(919) 967-8211