

THINK (AND ACT) DIFFERENTLY

Chapel Hill – Carrboro City Schools
Board of Education

Fiscal Year Ended June 30, 2023
ANNUAL COMPREHENSIVE
FINANCIAL REPORT



750 S Merritt Mill Rd, Chapel Hill, NC 27514
www.chccs.org

Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023

Chapel Hill – Carrboro City Schools Board of Education Members and Principal Officials

Rani Dasi, Chair

George Griffin, Vice Chair

Deon Temne

Riza Jenkins

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**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

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**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
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Introductory Section



Letter of Transmittal

December 20, 2023

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, 2023, 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 auditor’s report and provides a narrative introduction as well as an overview and analysis of the basic financial statements. The MD&A should be read in conjunction with this letter of transmittal.

The Business and Financial Services Division, 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 375 companies, employing over 60,000 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 2022 population of 150,477, with an average growth rate of 3% 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 62,098 residents and Carrboro has the second largest population with 21,298. Together, the two townships represent approximately 55% of the total population in Orange County. Orange County is the 20th largest county, by population, of the 100 counties in the State of North Carolina.

The economy of Orange County, North Carolina employs 79,800 people. The leading industries in Orange County continue to be educational services, health care and social assistance, 50%; professional, scientific, management, administrative, retail, and waste management services, 13%; arts, entertainment, recreation, accommodation and food services, 18%; and all others 19%. Orange County's per capita personal income is the highest in North Carolina at \$74,994. CHCCS is one of two public school systems residing in Orange County along with two public charter schools. During the 2022-2023 school year, the District operated four high schools, four middle schools, and eleven elementary schools. The District had an average daily membership of 11,371 for 2022-

2023. The District's budgeted student enrollment for the current year is 11,253 students. The current enrollment is 5 students under the projection. Total Orange County student enrollment for 2022-2023 was 19,694 including the 2 charter schools.

CHCCS' school buildings were built between 1952 and 2021. The District has a backlog of deferred maintenance and repair needs at the older facilities and the county provided \$4 million of funding dedicated towards those deferred maintenance efforts in FY 2022-23. 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 2023 Comprehensive Facility Assessment identified over \$500M of needs in order to right-size the District's capital portfolio by creating operational efficiencies, modernizing spaces to offer more opportunities for education and collaboration, and investing in community for the long-term.

The County's unemployment rate of 3.1% in June 2023 was an improvement from the June 2022 rate of 3.3%. Orange County's unemployment rate was lower than the State's reported June 2023 rate of 3.6%. With an average unemployment rate of 4.0% over the last five years, the economic stability of the region is still evidenced by an unemployment rate lower than the State and national average. Overall, the County's tax base is approximately 80% residential and 20% commercial.

The North Carolina General assembly made minimal gains to raise the State's average teacher salary in 2022-23. The beginning teacher salary increased to \$39,000 and other teachers received an average of 4% increase on their base pay. All other employees' salaries also saw a 4% increase. 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 \$538 per pupil increase (10%), which helped maintain Local funding in FY 2022-23. The special district tax rate increased to \$.198 in 2022-23. The Board appropriated \$5 million at adoption to balance the FY 2022-23 Local budget and subsequently appropriated an additional \$1.2 million. As a result of operations in the 2022-23 fiscal year, the District realized a loss of \$6.5 million.

A 2.12% cost increase in the State retirement employer match rates and a \$160 per person increase in the health insurance match rates in the 2022-23 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 rolled out in the previous year its Strategic Plan for FY 2022-2027. Our guiding vision is equipping students to navigate the world and make a positive impact throughout their life's

journey. CHCCS believes every individual's unique background and culture enhance our schools. By providing students with a safe and joyful learning environment, we collaborate with families to create a community where all students, families and staff members feel affirmed and respected to develop their fullest potential. Our key priorities are: Creating a Culture of Safety and Wellness, Instructional Excellence: Preparing Students for Life Empowering, Equipping and Investing in Our People, Equitable and Transparent Fiscal Stewardship and Operations, and Strengthening Family and Community Engagement.

Chapel Hill-Carrboro City Schools is pleased to share that in 2022-2023 66.7% of schools earned an A or B grade compared to 26.7% statewide. On all state exams, CHCCS schools achieved a 71.1% passing rate, the highest in the Triangle. District gains included a 94.8% graduation rate, the highest figure ever recorded in CHCCS.

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's financial focus was 100% on maintaining a stable workforce and implementing the District's new Strategic Plan 2027. By "Thinking and Acting Differently" the District will focus its efforts on the key priorities included in the plan:

- Creating a culture of safety and wellness
- Instructional excellence: Preparing students for life
- Empowering, equipping and investing in our people
- Equitable and transparent fiscal stewardship and operations
- Strengthening family and community engagement

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 General fund ended the 2022-23 fiscal year with an unassigned fund balance of \$3.6 million. Due to the uncertainty in the State budget, the District implemented some cost-saving strategies to ensure it only needed to appropriate a minimal amount of \$200,000 for 2023-2024 at adoption, choosing to reserve the remaining funds to guard against those funding uncertainties. This provides the Board a remaining balance of about 3.7% 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, 2022. 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, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.

The Association of School Business Officials (ASBO) awarded the Pathways to the Meritorious Budget Award to the Chapel Hill - Carrboro City Schools Board of Education for the adopted budget and materials for the fiscal year ended June 30, 2022. This award is a national program that provides expert review of the information and presentation of the budget materials adopted by the Board.

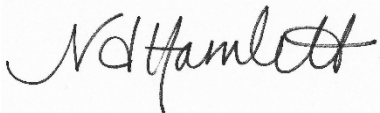
In order to be awarded these certificates a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. These awards are valid for a period of 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 Business and Financial Services Division 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 as 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,



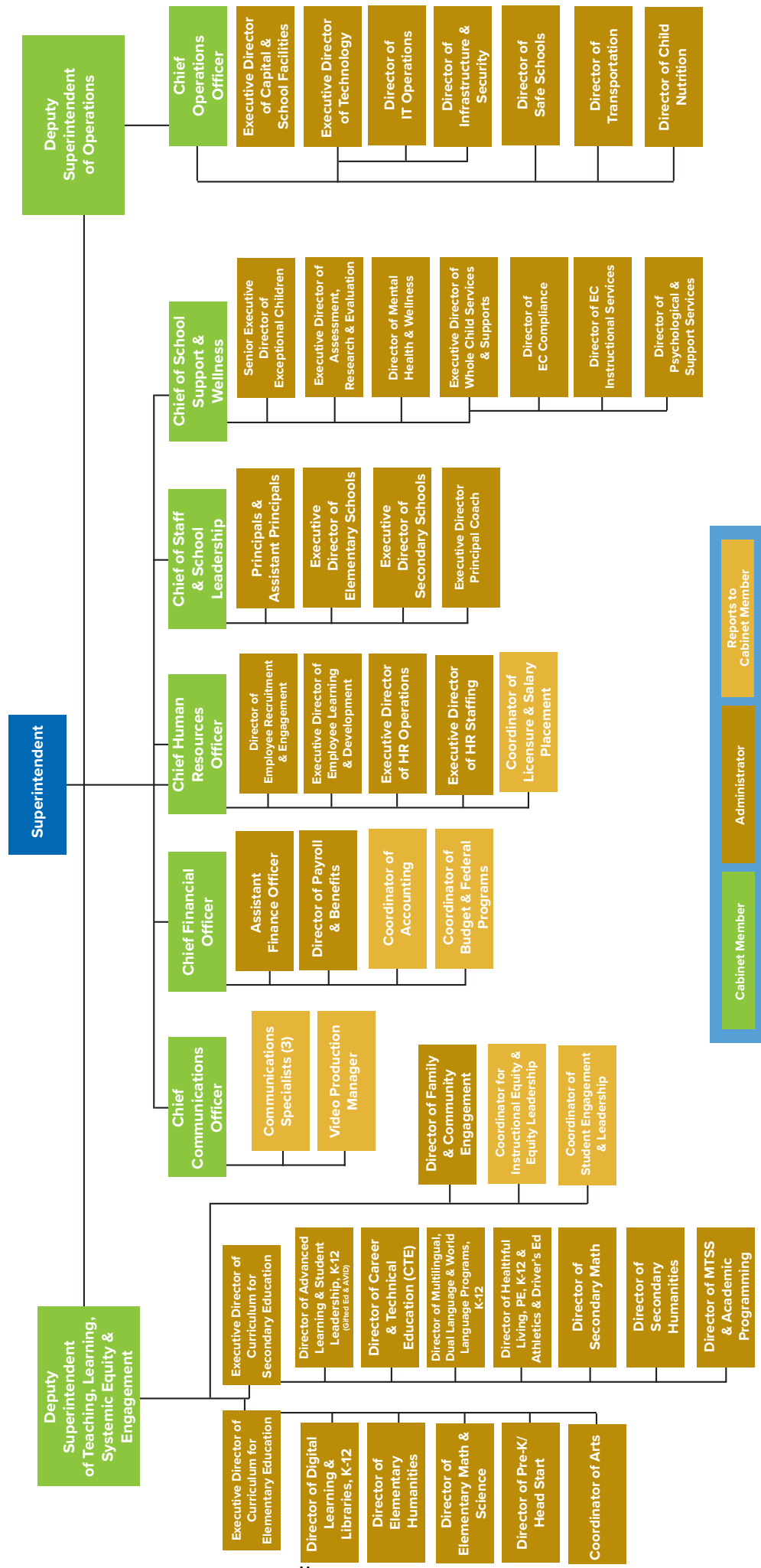
Dr. Nyah Hamlett
Superintendent



Jonathan Scott
Chief Financial Officer



Cabinet & Senior Leadership Team



Cabinet Member

Administrator

Reports to Cabinet Member

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.

Rani Dasi

Chair

rdasi@chccs.k12.nc.us



George Griffin

Vice Chair

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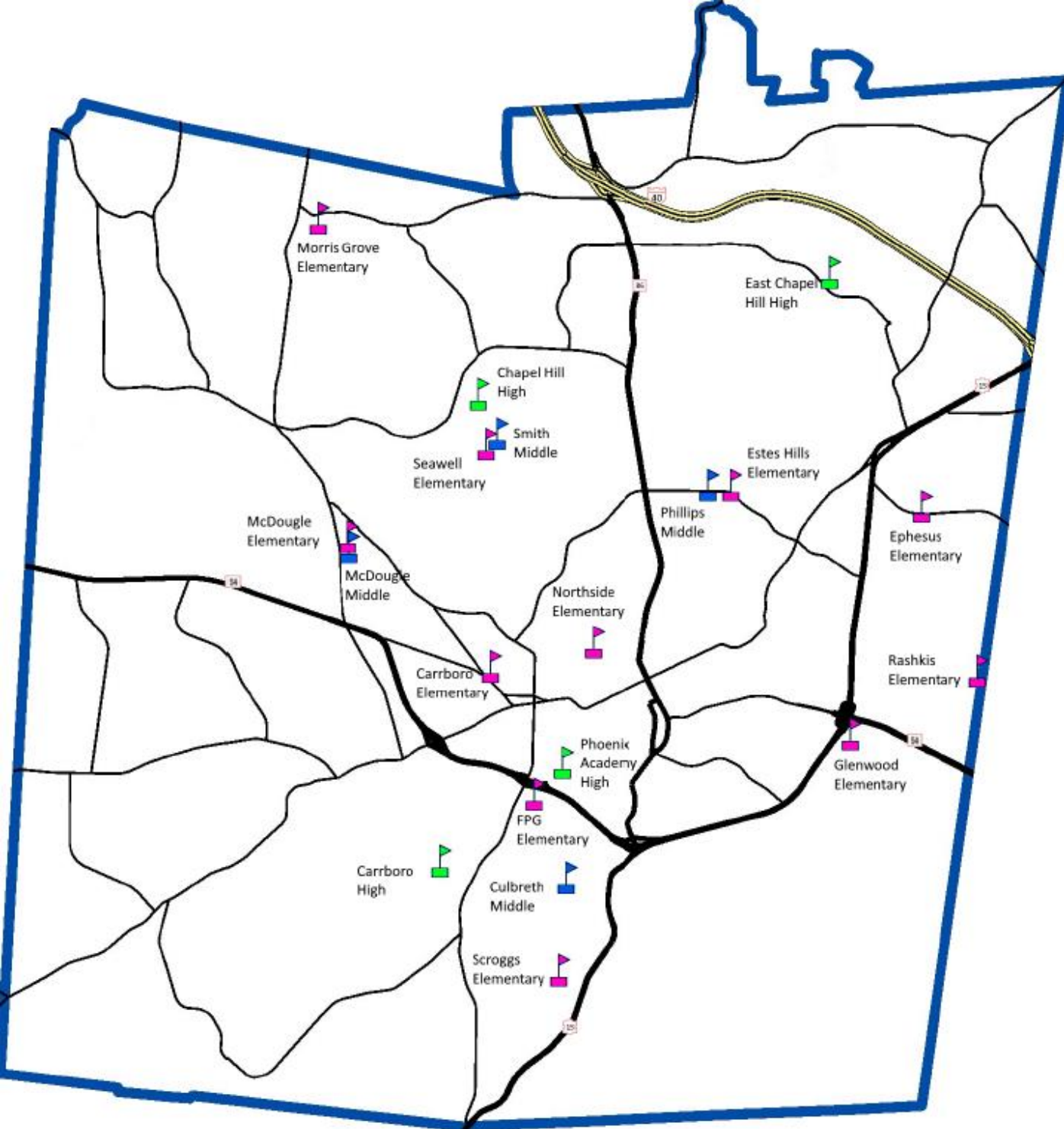


Jillian La Serna

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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, 2022

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

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



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

**John W. Hutchison
President**

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

**Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director**



Financial Section



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chapel Hill-Carrboro City Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Chapel Hill-Carrboro City Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chapel Hill-Carrboro City Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chapel Hill-Carrboro City Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chapel Hill-Carrboro City Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chapel Hill-Carrboro City Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chapel Hill-Carrboro City Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liabilities (Assets) and the Schedules of Board Contributions on pages 49 through 54, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chapel Hill-Carrboro Board of Education's basic financial statements. The accompanying individual fund budgetary and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary and other are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2023, on our consideration of the Chapel Hill-Carrboro Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Chapel Hill-Carrboro Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chapel Hill-Carrboro Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 10, 2023
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, 2023. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

For the fiscal year ended June 30, 2023, the Board's total government-wide net position increased by \$12.4 million. Governmental activities net position increased by \$10.6 million and business-type activities net position increased by \$1.7 million.

- Total government-wide net investment in capital assets decreased by \$5.3 million, or 2.4%, from the prior year. Governmental activities net investment in capital assets decreased by \$5.4 million and business-type activities investment in capital assets increased by \$70 thousand.
- Total government-wide restricted net position decreased by \$2.2 million from the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2023 increased by \$19.8 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: Creating a Culture of Safety and Wellness, Instructional Excellence: Preparing Students for Life, Empowering, Equipping and Investing in Our People, Equitable and Transparent Fiscal Stewardship and Operations, and Strengthening Family and Community Engagement.
- A Certificate of Excellence in Financial Reporting was obtained from the Association of School Business Officials International and the Government Finance Officers Association for the fiscal year ended June 30, 2022 Annual Comprehensive Financial Report.
- The Pathways to the Meritorious Budget Award was awarded from the Association of School Business Officials for the fiscal year 2022-23 Adopted Budget.

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

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

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

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 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

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

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 \$5.3 million as of June 30, 2023 as compared to \$17.6 million as of June 30, 2022.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Current and other assets	\$ 15,797,995	\$ 23,995,740	\$ 3,629,800	\$ 2,578,496	\$ 19,427,795	\$ 26,574,236
Capital assets	219,033,217	224,441,910	527,444	456,974	219,560,661	224,898,884
Total assets	<u>234,831,212</u>	<u>248,437,650</u>	<u>4,157,244</u>	<u>3,035,470</u>	<u>238,988,456</u>	<u>251,473,120</u>
Deferred outflows of resources	86,024,751	54,417,523	1,101,892	733,176	87,126,643	55,150,699
Current liabilities	7,881,772	8,061,094	475,594	588,573	8,357,366	8,649,667
Long-term liabilities	248,079,073	218,042,706	3,188,192	2,947,986	251,267,265	220,990,692
Total liabilities	<u>255,960,845</u>	<u>226,103,800</u>	<u>3,663,786</u>	<u>3,536,559</u>	<u>259,624,631</u>	<u>229,640,359</u>
Deferred inflows of resources	70,849,586	93,355,578	907,511	1,257,791	71,757,097	94,613,369
Net investment in capital assets	219,009,360	224,394,197	527,444	456,974	219,536,804	224,851,171
Restricted net position	6,096,482	8,251,688	-	5,455	6,096,482	8,257,143
Unrestricted net position (deficit)	(231,060,310)	(249,250,090)	160,395	(1,488,133)	(230,899,915)	(250,738,223)
Total net position (deficit)	<u>\$ (5,954,468)</u>	<u>\$ (16,604,205)</u>	<u>\$ 687,839</u>	<u>\$ (1,025,704)</u>	<u>\$ (5,266,629)</u>	<u>\$ (17,629,909)</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$10.6 million during the year, from \$(16.6) million at June 30, 2022 to \$(6.0) million at June 30, 2023, indicating an improvement in the financial condition of the Board. Restricted net position decreased by \$2.2 million while unrestricted net position increased by \$18.2 million over the prior year. Net investment in capital assets declined by \$5.4 million due to an excess of depreciation expense over capital additions 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.

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

Net position of the Board's business-type activities increased \$1.7 million during the year. This is the combined net profit generated by our school food service and child care operations during the 2023 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, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Revenues:						
Program revenues:						
Charges for services	\$ 2,361,158	\$ 1,543,629	\$ 3,654,783	\$ 1,688,646	\$ 6,015,941	\$ 3,232,275
Operating grants and contributions	95,472,081	98,671,353	2,926,273	6,264,795	98,398,354	104,936,148
Capital grants and contributions	821,243	91,652	-	-	821,243	91,652
General revenues:						
Other revenues	99,552,272	92,593,496	987,696	552	100,539,968	92,594,048
Total revenues	<u>198,206,754</u>	<u>192,900,130</u>	<u>7,568,752</u>	<u>7,953,993</u>	<u>205,775,506</u>	<u>200,854,123</u>
Expenses:						
Governmental activities:						
Instructional services	136,825,711	133,695,820	-	-	136,825,711	133,695,820
System-wide support services	40,441,327	32,760,613	-	-	40,441,327	32,760,613
Ancillary services	41,111	229,596	-	-	41,111	229,596
Payments to other governments	990,073	842,825	-	-	990,073	842,825
Unallocated depreciation	9,167,286	7,274,722	-	-	9,167,286	7,274,722
Business-type activities:						
School food service	-	-	4,121,173	5,039,784	4,121,173	5,039,784
Child care	-	-	1,825,545	1,391,177	1,825,545	1,391,177
Total expenses	<u>187,465,508</u>	<u>174,803,576</u>	<u>5,946,718</u>	<u>6,430,961</u>	<u>193,412,226</u>	<u>181,234,537</u>
Excess before transfers	10,741,246	18,096,554	1,622,034	1,523,032	12,363,280	19,619,586
Transfers in (out)	(91,509)	(100,256)	91,509	100,256	-	-
Increase in net position	10,649,737	17,996,298	1,713,543	1,623,288	12,363,280	19,619,586
Beginning net position (deficit)	(16,604,205)	(34,600,503)	(1,025,704)	(2,648,992)	(17,629,909)	(37,249,495)
Ending net position (deficit)	<u>\$ (5,954,468)</u>	<u>\$ (16,604,205)</u>	<u>\$ 687,839</u>	<u>\$ (1,025,704)</u>	<u>\$ (5,266,629)</u>	<u>\$ (17,629,909)</u>

Total governmental activities generated revenues of \$198.2 million while expenses in this category totaled \$187.5 million for the year ended June 30, 2023, resulting in an increase in net position of \$10.6 million (including net transfers to business-type activities of \$92 thousand). Comparatively, revenues were \$192.9 million, expenses totaled \$174.8 million and net transfers out were \$100 thousand for the year ended June 30, 2022, resulting in an increase in net position of \$18.0 million. Revenues from Orange County for capital projects increased \$6.2 million over the prior year due to an increase in capital activity in the district. A lot of the increased capital activity was for noncapitalized repairs and maintenance projects which contributed to the overall increase in expenses.

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 40.3%, 35.7%, 12.9% and 6.4% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 73.0% of our total expenses during the most

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

recent fiscal year. Of the remaining 27.0% of our total expenses, 21.6% was attributable to system-wide support services.

Our business-type activities generated revenues of \$7.6 million, while expenses in this category totaled \$5.9 million and net transfers in from governmental activities totaled \$92 thousand for the year ended June 30, 2023. For the year, net position increased by \$1.7 million. Comparatively, revenues were \$8.0 million, expenses were \$6.4 million and net transfers in from governmental activities totaled \$100 thousand for the year ended June 30, 2022, resulting in an increase in net position of \$1.6 million. In comparing the two years, revenues declined \$385 thousand, or 4.8%, while expenses decreased \$484 thousand, or 7.5%. In response to the COVID-19 pandemic, the federal government allowed all students to eat free breakfast and lunch during the 2022 fiscal year. This resulted in a significant increase in revenues from the USDA in 2022 due to the number of free meals the district was able to serve. However, during the 2023 year, the federal government did not provide free meals to all students and the district had to revert back to requiring students to complete applications to determine if they qualify for free/reduced meal status. As would be expected with all students not receiving free breakfast and lunch, the district experienced a significant decline in revenues from USDA grants. This decline was partially offset by an increase in revenue from meal sales. Revenues in the Child Care Fund rose significantly due primarily to receipt of COVID-19 contracted service revenues through the DHHS.

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 \$13.0 million at June 30, 2023 for a decline of \$8.1 million from the \$21.0 million reported at June 30, 2022. Revenues were \$198.6 million for the year ended June 30, 2023, compared to \$193.7 million in the prior year for an increase of \$5.0 million, or 2.6%. Expenditures were \$206.7 million for the current year, compared to \$196.7 million in the prior year for an increase of \$10.0 million, or 5.1%.

The Board's General Fund reported a \$6.5 million decrease in fund balance during 2022-2023 year compared to a \$3.5 million decrease in the previous year. Revenues rose slightly by \$441 thousand, or 0.5%, while expenditures increased by \$3.4 million, or 4.0%, primarily due to an increase in regular instructional services costs.

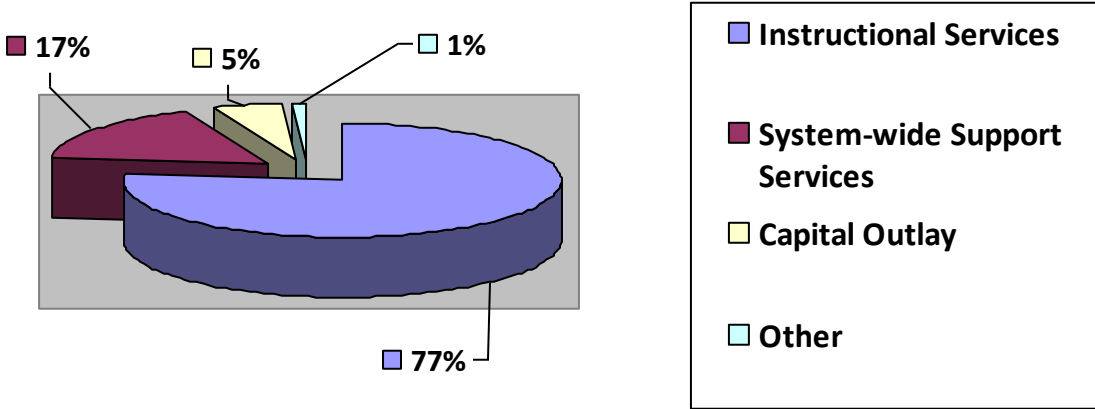
The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these two funds are expended in the year received. Combined revenues (and expenditures) in these two funds totaled \$90.7 million for the year ended June 30, 2023 and \$94.8 million for the year ended June 30, 2022, resulting in a decrease of \$4.2 million, or 4.4%. Declines in federal COVID-19 grant funding were the primary factor contributing to the overall decrease in revenues and expenditures in these funds compared to the previous year.

The Other Special Revenue Fund reported a decrease in fund balance for the year ended June 30, 2023 of \$653 thousand compared to an increase of \$647 thousand in 2022. Revenues increased \$1.1 million, due largely to the receipt of local grant revenues. Expenditures increased by \$2.4 million. Expenditure increases were primarily related to instructional services provided from these increased revenue sources.

The Capital Outlay Fund reported a decrease in fund balance for the year of \$807 thousand compared to a decrease of \$218 thousand in the previous year. Revenues increased \$6.8 million while expenditures reported an increase of \$7.3 million. Revenues from Orange County for capital projects increased \$6.2 million over the prior year due to an increase in capital activity in the district. Virtually all of the Board's capital outlay funding is provided by the County.

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

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 increase in net position of \$1.7 million for the year ended June 30, 2023 compared to a \$1.6 million increase in the 2022 year. The School Food Service Fund reported an increase in net position of \$668 thousand in the current year compared to an increase of \$1.4 million in the prior fiscal year. The Child Care Fund reported an increase in net position for the 2023 year of \$1.0 million compared to an increase of \$262 thousand 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. The Board’s General Fund reported a \$6.5 million decrease in fund balance for the year compared to a budgeted use of \$6.2 million. There were no significant variances between budgeted and actual revenues or expenditures for the year.

Debt Outstanding

During the year, the Board’s long-term debt decreased by \$882 thousand to a balance of \$886 thousand at June 30, 2023. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. More detailed information about the Board’s outstanding debt is contained in Note 2 to the financial statements.

Capital Assets

Total primary government capital assets were \$219.6 million at June 30, 2023, a decrease of 2.3% from the \$224.9 million reported at June 30, 2022. More detailed information about the Board’s capital assets is contained in Note 2 to the financial statements. The following is a summary of the Board’s capital assets, net of depreciation, at June 30, 2023 and 2022:

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Land	\$ 6,485,407	\$ 6,485,407	\$ -	\$ -	\$ 6,485,407	\$ 6,485,407
Construction in progress	1,196,147	425,065	-	-	1,196,147	425,065
Buildings and improvements	202,011,447	207,664,490	-	-	202,011,447	207,664,490
Land improvements	3,862,958	3,713,423	-	-	3,862,958	3,713,423
Equipment and furniture	4,016,826	4,476,447	527,444	456,974	4,544,270	4,933,421
Vehicles	1,460,432	1,677,078	-	-	1,460,432	1,677,078
Total	<u>\$ 219,033,217</u>	<u>\$ 224,441,910</u>	<u>\$ 527,444</u>	<u>\$ 456,974</u>	<u>\$ 219,560,661</u>	<u>\$ 224,898,884</u>

Economic Factors

- The County enjoys a consistently low unemployment rate. The unemployment rates estimated by the North Carolina Employment Security Commission were 3.1% and 3.3% at June 2023 and 2022, respectively, among the lowest in the State. The State averages for June 2023 and 2022 were 3.6% and 4.1%, respectively.
- The student enrollment of the district decreased by 43 students in 2022-2023 to 11,369 based on the average daily membership certified by the NC Department of Public Instruction. The decrease in enrollment is primarily due to lingering effects of the COVID-19 pandemic and an evolving educational landscape in the State of North Carolina due to legislative changes related to charter and other private schools.
- The district has received additional emergency funding to help address the COVID-19 pandemic. To date, the State and Federal government has allotted \$17.9 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). Most of this funding was closed out in FY 2022-23, with the exception of any ESSER III dollars that will expire in FY 2023-24. This funding was utilized to support the safe return to in person learning, meet the social, emotional, mental health, and academic needs of students and staff, and boost staff recruitment and retention efforts. The District targeted these funds to time-limited and effective initiatives that addressed the negative impacts felt from the pandemic. As a result, the District worked to maintain a sustainable financial position, as no initiatives enacted require future funding beyond the expiration dates of the COVID funds that were provided.
- The District remains committed to compensate employees in compliance with the Orange County Living Wage (OCLW). The OCLW is the minimum amount that workers must earn to afford basic necessities without public or private assistance. Living wages are intended to meet the basic needs of a single individual working in Orange County, North Carolina. Funding was included in the adopted 2023-2024 budget to ensure all qualifying employees are paid a minimum of \$17.02 per hour which is in excess of the 2023 hourly rate of \$15.85 minimum required for OCLW compliance.

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, 2023

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 10,084,595	\$ 3,519,351	\$ 13,603,946
Due from other governments	3,890,066	165,134	4,055,200
Receivables	535,245	12,132	547,377
Internal balances	66,817	(66,817)	-
Prepaid expenses	1,221,272	-	1,221,272
Capital assets:			
Land and construction in progress	7,681,554	-	7,681,554
Other capital assets, net of depreciation	<u>211,351,663</u>	<u>527,444</u>	<u>211,879,107</u>
Total capital assets	<u>219,033,217</u>	<u>527,444</u>	<u>219,560,661</u>
Total assets	<u>234,831,212</u>	<u>4,157,244</u>	<u>238,988,456</u>
Deferred Outflows of Resources	<u>86,024,751</u>	<u>1,101,892</u>	<u>87,126,643</u>
Liabilities			
Accounts payable and accrued expenses	2,643,106	127,420	2,770,526
Due to other governments	166,162	-	166,162
Unearned revenue	500,056	305,931	805,987
Long-term liabilities:			
Due within one year	4,572,448	42,243	4,614,691
Due in more than one year	<u>248,079,073</u>	<u>3,188,192</u>	<u>251,267,265</u>
Total liabilities	<u>255,960,845</u>	<u>3,663,786</u>	<u>259,624,631</u>
Deferred Inflows of Resources	<u>70,849,586</u>	<u>907,511</u>	<u>71,757,097</u>
Net position			
Net investment in capital assets	219,009,360	527,444	219,536,804
Restricted for:			
Stabilization by State statute	2,558,679	-	2,558,679
School capital outlay	1,804,464	-	1,804,464
Instructional services	441,875	-	441,875
Individual schools activities	1,291,464	-	1,291,464
Unrestricted (deficit)	<u>(231,060,310)</u>	<u>160,395</u>	<u>(230,899,915)</u>
Total net position (deficit)	<u>\$ (5,954,468)</u>	<u>\$ 687,839</u>	<u>\$ (5,266,629)</u>

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, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 73,789,435	\$ -	\$ 52,756,931	\$ 797,387	\$ (20,235,117)	\$ -	\$ (20,235,117)
Special populations	23,293,716	-	17,918,388	-	(5,375,328)	-	(5,375,328)
Alternative programs	10,987,204	-	9,402,152	-	(1,585,052)	-	(1,585,052)
School leadership	8,574,733	-	3,408,309	-	(5,166,424)	-	(5,166,424)
Co-curricular	5,028,555	2,222,310	-	-	(2,806,245)	-	(2,806,245)
School-based support	15,152,068	-	3,765,359	-	(11,386,709)	-	(11,386,709)
System-wide support services:							
Support and development	2,274,295	-	229,731	-	(2,044,564)	-	(2,044,564)
Special population support and development	974,620	-	395,718	-	(578,902)	-	(578,902)
Alternative programs and services support and development	360,412	-	253,150	-	(107,262)	-	(107,262)
Technology support	2,684,426	-	213,928	-	(2,470,498)	-	(2,470,498)
Operational support	25,264,237	138,848	5,965,508	23,856	(19,136,025)	-	(19,136,025)
Financial and human resource services	3,981,487	-	252,868	-	(3,728,619)	-	(3,728,619)
Accountability	529,966	-	-	-	(529,966)	-	(529,966)
System-wide pupil support	160,491	-	-	-	(160,491)	-	(160,491)
Policy, leadership and public relations	4,211,393	-	530,691	-	(3,680,702)	-	(3,680,702)
Ancillary services	41,111	-	-	-	(41,111)	-	(41,111)
Payments to other governments	990,073	-	379,348	-	(610,725)	-	(610,725)
Unallocated depreciation expense**	9,167,286	-	-	-	(9,167,286)	-	(9,167,286)
Total governmental activities	<u>187,465,508</u>	<u>2,361,158</u>	<u>95,472,081</u>	<u>821,243</u>	<u>(88,811,026)</u>	<u>-</u>	<u>(88,811,026)</u>
Business-type activities:							
School food service	4,121,173	1,767,969	2,926,273	-	-	573,069	573,069
Child care	1,825,545	1,886,814	-	-	-	61,269	61,269
Total business-type activities	<u>5,946,718</u>	<u>3,654,783</u>	<u>2,926,273</u>	<u>-</u>	<u>-</u>	<u>634,338</u>	<u>634,338</u>
Total primary government	<u>\$ 193,412,226</u>	<u>\$ 6,015,941</u>	<u>\$ 98,398,354</u>	<u>\$ 821,243</u>	<u>(88,811,026)</u>	<u>634,338</u>	<u>(88,176,688)</u>
			General revenues:				
			Unrestricted county and city appropriations - operating		80,553,236	-	80,553,236
			Unrestricted county appropriations - capital		13,911,014	-	13,911,014
			Investment earnings, unrestricted		217,015	-	217,015
			Miscellaneous, unrestricted		4,871,007	987,696	5,858,703
			Transfers		(91,509)	91,509	-
			Total general revenues and transfers		<u>99,460,763</u>	<u>1,079,205</u>	<u>100,539,968</u>
			Change in net position		10,649,737	1,713,543	12,363,280
			Net position (deficit) - beginning		<u>(16,604,205)</u>	<u>(1,025,704)</u>	<u>(17,629,909)</u>
			Net position (deficit) - ending		<u>\$ (5,954,468)</u>	<u>\$ 687,839</u>	<u>\$ (5,266,629)</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, 2023

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 6,027,895	\$ 966	\$ 7,253	\$ 2,681,837	\$ 75,180	\$ 1,291,464	\$ 10,084,595
Due from other governments	331,804	-	-	1,379,125	2,179,137	-	3,890,066
Accounts receivable	-	-	-	534,738	507	-	535,245
Due from other funds	66,817	-	-	-	-	-	66,817
Prepaid expenditures	1,221,272	-	-	-	-	-	1,221,272
Total assets	\$ 7,647,788	\$ 966	\$ 7,253	\$ 4,595,700	\$ 2,254,824	\$ 1,291,464	\$ 15,797,995
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,129,512	\$ -	\$ -	\$ 63,234	\$ 450,360	\$ -	\$ 2,643,106
Due to other governments	-	966	7,253	157,943	-	-	166,162
Unearned revenue	-	-	-	17,890	-	-	17,890
Total liabilities	2,129,512	966	7,253	239,067	450,360	-	2,827,158
Fund balances:							
Nonspendable:							
Prepaid expenditures	1,221,272	-	-	-	-	-	1,221,272
Restricted:							
Stabilization by State statute	476,402	-	-	2,082,277	-	-	2,558,679
School capital outlay	-	-	-	-	1,804,464	-	1,804,464
Instructional services	-	-	-	441,875	-	-	441,875
Individual schools	-	-	-	-	-	1,291,464	1,291,464
Assigned:							
Subsequent year's expenditures	200,000	-	-	-	-	-	200,000
Special revenues	-	-	-	1,832,481	-	-	1,832,481
Unassigned	3,620,602	-	-	-	-	-	3,620,602
Total fund balances	5,518,276	-	-	4,356,633	1,804,464	1,291,464	12,970,837
Total liabilities and fund balances	\$ 7,647,788	\$ 966	\$ 7,253	\$ 4,595,700	\$ 2,254,824	\$ 1,291,464	

Reconciliation of the Balance Sheet to the Statement of Net Position

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	219,033,217
Deferred outflows of resources related to pensions	60,475,845
Deferred outflows of resources related to OPEB	25,548,906
Difference in unearned lease revenue attributable to difference in income recognition periods for governmental funds and governmental activities.	(482,166)
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.	(13,356,513)
Net pension liability	(99,154,004)
Net OPEB liability	(140,141,004)
Deferred inflows of resources related to pensions	(1,949,379)
Deferred inflows of resources related to OPEB	(68,900,207)
Net position (deficit) of governmental activities	\$ (5,954,468)

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, 2023

Exhibit 4

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 80,068,737	\$ -	\$ -	\$ 23,856	\$ -	\$ 80,092,593
Orange County:							
Local current expense	55,007,882	-	-	-	-	-	55,007,882
Other	-	-	-	2,066,795	13,911,014	-	15,977,809
U.S. Government	-	-	10,588,780	1,390,856	797,387	-	12,777,023
Other	27,476,202	-	-	5,083,532	2,561	2,222,310	34,784,605
Total revenues	<u>82,484,084</u>	<u>80,068,737</u>	<u>10,588,780</u>	<u>8,541,183</u>	<u>14,734,818</u>	<u>2,222,310</u>	<u>198,639,912</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	32,438,594	50,925,914	1,831,017	283,598	1,036,733	-	86,515,856
Special populations	9,299,465	12,352,521	4,167,087	1,527,386	-	-	27,346,459
Alternative programs	2,873,009	3,638,479	2,347,889	3,293,605	-	-	12,152,982
School leadership	6,436,936	3,407,771	538	-	-	-	9,845,245
Co-curricular	3,000,417	-	-	-	-	2,332,366	5,332,783
School-based support	9,893,423	3,462,118	303,241	3,464,295	74,883	-	17,197,960
System-wide support services:							
Support and development	2,289,536	229,731	-	96,242	-	-	2,615,509
Special population support and development	601,987	-	395,718	125,492	-	-	1,123,197
Alternative programs / services support and development	25,947	-	253,150	102,509	-	-	381,606
Technology support	1,877,402	213,928	-	-	927,872	-	3,019,202
Operational support	10,867,441	5,108,171	805,954	-	1,477,027	-	18,258,593
Financial and human resource services	4,012,831	150,615	102,253	-	-	-	4,265,699
Accountability	578,883	-	-	-	-	-	578,883
System-wide pupil support	160,010	-	-	-	-	-	160,010
Policy, leadership and public relations	3,600,306	528,106	2,585	251,452	159,148	-	4,541,597
Ancillary services	4,258	-	-	-	45,777	-	50,035
Non-programmed charges	1,038,529	-	379,348	49,187	-	-	1,467,064
Debt service:							
Principal retirement	-	-	-	-	881,851	-	881,851
Capital outlay	-	-	-	-	10,938,231	-	10,938,231
Total expenditures	<u>88,998,974</u>	<u>80,017,354</u>	<u>10,588,780</u>	<u>9,193,766</u>	<u>15,541,522</u>	<u>2,332,366</u>	<u>206,672,762</u>
Revenues over (under) expenditures	<u>(6,514,890)</u>	<u>51,383</u>	<u>-</u>	<u>(652,583)</u>	<u>(806,704)</u>	<u>(110,056)</u>	<u>(8,032,850)</u>
Other financing sources (uses):							
Transfers to other funds	-	(51,383)	-	-	-	-	(51,383)
Proceeds from sale of capital assets	26,219	-	-	-	-	-	26,219
Total other financing sources (uses)	<u>26,219</u>	<u>(51,383)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,164)</u>
Net change in fund balance	<u>(6,488,671)</u>	<u>-</u>	<u>-</u>	<u>(652,583)</u>	<u>(806,704)</u>	<u>(110,056)</u>	<u>(8,058,014)</u>
Fund balances:							
Beginning of year	<u>12,006,947</u>	<u>-</u>	<u>-</u>	<u>5,009,216</u>	<u>2,611,168</u>	<u>1,401,520</u>	<u>21,028,851</u>
End of year	<u>\$ 5,518,276</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,356,633</u>	<u>\$ 1,804,464</u>	<u>\$ 1,291,464</u>	<u>\$ 12,970,837</u>

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, 2023

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ (8,058,014)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(5,408,693)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	19,157,438
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	7,704,861
Difference in lease income recognized from unearned revenue due to difference between income recognition periods for governmental funds and governmental activities.	43,833
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(26,219)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	1,063,926
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.	881,851
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	(19,686,834)
OPEB (expense) benefit	15,531,992
Compensated absences	(580,623)
Gain on disposal of capital assets	<u>26,219</u>
Total changes in net position of governmental activities	<u>\$ 10,649,737</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, 2023

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Orange County	\$ 55,007,882	\$ 55,007,882	\$ 55,007,882	\$ -
Other	26,490,000	27,779,106	27,476,202	(302,904)
Total revenues	<u>81,497,882</u>	<u>82,786,988</u>	<u>82,484,084</u>	<u>(302,904)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	29,563,253	32,439,003	32,438,594	409
Special populations	11,472,225	9,299,465	9,299,465	-
Alternative programs	2,778,769	2,873,009	2,873,009	-
School leadership	5,907,453	6,436,936	6,436,936	-
Co-curricular	2,520,663	3,000,417	3,000,417	-
School-based support	10,338,561	9,893,423	9,893,423	-
Total instructional services	<u>62,580,924</u>	<u>63,942,253</u>	<u>63,941,844</u>	<u>409</u>
System-wide support services:				
Support and development	1,695,800	2,289,536	2,289,536	-
Special population support and development	673,691	601,987	601,987	-
Alternative programs and services support and development	20,195	25,947	25,947	-
Technology support	2,094,047	1,877,402	1,877,402	-
Operational support	10,896,443	10,867,441	10,867,441	-
Financial and human resource services	3,528,873	4,012,831	4,012,831	-
Accountability	624,797	578,883	578,883	-
System-wide pupil support	115,042	160,010	160,010	-
Policy, leadership and public relations	3,337,504	3,600,306	3,600,306	-
Total system-wide support services	<u>22,986,392</u>	<u>24,014,343</u>	<u>24,014,343</u>	<u>-</u>
Ancillary services:				
Nutrition	4,139	4,258	4,258	-
Nonprogrammed charges	891,427	1,038,529	1,038,529	-
Total expenditures	<u>86,462,882</u>	<u>88,999,383</u>	<u>88,998,974</u>	<u>409</u>
Revenues under expenditures	(4,965,000)	(6,212,395)	(6,514,890)	(302,495)
Other financing sources:				
Proceeds from sale of capital assets	-	26,219	26,219	-
Fund balance appropriated	4,965,000	6,186,176	-	(6,186,176)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(6,488,671)	<u>\$ (6,488,671)</u>
Fund balances:				
Beginning of year			12,006,947	
End of year			<u>\$ 5,518,276</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, 2023

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 77,597,137	\$ 82,092,439	\$ 80,068,737	\$ (2,023,702)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	47,877,747	51,215,558	50,925,914	289,644
Special populations	13,605,084	12,584,952	12,352,521	232,431
Alternative programs	3,778,360	3,809,649	3,638,479	171,170
School leadership	3,481,618	3,935,657	3,407,771	527,886
School-based support	2,977,996	3,731,728	3,462,118	269,610
Total instructional services	<u>71,720,805</u>	<u>75,277,544</u>	<u>73,786,803</u>	<u>1,490,741</u>
System-wide support services:				
Support and development	214,909	246,527	229,731	16,796
Technology support	-	213,928	213,928	-
Operational support	4,979,877	5,624,336	5,108,171	516,165
Financial and human resource services	131,239	150,615	150,615	-
Policy, leadership and public relations	550,307	528,106	528,106	-
Total system-wide support services	<u>5,876,332</u>	<u>6,763,512</u>	<u>6,230,551</u>	<u>532,961</u>
Total expenditures	<u>77,597,137</u>	<u>82,041,056</u>	<u>80,017,354</u>	<u>2,023,702</u>
Revenues over expenditures	-	51,383	51,383	-
Other financing uses:				
Transfers to other funds	-	(51,383)	(51,383)	-
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, 2023

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 18,477,031	\$ 14,036,208	\$ 10,588,780	\$ (3,447,428)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	3,336,774	2,280,408	1,831,017	449,391
Special populations	2,213,788	4,261,529	4,167,087	94,442
Alternative programs	7,570,335	3,629,416	2,347,889	1,281,527
School leadership	-	538	538	-
School-based support	619,306	815,362	303,241	512,121
Total instructional services	<u>13,740,203</u>	<u>10,987,253</u>	<u>8,649,772</u>	<u>2,337,481</u>
System-wide support services:				
Support and development	-	5,000	-	5,000
Special population support and development	608,999	577,411	395,718	181,693
Alternative programs and services support and development	297,938	253,150	253,150	-
Operational support	62,297	805,954	805,954	-
Financial and human resource services	-	102,253	102,253	-
Policy, leadership and public relations	10,000	5,000	2,585	2,415
Total system-wide support services	<u>979,234</u>	<u>1,748,768</u>	<u>1,559,660</u>	<u>189,108</u>
Ancillary services:				
Nutrition	85,714	5,382	-	5,382
Nonprogrammed charges	<u>3,671,880</u>	<u>1,294,805</u>	<u>379,348</u>	<u>915,457</u>
Total expenditures	<u>18,477,031</u>	<u>14,036,208</u>	<u>10,588,780</u>	<u>3,447,428</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, 2023

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Orange County	\$ 1,923,619	\$ 1,923,619	\$ 2,066,795	\$ 143,176
U.S. Government	1,463,009	1,463,009	1,390,856	(72,153)
Other	<u>5,113,080</u>	<u>5,860,371</u>	<u>5,083,532</u>	<u>(776,839)</u>
Total revenues	<u>8,499,708</u>	<u>9,246,999</u>	<u>8,541,183</u>	<u>(705,816)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	562,221	283,598	283,598	-
Special populations	816,196	1,527,388	1,527,386	2
Alternative programs	2,437,235	3,308,872	3,293,605	15,267
School-based support	<u>4,549,921</u>	<u>3,578,114</u>	<u>3,464,295</u>	<u>113,819</u>
Total instructional services	<u>8,365,573</u>	<u>8,697,972</u>	<u>8,568,884</u>	<u>129,088</u>
System-wide support services:				
Support and development	-	105,365	96,242	9,123
Special population support and development	-	126,178	125,492	686
Alternative programs and services support and development	84,257	102,509	102,509	-
Policy, leadership and public relations	<u>36,672</u>	<u>259,605</u>	<u>251,452</u>	<u>8,153</u>
Total system-wide support services	<u>120,929</u>	<u>593,657</u>	<u>575,695</u>	<u>17,962</u>
Nonprogrammed charges	<u>13,206</u>	<u>49,187</u>	<u>49,187</u>	<u>-</u>
Total expenditures	<u>8,499,708</u>	<u>9,340,816</u>	<u>9,193,766</u>	<u>147,050</u>
Revenues under expenditures	-	(93,817)	(652,583)	(558,766)
Fund balance appropriated	-	93,817	-	(93,817)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(652,583)	<u>\$ (652,583)</u>
Fund balances:				
Beginning of year			<u>5,009,216</u>	
End of year			<u>\$ 4,356,633</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, 2023

Exhibit 7

	Enterprise		Totals
	Major Funds		
	School Food Service	Child Care	
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,183,959	\$ 1,335,392	\$ 3,519,351
Due from other governments	165,134	-	165,134
Receivables	9,315	2,817	12,132
Total current assets	<u>2,358,408</u>	<u>1,338,209</u>	<u>3,696,617</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	527,444	-	527,444
Total assets	<u>2,885,852</u>	<u>1,338,209</u>	<u>4,224,061</u>
Deferred Outflows of Resources	<u>372,206</u>	<u>729,686</u>	<u>1,101,892</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	123,687	3,733	127,420
Due to other funds	66,817	-	66,817
Compensated absences	13,306	28,937	42,243
Unearned revenue	178,997	126,934	305,931
Total current liabilities	<u>382,807</u>	<u>159,604</u>	<u>542,411</u>
Noncurrent liabilities:			
Net pension liability	429,011	841,052	1,270,063
Net OPEB liability	606,351	1,188,715	1,795,066
Compensated absences	87,196	35,867	123,063
Total noncurrent liabilities	<u>1,122,558</u>	<u>2,065,634</u>	<u>3,188,192</u>
Total liabilities	<u>1,505,365</u>	<u>2,225,238</u>	<u>3,730,603</u>
Deferred Inflows of Resources	<u>306,545</u>	<u>600,966</u>	<u>907,511</u>
Net position			
Investment in capital assets	527,444	-	527,444
Unrestricted (deficit)	918,704	(758,309)	160,395
Total net position (deficit)	<u>\$ 1,446,148</u>	<u>\$ (758,309)</u>	<u>\$ 687,839</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, 2023

Exhibit 8

	Enterprise		Totals
	Major Funds		
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 1,767,969	\$ -	\$ 1,767,969
Child care fees	-	1,492,111	1,492,111
Rental of school property	-	394,703	394,703
Other	3,303	-	3,303
Total operating revenues	<u>1,771,272</u>	<u>1,886,814</u>	<u>3,658,086</u>
Operating expenses:			
Purchase of food	-	85,514	85,514
Salaries and benefits	420,365	1,481,377	1,901,742
Indirect costs	66,817	203,748	270,565
Materials and supplies	20,602	30,955	51,557
Repairs and maintenance	32,354	-	32,354
Depreciation	108,968	-	108,968
Non-capitalized equipment	25,727	-	25,727
Management fees	3,425,772	-	3,425,772
Other	20,568	23,951	44,519
Total operating expenses	<u>4,121,173</u>	<u>1,825,545</u>	<u>5,946,718</u>
Operating income (loss)	<u>(2,349,901)</u>	<u>61,269</u>	<u>(2,288,632)</u>
Nonoperating revenues:			
Federal reimbursements	2,636,365	-	2,636,365
Federal commodities	277,930	-	277,930
State reimbursements	11,978	-	11,978
Contracted service revenue	-	984,393	984,393
Total nonoperating revenues	<u>2,926,273</u>	<u>984,393</u>	<u>3,910,666</u>
Income before transfers and contributions	576,372	1,045,662	1,622,034
Transfers from other funds	51,383	-	51,383
Capital contributions	40,126	-	40,126
Change in net position	667,881	1,045,662	1,713,543
Net position (deficit), beginning of year	<u>778,267</u>	<u>(1,803,971)</u>	<u>(1,025,704)</u>
Net position (deficit), end of year	<u>\$ 1,446,148</u>	<u>\$ (758,309)</u>	<u>\$ 687,839</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, 2023

Exhibit 9

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,728,480	\$ 1,845,098	\$ 3,573,578
Cash paid for goods and services	(3,360,838)	(341,314)	(3,702,152)
Cash paid to employees for services	(713,317)	(1,614,361)	(2,327,678)
Other	3,303	-	3,303
Net cash used by operating activities	<u>(2,342,372)</u>	<u>(110,577)</u>	<u>(2,452,949)</u>
Cash flows from noncapital financing activities:			
Due to other funds	66,817	(25,507)	41,310
Federal and State reimbursements	2,694,949	-	2,694,949
Contracted service revenue	-	984,393	984,393
Net cash provided by noncapital financing activities	<u>2,761,766</u>	<u>958,886</u>	<u>3,720,652</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	<u>(139,312)</u>	-	<u>(139,312)</u>
Net increase (decrease) in cash and cash equivalents	280,082	848,309	1,128,391
Cash and cash equivalents, beginning of year	<u>1,903,877</u>	<u>487,083</u>	<u>2,390,960</u>
Cash and cash equivalents, end of year	<u>\$ 2,183,959</u>	<u>\$ 1,335,392</u>	<u>\$ 3,519,351</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (2,349,901)	\$ 61,269	\$ (2,288,632)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	108,968	-	108,968
Donated commodities	277,930	-	277,930
Salaries paid by State Public School Fund	51,383	-	51,383
Changes in assets, liabilities, deferred outflows and deferred inflows of resources:			
Increase in accounts receivable	(9,292)	(2,817)	(12,109)
Decrease in net OPEB asset	507	773	1,280
Increase (decrease) in accounts payable and accrued liabilities	(46,928)	2,854	(44,074)
Decrease in unearned revenue	(30,197)	(38,899)	(69,096)
Increase in net pension liability	265,452	592,021	857,473
Decrease in net OPEB liability	(346,617)	(262,256)	(608,873)
Increase in deferred outflows	(81,559)	(287,157)	(368,716)
Decrease in deferred inflows	(192,068)	(158,212)	(350,280)
Increase (decrease) in compensated absences payable	9,950	(18,153)	(8,203)
Total adjustments	<u>7,529</u>	<u>(171,846)</u>	<u>(164,317)</u>
Net cash used by operating activities	<u>\$ (2,342,372)</u>	<u>\$ (110,577)</u>	<u>\$ (2,452,949)</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, 2023

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$277,930 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 \$51,383 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 \$40,126 were purchased by the Capital Outlay Fund during the year. The value of these assets is reflected as a capital contribution 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, 2023

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, 2023

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 leases qualifying as other than short-term are reported as other financing sources.

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

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, 2023

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. Amounts may be transferred between sub-functions and objects of expenditures with a monthly report of such transfers provided to the Board of Education being required. 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, 2023

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 assets 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 assets 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, 2023

7. Compensated Absences

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

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

8. Net Position/Fund Balances

Net Position

Net position in the government-wide and proprietary fund financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through State statute.

Fund Balances

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

The governmental fund types classify fund balances as follows:

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, 2023

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 does not have a formal revenue spending policy. The Finance Officer does use resources in the following hierarchy: State funds, federal funds, local non-Board of Education funds, and Board of Education funds. For purposes of fund balance classification, expenditures are spent from restricted fund balance first, followed in-order by 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, 2023

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 \$(18,925,305) 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)	\$ 377,267,027
Less accumulated depreciation	<u>(158,233,810)</u>
Net capital assets	219,033,217
Deferred outflows of resources related to pensions	60,475,845
Deferred outflows of resources related to OPEB	25,548,906
Difference in unearned lease revenue attributable to difference in income recognition periods for governmental funds and governmental activities	(482,166)
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	(885,709)
Compensated absences	(12,470,804)
Net pension liability	(99,154,004)
Net OPEB liability	(140,141,004)
Deferred inflows of resources related to pensions	(1,949,379)
Deferred inflows of resources related to OPEB	<u>(68,900,207)</u>
Total adjustment	<u>\$ (18,925,305)</u>

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$18,707,751 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 4,152,808
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	(9,561,501)
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	881,851
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	19,157,438
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	7,704,861
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	1,063,926
Difference in lease income recognized from unearned revenue due to difference between income recognition periods for governmental funds and governmental activities	43,833
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 funds	
Pension (expense) benefit	(19,686,834)
OPEB (expense) benefit	15,531,992
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(580,623)
Total adjustment	\$ 18,707,751

10. Defined Benefit Pension Plans

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

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$13,331,375 and with the State Treasurer of \$8,219. The bank balances with the financial institutions and the State Treasurer were \$13,540,016 and \$3,813,412, respectively. Of these balances, \$1,426,480 was covered by federal depository insurance and \$15,926,948 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2023, the Board had \$264,352 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2023. The Board has no investment balances in the NCCMT as of June 30, 2023. 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, 2023

3. Accounts Receivable

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

	Due from (to) other funds (Internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 66,817	\$ 331,804	\$ -	\$ 398,621
Other governmental activities	<u>-</u>	<u>3,558,262</u>	<u>535,245</u>	<u>4,093,507</u>
Total governmental activities	<u>\$ 66,817</u>	<u>\$ 3,890,066</u>	<u>\$ 535,245</u>	<u>\$ 4,492,128</u>
Business-type activities:				
School Food Service Fund	\$ (66,817)	\$ 165,134	\$ 9,315	\$ 107,632
Child Care Fund	<u>-</u>	<u>-</u>	<u>2,817</u>	<u>2,817</u>
Total business-type activities	<u>\$ (66,817)</u>	<u>\$ 165,134</u>	<u>\$ 12,132</u>	<u>\$ 110,449</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 331,804	Amounts due from County
Other Special Revenue Fund	1,379,125	State and federal funds
Capital Outlay Fund	<u>2,179,137</u>	Amounts due from County
Total governmental activities	<u>\$ 3,890,066</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 165,134</u>	Federal grant funds

All of the Board's receivable balances are expected to be collected during the year ended June 30, 2024.

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4. Capital Assets

Capital asset activity for the year ended June 30, 2023 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	425,065	3,102,135	2,331,053	1,196,147
Total capital assets not being depreciated	<u>6,910,472</u>	<u>3,102,135</u>	<u>2,331,053</u>	<u>7,681,554</u>
Capital assets being depreciated:				
Buildings and improvements	334,928,661	2,266,778	-	337,195,439
Land improvements	9,504,038	499,959	-	10,003,997
Equipment and furniture	14,207,283	437,420	-	14,644,703
Vehicles	7,760,908	177,569	197,143	7,741,334
Total capital assets being depreciated	<u>366,400,890</u>	<u>3,381,726</u>	<u>197,143</u>	<u>369,585,473</u>
Less accumulated depreciation for:				
Buildings and improvements	127,264,171	7,919,821	-	135,183,992
Land improvements	5,790,615	350,424	-	6,141,039
Equipment and furniture	9,730,836	897,041	-	10,627,877
Vehicles	6,083,830	394,215	197,143	6,280,902
Total accumulated depreciation	<u>148,869,452</u>	<u>9,561,501</u>	<u>197,143</u>	<u>158,233,810</u>
Total capital assets being depreciated, net	<u>217,531,438</u>			<u>211,351,663</u>
Governmental activity capital assets, net	<u>\$ 224,441,910</u>			<u>\$ 219,033,217</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 1,996,419	\$ 179,438	\$ -	\$ 2,175,857
Less accumulated depreciation for:				
Equipment and furniture	1,539,445	108,968	-	1,648,413
School Food Service capital assets, net	<u>\$ 456,974</u>			<u>\$ 527,444</u>

Depreciation was charged to governmental functions as follows:

System-wide support services	\$ 394,215
Unallocated depreciation	9,167,286
Total	<u>\$ 9,561,501</u>

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B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Teachers' and State Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2023 was 17.38% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$19,402,825 for the year ended June 30, 2023.

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

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

At June 30, 2023, the Board reported a liability of \$100,424,067 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2022 and at June 30, 2021, the Board's proportion was 0.6766% and 0.6628%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$19,912,373. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 437,252	\$ 1,368,796
Changes of assumptions	7,923,076	-
Net difference between projected and actual earnings on pension plan investments	32,983,290	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	504,038	605,552
Board contributions subsequent to the measurement date	19,402,825	-
Total	\$ 61,250,481	\$ 1,974,348

\$19,402,825 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 10,521,707
2025	9,896,956
2026	3,643,385
2027	15,811,260
Total	\$ 39,873,308

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

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

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

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

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

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

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

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

Discount rate. The discount rates used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of

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

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	\$ 177,554,866	\$ 100,424,067	\$ 36,758,760

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2023, the Board contributed 6.89% of covered payroll, which amounted to \$7,691,914 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$180.5 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$1,077,554.

At June 30, 2023, the Board reported a liability of \$141,759,605 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and 2021, the Board's proportion was 0.5970% and 0.5849%, respectively.

\$7,691,914 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30:

2024	\$ 18,870,719
2025	12,258,484
2026	13,157,750
2027	<u>7,768,488</u>
Total	\$ <u>52,055,441</u>

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

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

Healthcare cost trend rates:

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

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

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

	1% decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB liability	\$ 166,976,482	\$ 141,759,605	\$ 121,164,262

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:

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		Healthcare Trend Rates	
	1% Decrease (Medical - 4.00-5.00%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.00%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 116,690,832	\$ 141,759,605	\$ 174,164,577

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

2. Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2023, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$111,639 for the year ended June 30, 2023.

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

At June 30, 2023, the Board reported a liability of \$176,465 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and 2021, the Board's proportion was 0.5932% and 0.5895%, respectively.

\$111,639 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 87,246
2025	100,096
2026	73,125
2027	56,046
2028	10,095
Thereafter	<u>18,693</u>
Total	<u>\$ 345,301</u>

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	\$ 217,295	\$ 176,465	\$ 135,534

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

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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, 2015 through December 31, 2019.

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

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

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (16,110,343)	\$ 241,405	\$ (15,868,938)
OPEB liability (asset)	141,759,605	176,465	141,936,070
Proportionate share of the net OPEB liability / asset	0.5970%	0.5932%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 1,376,298	\$ 197,803	\$ 1,574,101
Changes of assumptions	11,349,698	11,342	11,361,040
Net difference between projected and actual earnings on plan investments	1,227,577	186,644	1,414,221
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,720,563	2,684	3,723,247
Board contributions subsequent to the measurement date	7,691,914	111,639	7,803,553
Totals	<u>\$ 25,366,050</u>	<u>\$ 510,112</u>	<u>\$ 25,876,162</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 392,263	\$ -	\$ 392,263
Changes of assumptions	64,518,134	32,691	64,550,825
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,819,180	20,481	4,839,661
Totals	<u>\$ 69,729,577</u>	<u>\$ 53,172</u>	<u>\$ 69,782,749</u>

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

2. Accounts Payable

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

	<u>Vendors and Other</u>	<u>Due to other Governments</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 2,129,512	\$ -	\$ 2,129,512
Other governmental activities	<u>513,594</u>	<u>166,162</u>	<u>679,756</u>
Total governmental activities	<u>\$ 2,643,106</u>	<u>\$ 166,162</u>	<u>\$ 2,809,268</u>
Business-type activities:			
School Food Service Fund	\$ 123,687	\$ -	\$ 123,687
Child Care Fund	<u>3,733</u>	<u>-</u>	<u>3,733</u>
Total business-type activities	<u>\$ 127,420</u>	<u>\$ -</u>	<u>\$ 127,420</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)		\$ 17,890
Prepaid use fee (Capital Outlay Fund - see below)		<u>482,166</u>
Total governmental activities		<u>\$ 500,056</u>
Business-type activities:		
Prepayments of meals (School Food Service Fund)		\$ 178,997
Prepayments of tuition (Child Care Fund)		<u>126,934</u>
Total business-type activities		<u>\$ 305,931</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, 2023 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 \$482,166.

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,011,353	\$ 1,761,059
Changes of assumptions	19,284,116	64,550,825
Net difference between projected and actual earnings on pension and OPEB plan investments	34,397,511	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,227,285	5,445,213
Board contributions subsequent to the measurement date	27,206,378	-
Total	\$ 87,126,643	\$ 71,757,097

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.

6. Contingent Liabilities

As of the date of our report, the Board was a defendant to two lawsuits, one involving a personnel matter and the other involving a negligence claim. The Board's management and the Board's attorneys have

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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 prior 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 \$95,424 at June 30, 2023. 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 15th 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>
2024	<u>\$ 885,709</u>

b. Long-Term Obligation Activity

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

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 1,767,560	\$ -	\$ 881,851	\$ 885,709	\$ 885,709
Net pension liability	30,623,221	68,530,783	-	99,154,004	-
Net OPEB liability	178,424,956	-	38,283,952	140,141,004	-
Compensated absences	11,890,181	5,814,715	5,234,092	12,470,804	3,686,739
Total	<u>\$222,705,918</u>	<u>\$ 74,345,498</u>	<u>\$ 44,399,895</u>	<u>\$252,651,521</u>	<u>\$ 4,572,448</u>
Business-type activities:					
Net pension liability	\$ 412,590	\$ 857,473	\$ -	\$ 1,270,063	\$ -
Net OPEB liability	2,403,939	-	608,873	1,795,066	-
Compensated absences	173,509	59,417	67,620	165,306	42,243
Total	<u>\$ 2,990,038</u>	<u>\$ 916,890</u>	<u>\$ 676,493</u>	<u>\$ 3,230,435</u>	<u>\$ 42,243</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.

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

C. Interfund Balances and Activity

1. Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	School Food Service Fund	<u>\$ 66,817</u>

The balance above represents indirect cost owed to the General Fund at year-end. This balance is expected to be paid prior to June 30, 2024.

2. Transfers to/from other Funds

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

From the State Public School Fund to the School Food Service Fund for the payment of administrative salaries	<u>\$ 51,383</u>
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3. Transfers / Contributed Capital

During the year ended June 30, 2023, the Capital Outlay Fund purchased capitalized equipment for the School Food Service Fund totaling \$40,126. This amount is presented as a transfer between governmental and business-type activities in Exhibit 2 and as contributed capital in Exhibit 8.

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 219,033,217
Less:	
Installment purchase obligations for school buses	<u>(23,857)</u>
Net investment in capital assets, governmental activities	<u>\$ 219,009,360</u>

The district also has \$861,852 of installment purchase obligations outstanding at June 30, 2023 for technology equipment. This amount has been excluded from the calculation of net investment in capital assets due to these obligations being for noncapitalized items.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2023**

2. Fund Balance

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

Total fund balance - General Fund	\$ 5,518,276
Less:	
Prepaid expenditures	(1,221,272)
Stabilization by State statute	(476,402)
Appropriated fund balance in the fiscal year 2023-2024 budget	<u>(200,000)</u>
Unassigned fund balance at June 30, 2023	<u>\$ 3,620,602</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, 2023 are as follows:

	<u>Encumbrances</u>
General Fund	\$ 77,781
Capital Outlay Fund	4,920,514
Other Special Revenue Fund	168,414

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 TEN FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net pension liability/asset	0.677%	0.663%	0.663%	0.668%	0.669%
Board's proportionate share of the net pension liability (asset)	\$ 100,424,067	\$ 31,035,811	\$ 80,081,893	\$ 69,261,640	\$ 66,616,191
Board's covered payroll	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	94.58%	30.62%	80.67%	70.71%	71.84%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	85.98%	87.56%	87.61%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability/asset	0.657%	0.664%	0.649%	0.629%	0.624%
Board's proportionate share of the net pension liability (asset)	\$ 52,139,592	\$ 60,979,747	\$ 23,928,359	\$ 7,373,239	\$ 37,907,443
Board's covered payroll	\$ 90,390,160	\$ 86,236,820	\$ 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	57.68%	70.71%	27.85%	9.01%	46.49%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 19,402,825	\$ 17,392,638	\$ 14,978,821	\$ 12,875,432	\$ 12,037,895
Contributions in relation to the contractually required contribution	<u>19,402,825</u>	<u>17,392,638</u>	<u>14,978,821</u>	<u>12,875,432</u>	<u>12,037,895</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698
Contributions as a percentage of covered payroll	17.38%	16.38%	14.78%	12.97%	12.29%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 9,995,687	\$ 9,020,938	\$ 7,890,669	\$ 7,860,612	\$ 7,107,957
Contributions in relation to the contractually required contribution	<u>9,995,687</u>	<u>9,020,938</u>	<u>7,890,669</u>	<u>7,860,612</u>	<u>7,107,957</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672
Contributions as a percentage of covered payroll	10.78%	9.98%	9.15%	9.15%	8.69%

**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 SEVEN FISCAL YEARS***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability/asset	0.597%	0.585%	0.595%	0.591%	0.602%
Board's proportionate share of the net OPEB liability (asset)	\$ 141,759,605	\$ 180,828,895	\$ 164,931,636	\$ 187,109,403	\$ 171,504,963
Board's covered payroll	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	133.51%	178.43%	166.14%	191.03%	184.96%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.58%	7.72%	6.92%	4.40%	4.40%
	<u>2018</u>	<u>2017</u>			
Board's proportion of the net OPEB liability/asset	0.607%	0.593%			
Board's proportionate share of the net OPEB liability (asset)	\$ 198,969,592	\$ 257,834,844			
Board's covered payroll	\$ 90,390,160	\$ 86,236,820			
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	220.12%	298.98%			
Plan fiduciary net position as a percentage of the total OPEB liability/asset	3.52%	2.41%			

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

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

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 7,691,914	\$ 6,678,858	\$ 6,769,860	\$ 6,422,825	\$ 6,141,383
Contributions in relation to the contractually required contribution	<u>7,691,914</u>	<u>6,678,858</u>	<u>6,769,860</u>	<u>6,422,825</u>	<u>6,141,383</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698
Contributions as a percentage of covered payroll	6.89%	6.29%	6.68%	6.47%	6.27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,609,824	\$ 5,225,842	\$ 4,833,393	\$ 4,693,298	\$ 4,408,641
Contributions in relation to the contractually required contribution	<u>5,609,824</u>	<u>5,225,842</u>	<u>4,833,393</u>	<u>4,693,298</u>	<u>4,408,641</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672
Contributions as a percentage of covered payroll	6.05%	5.81%	5.60%	5.49%	5.40%

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability/asset	0.593%	0.590%	0.584%	0.593%	0.592%
Board's proportionate share of the net OPEB liability (asset)	\$ 176,465	\$ (96,286)	\$ (287,160)	\$ (256,035)	\$ (179,756)
Board's covered payroll	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698	\$ 92,724,369
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.17%	0.10%	0.29%	0.26%	0.19%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.34%	105.18%	115.57%	113.00%	108.47%

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	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability/asset	0.584%	0.596%
Board's proportionate share of the net OPEB liability (asset)	\$ (357,198)	\$ (369,905)
Board's covered payroll	\$ 90,390,160	\$ 86,236,820
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.40%	0.43%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	116.23%	116.06%

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

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

**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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 111,639	\$ 95,564	\$ 91,211	\$ 99,271	\$ 137,128
Contributions in relation to the contractually required contribution	<u>111,639</u>	<u>95,564</u>	<u>91,211</u>	<u>99,271</u>	<u>137,128</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698
Contributions as a percentage of covered payroll	0.10%	0.09%	0.09%	0.10%	0.14%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 129,814	\$ 341,793	\$ 353,873	\$ 350,501	\$ 359,223
Contributions in relation to the contractually required contribution	<u>129,814</u>	<u>341,793</u>	<u>353,873</u>	<u>350,501</u>	<u>359,223</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672
Contributions as a percentage of covered payroll	0.14%	0.38%	0.41%	0.41%	0.44%

**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, 2023

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Orange County:			
Local current expense	\$ 55,007,882	\$ 55,007,882	\$ -
Other:			
Fines and forfeitures	375,000	223,373	(151,627)
Supplemental school taxes	25,545,354	25,545,354	-
Interest earned on investment	217,015	217,015	-
Indirect costs allocated	747,267	747,082	(185)
Transportation revenue	455,619	455,619	-
Sales and use tax refund	248,851	248,851	-
Miscellaneous	190,000	38,908	(151,092)
Total other	<u>27,779,106</u>	<u>27,476,202</u>	<u>(302,904)</u>
Total revenues	<u>82,786,988</u>	<u>82,484,084</u>	<u>(302,904)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	32,439,003	32,438,594	409
Special populations	9,299,465	9,299,465	-
Alternative programs	2,873,009	2,873,009	-
School leadership	6,436,936	6,436,936	-
Co-curricular	3,000,417	3,000,417	-
School-based support	9,893,423	9,893,423	-
Total instructional services	<u>63,942,253</u>	<u>63,941,844</u>	<u>409</u>
System-wide support services:			
Support and development	2,289,536	2,289,536	-
Special population support and development	601,987	601,987	-
Alternative programs and services support and development	25,947	25,947	-
Technology support	1,877,402	1,877,402	-
Operational support	10,867,441	10,867,441	-
Financial and human resource services	4,012,831	4,012,831	-
Accountability	578,883	578,883	-
System-wide pupil support	160,010	160,010	-
Policy, leadership and public relations	3,600,306	3,600,306	-
Total system-wide support services	<u>24,014,343</u>	<u>24,014,343</u>	<u>-</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, 2023

	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued):			
Current:			
Ancillary services:			
Nutrition	4,258	4,258	-
Non-programmed charges:			
Payments to other governments	1,038,529	1,038,529	-
Total expenditures	88,999,383	88,998,974	409
Revenues under expenditures	(6,212,395)	(6,514,890)	(302,495)
Other financing sources:			
Proceeds from sale of capital assets	26,219	26,219	-
Fund balance appropriated	6,186,176	-	(6,186,176)
Net change in fund balance	<u>\$ -</u>	(6,488,671)	<u>\$ (6,488,671)</u>
Fund balance:			
Beginning of year		12,006,947	
End of year		<u>\$ 5,518,276</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, 2023

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 23,856	\$ 23,856	\$ -
K-12 Athletic Facilities Grant	<u>127,781</u>	<u>-</u>	<u>(127,781)</u>
Total State of North Carolina	<u>151,637</u>	<u>23,856</u>	<u>(127,781)</u>
U.S. Government:			
Emergency Connectivity Funds	<u>797,387</u>	<u>797,387</u>	<u>-</u>
Orange County:			
Local bond revenues	25,428,642	12,147,614	(13,281,028)
General county appropriations	<u>1,763,400</u>	<u>1,763,400</u>	<u>-</u>
Total Orange County	<u>27,192,042</u>	<u>13,911,014</u>	<u>(13,281,028)</u>
Other:			
Miscellaneous	<u>-</u>	<u>2,561</u>	<u>2,561</u>
Total revenues	<u>28,141,066</u>	<u>14,734,818</u>	<u>(13,406,248)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	1,147,886	1,036,733	111,153
School-based support	<u>74,883</u>	<u>74,883</u>	<u>-</u>
Total instructional services	<u>1,222,769</u>	<u>1,111,616</u>	<u>111,153</u>
System-wide support services:			
Technology support	927,872	927,872	-
Operational support	1,482,027	1,477,027	5,000
Policy, leadership and public relations	<u>159,148</u>	<u>159,148</u>	<u>-</u>
Total system-wide support services	<u>2,569,047</u>	<u>2,564,047</u>	<u>5,000</u>
Ancillary services:			
Nutrition	<u>45,777</u>	<u>45,777</u>	<u>-</u>
Debt service:			
Principal retirement	<u>881,851</u>	<u>881,851</u>	<u>-</u>
Capital outlay	<u>24,831,354</u>	<u>10,938,231</u>	<u>13,893,123</u>
Total expenditures	<u>29,550,798</u>	<u>15,541,522</u>	<u>14,009,276</u>
Revenues under expenditures	(1,409,732)	(806,704)	603,028
Fund balance appropriated	<u>1,409,732</u>	<u>-</u>	<u>(1,409,732)</u>
Net change in fund balance	<u>\$ -</u>	<u>(806,704)</u>	<u>\$ (806,704)</u>
Fund balance:			
Beginning of year		<u>2,611,168</u>	
End of year		<u>\$ 1,804,464</u>	

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, 2023

	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Totals</u>
Revenues	\$ 403,153	\$ 515,187	\$ 1,303,970	\$ 2,222,310
Expenditures	<u>408,798</u>	<u>500,862</u>	<u>1,422,706</u>	<u>2,332,366</u>
Net change in fund balance	(5,645)	14,325	(118,736)	(110,056)
Fund balances:				
Beginning of year	<u>181,207</u>	<u>257,818</u>	<u>962,495</u>	<u>1,401,520</u>
End of year	<u>\$ 175,562</u>	<u>\$ 272,143</u>	<u>\$ 843,759</u>	<u>\$ 1,291,464</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, 2023

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 1,660,800	\$ 1,767,969	\$ 107,169
Other	9,500	3,303	(6,197)
Total operating revenues	<u>1,670,300</u>	<u>1,771,272</u>	<u>100,972</u>
Operating expenditures:			
Business support services:			
Salaries and benefits		764,700	
Indirect costs		66,817	
Materials and supplies		20,602	
Repairs and maintenance		32,354	
Non-capitalized equipment		25,727	
Management fees		3,425,772	
Other		20,568	
Capital outlay		139,312	
Total operating expenditures	<u>4,592,933</u>	<u>4,495,852</u>	<u>97,081</u>
Operating loss	<u>(2,922,633)</u>	<u>(2,724,580)</u>	<u>198,053</u>
Nonoperating revenues:			
Federal reimbursements		2,636,365	
Federal commodities		277,930	
State reimbursements		11,978	
Total nonoperating revenues	<u>2,849,000</u>	<u>2,926,273</u>	<u>77,273</u>
Revenues over (under) expenditures	(73,633)	201,693	275,326
Other financing sources:			
Transfers from other funds	-	51,383	51,383
Fund balance appropriated	<u>73,633</u>	<u>-</u>	<u>(73,633)</u>
Net change in fund balance	<u>\$ -</u>	<u>253,076</u>	<u>\$ 253,076</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(108,968)	
Net OPEB asset		(507)	
Net pension liability		(265,452)	
Net OPEB liability		346,617	
Deferred outflows - pension and OPEB		81,559	
Deferred inflows - pension and OPEB		192,068	
Capital contributions		40,126	
Equipment purchases		139,312	
Increase in compensated absences payable		<u>(9,950)</u>	
Change in net position (full accrual)		<u>\$ 667,881</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, 2023

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Child care fees	\$ 1,658,949	\$ 1,492,111	\$ (166,838)
Rental of school property	260,000	394,703	134,703
Total operating revenue	<u>1,918,949</u>	<u>1,886,814</u>	<u>(32,135)</u>
Operating expenditures:			
Regular community services:			
Purchase of food		85,514	
Salaries and benefits		1,614,361	
Indirect costs		203,748	
Materials and supplies		30,955	
Other		23,951	
Total operating expenditures	<u>1,982,797</u>	<u>1,958,529</u>	<u>24,268</u>
Operating loss	<u>(63,848)</u>	<u>(71,715)</u>	<u>(7,867)</u>
Nonoperating revenues:			
Contracted service revenue	-	984,393	984,393
Contributions and donations	12,240	-	(12,240)
Other	50,000	-	(50,000)
Total nonoperating revenues	<u>62,240</u>	<u>984,393</u>	<u>922,153</u>
Revenues over (under) expenditures	(1,608)	912,678	914,286
Fund balance appropriated	<u>1,608</u>	<u>-</u>	<u>(1,608)</u>
Net change in fund balance	<u>\$ -</u>	<u>912,678</u>	<u>\$ 912,678</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net OPEB asset		(773)	
Net pension liability		(592,021)	
Net OPEB liability		262,256	
Deferred outflows - pension and OPEB		287,157	
Deferred inflows - pension and OPEB		158,212	
Decrease in compensated absences payable		<u>18,153</u>	
Change in net position (full accrual)		<u>\$ 1,045,662</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

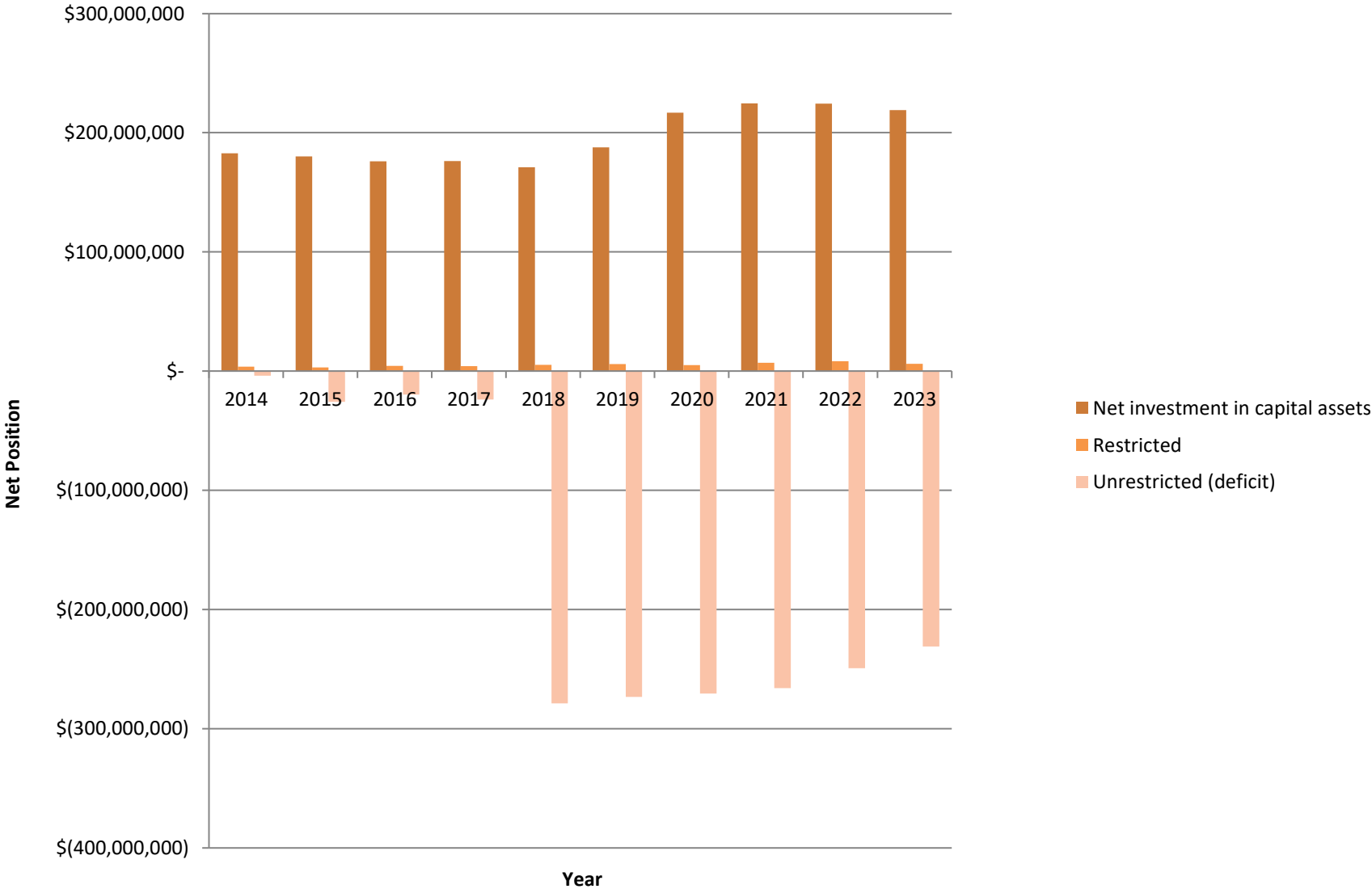
Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 182,769,201	\$ 180,120,404	\$ 175,930,029	\$ 176,085,739	\$ 170,960,490	\$ 187,623,578	\$ 216,820,123	\$ 224,589,310	\$ 224,394,197	\$ 219,009,360
Restricted	3,733,701	3,060,507	4,313,375	4,149,855	5,165,492	5,851,605	4,917,092	6,877,809	8,251,688	6,096,482
Unrestricted (deficit)	(4,026,196)	(25,876,479)	(19,810,737)	(23,893,751)	(278,867,260)	(273,295,992)	(270,610,136)	(266,067,622)	(249,250,090)	(231,060,310)
	<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>	<u>\$ (16,604,205)</u>	<u>\$ (5,954,468)</u>
Business-type activities:										
Investment in capital assets	\$ 595,469	\$ 662,343	\$ 599,209	\$ 574,753	\$ 591,918	\$ 521,987	\$ 453,262	\$ 439,422	\$ 456,974	\$ 527,444
Restricted	-	-	-	-	10,748	11,747	9,038	7,041	5,455	-
Unrestricted (deficit)	252,864	(192,193)	10,783	209,146	(3,899,505)	(3,271,455)	(2,698,966)	(3,095,455)	(1,488,133)	160,395
	<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>	<u>\$ (1,025,704)</u>	<u>\$ 687,839</u>
Government-wide:										
Net investment in capital assets	\$ 183,364,670	\$ 180,782,747	\$ 176,529,238	\$ 176,660,492	\$ 171,552,408	\$ 188,145,565	\$ 217,273,385	\$ 225,028,732	\$ 224,851,171	\$ 219,536,804
Restricted	3,733,701	3,060,507	4,313,375	4,149,855	5,176,240	5,863,352	4,926,130	6,884,850	8,257,143	6,096,482
Unrestricted (deficit)	(3,773,332)	(26,068,672)	(19,799,954)	(23,684,605)	(282,766,765)	(276,567,447)	(273,309,102)	(269,163,077)	(250,738,223)	(230,899,915)
	<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>	<u>\$ (17,629,909)</u>	<u>\$ (5,266,629)</u>

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

Note: Net position for 2014 is not comparable to 2015 (and after) net position due to the implementation of GASB 68 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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental Activities:										
Instructional services	\$ 109,586,544	\$ 108,968,591	\$ 110,941,537	\$ 124,200,421	\$ 131,693,298	\$ 131,036,239	\$ 138,146,302	\$ 134,606,355	\$ 133,695,820	\$ 136,825,711
System-wide support services	26,114,404	27,034,498	27,081,107	26,185,198	30,885,328	30,088,691	32,186,498	33,410,932	32,760,613	40,441,327
Ancillary services	90,470	61,433	61,697	65,179	73,074	80,787	145,254	186,857	229,596	41,111
Payments to other governments	649,613	819,752	691,229	682,572	651,420	696,636	754,422	820,979	842,825	990,073
Interest on long-term debt	32,455	24,695	16,704	8,476	-	-	-	-	-	-
Unallocated depreciation expense	5,358,748	6,996,814	7,101,720	7,090,769	6,939,689	6,712,646	6,748,407	6,990,430	7,274,722	9,167,286
Total governmental activities	141,832,234	143,905,783	145,893,994	158,232,615	170,242,809	168,614,999	177,980,883	176,015,553	174,803,576	187,465,508
Business-type activities:										
School food service	4,265,306	4,170,678	4,203,705	4,438,518	4,521,692	4,097,841	4,125,552	3,195,863	5,039,784	4,121,173
Child care	1,629,050	1,605,549	1,693,970	1,687,495	2,210,003	1,734,825	1,504,712	980,672	1,391,177	1,825,545
Total business-type activities	5,894,356	5,776,227	5,897,675	6,126,013	6,731,695	5,832,666	5,630,264	4,176,535	6,430,961	5,946,718
Total government-wide	\$ 147,726,590	\$ 149,682,010	\$ 151,791,669	\$ 164,358,628	\$ 176,974,504	\$ 174,447,665	\$ 183,611,147	\$ 180,192,088	\$ 181,234,537	\$ 193,412,226
Program Revenues:										
Governmental activities:										
Charges for services:										
Co-curricular	\$ 2,626,915	\$ 2,434,363	\$ 2,578,856	\$ 2,511,886	\$ 2,434,193	\$ 2,761,964	\$ 1,959,562	\$ 620,498	\$ 1,407,994	\$ 2,222,310
Operational support	725,262	755,480	852,073	832,866	825,930	246,199	86,682	132,532	135,635	138,848
Operating grants and contributions	63,995,592	68,179,662	68,043,688	69,805,753	71,869,257	80,806,884	81,803,744	85,335,666	98,671,353	95,472,081
Capital grants and contributions	61,675	102,730	226,924	145,250	231,314	193,580	150,527	150,527	91,652	821,243
Total governmental activities	67,409,444	71,472,235	71,701,541	73,295,755	75,360,694	84,008,627	84,000,515	86,239,223	100,306,634	98,654,482
Business-type activities:										
Charges for services:										
School food service	1,720,720	1,652,723	1,671,160	1,714,143	1,784,876	1,820,105	1,304,039	7,955	35,586	1,767,969
Child care	1,838,115	1,941,681	1,997,142	2,109,648	2,147,574	2,073,301	1,792,151	245,928	1,653,060	1,886,814
Operating grants and contributions	2,177,773	2,154,519	2,334,424	2,449,659	2,457,780	2,401,813	2,719,248	3,196,586	6,264,795	2,926,273
Total business-type activities	5,736,608	5,748,923	6,002,726	6,273,450	6,390,230	6,295,219	5,815,438	3,450,469	7,953,441	6,581,056
Total government-wide	\$ 73,146,052	\$ 77,221,158	\$ 77,704,267	\$ 79,569,205	\$ 81,750,924	\$ 90,303,846	\$ 89,815,953	\$ 89,689,692	\$ 108,260,075	\$ 105,235,538
Net (Expense)/Revenue										
Governmental activities	\$ (74,422,790)	\$ (72,433,548)	\$ (74,192,453)	\$ (84,936,860)	\$ (94,882,115)	\$ (84,606,372)	\$ (93,980,368)	\$ (89,776,330)	\$ (74,496,942)	\$ (88,811,026)
Business-type activities	(157,748)	(27,304)	105,051	147,437	(341,465)	462,553	185,174	(726,066)	1,522,480	634,338
Total government-wide	\$ (74,580,538)	\$ (72,460,852)	\$ (74,087,402)	\$ (84,789,423)	\$ (95,223,580)	\$ (84,143,819)	\$ (93,795,194)	\$ (90,502,396)	\$ (72,974,462)	\$ (88,176,688)

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

Changes in Net Position (Continued) Last Ten Fiscal Years

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county and city appropriations - operating	\$ 62,845,255	\$ 66,966,712	\$ 68,428,740	\$ 71,161,573	\$ 74,210,787	\$ 75,752,318	\$ 77,711,917	\$ 78,223,822	\$ 80,096,028	\$ 80,553,236
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	-	44,650	-	-
Unrestricted county appropriations - capital	10,909,841	8,504,463	6,880,353	7,788,064	8,922,442	27,455,446	42,585,529	22,772,246	7,725,440	13,911,014
Unrestricted State appropriations - capital	-	-	-	-	-	-	-	-	127,781	-
Investment earnings, unrestricted	38,313	23,785	32,149	59,843	88,417	128,483	128,787	43,603	22,940	217,015
Miscellaneous, unrestricted	1,421,148	2,214,920	2,014,237	1,863,024	2,415,695	4,287,159	4,817,904	3,261,895	4,621,307	4,871,007
Transfers	(312,750)	(193,286)	(34,791)	(26,470)	(176,945)	(96,565)	(315,881)	(297,468)	(100,256)	(91,509)
Total governmental activities	74,901,807	77,516,594	77,320,688	80,846,034	85,460,396	107,526,841	124,928,256	104,048,748	92,493,240	99,460,763
Business-type activities:										
Miscellaneous, unrestricted	-	-	-	-	-	-	-	16,272	552	987,696
Transfers	312,750	193,286	34,791	26,470	176,945	96,565	315,881	297,468	100,256	91,509
Total business-type activities	312,750	193,286	34,791	26,470	176,945	96,565	315,881	313,740	100,808	1,079,205
Total government-wide	\$ 75,214,557	\$ 77,709,880	\$ 77,355,479	\$ 80,872,504	\$ 85,637,341	\$ 107,623,406	\$ 125,244,137	\$ 104,362,488	\$ 92,594,048	\$ 100,539,968
Change in Net Position										
Governmental activities	\$ 479,017	\$ 5,083,046	\$ 3,128,235	\$ (4,090,826)	\$ (9,421,719)	\$ 22,920,469	\$ 30,947,888	\$ 14,272,418	\$ 17,996,298	\$ 10,649,737
Business-type activities	155,002	165,982	139,842	173,907	(164,520)	559,118	501,055	(412,326)	1,623,288	1,713,543
Total government-wide	\$ 634,019	\$ 5,249,028	\$ 3,268,077	\$ (3,916,919)	\$ (9,586,239)	\$ 23,479,587	\$ 31,448,943	\$ 13,860,092	\$ 19,619,586	\$ 12,363,280

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

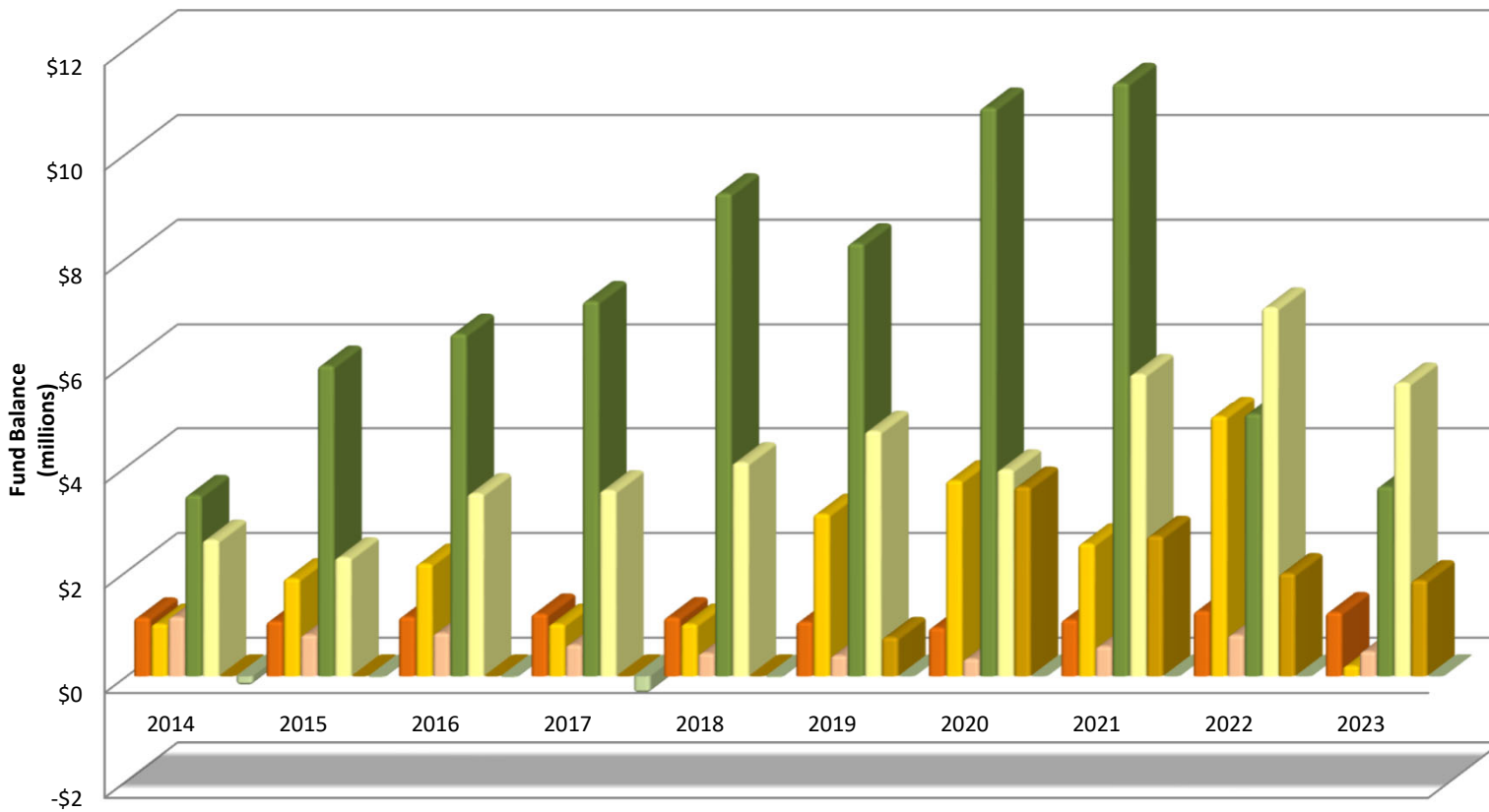
CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

Governmental Funds Fund Balances Last Ten Fiscal Years

Year Ended June 30	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 1,120,202	\$ 1,051,690	\$ 1,134,291	\$ 1,194,588	\$ 1,125,306
Restricted	1,131,274	792,982	824,953	601,148	441,331
Assigned	1,000,000	1,868,000	2,148,000	1,000,000	1,000,000
Unassigned	3,458,330	5,947,241	6,554,954	7,180,587	9,236,779
Total General Fund	\$ 6,709,806	\$ 9,659,913	\$ 10,662,198	\$ 9,976,323	\$ 11,803,416
All Other Governmental Funds					
Restricted	\$ 2,602,427	\$ 2,267,525	\$ 3,488,422	\$ 3,548,707	\$ 4,080,456
Assigned, reported in Special Revenue Funds	-	-	-	-	-
Unassigned, reported in Special Revenue Funds	(187,210)	(28,864)	(28,863)	(335,567)	(31,201)
Total all other governmental funds	\$ 2,415,217	\$ 2,238,661	\$ 3,459,559	\$ 3,213,140	\$ 4,049,255
Year Ended June 30					
	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ 1,041,973	\$ 928,896	\$ 1,080,050	\$ 1,243,264	\$ 1,221,272
Restricted	398,795	335,440	573,216	789,264	476,402
Assigned	3,100,000	3,736,550	2,532,092	4,965,000	200,000
Unassigned	8,281,224	10,875,641	11,345,936	5,009,419	3,620,602
Total General Fund	\$ 12,821,992	\$ 15,876,527	\$ 15,531,294	\$ 12,006,947	\$ 5,518,276
All Other Governmental Funds:					
Restricted	\$ 4,679,641	\$ 3,946,128	\$ 5,787,450	\$ 7,057,637	\$ 5,620,080
Assigned, reported in Special Revenue Funds	746,110	3,615,456	2,676,958	1,964,267	1,832,481
Unassigned, reported in Special Revenue Funds	-	-	-	-	-
Total all other governmental funds	\$ 5,425,751	\$ 7,561,584	\$ 8,464,408	\$ 9,021,904	\$ 7,452,561

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

Governmental Funds Fund Balance



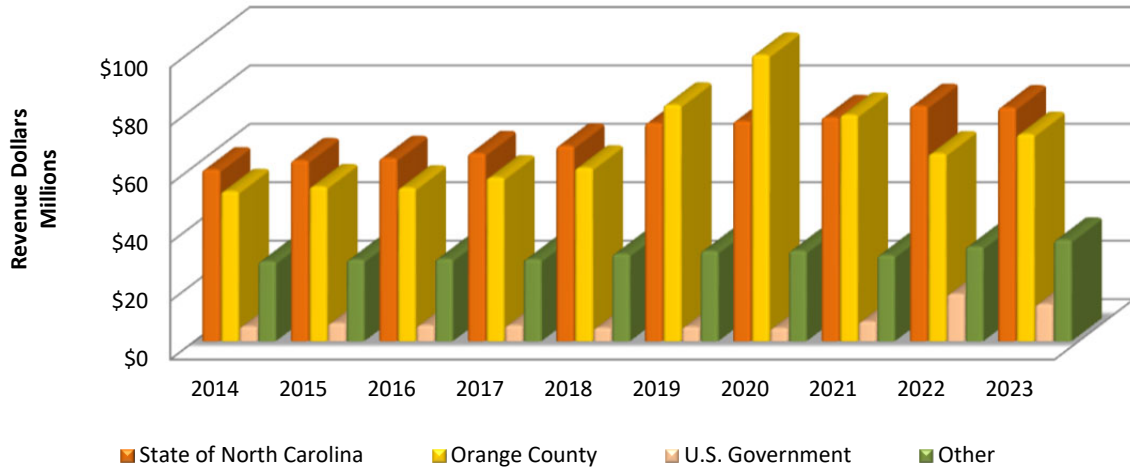
- Nonspendable, General
 ■ Assigned, General
■ Restricted, General
- Unassigned, General
 ■ Restricted, All Other Governmental Funds
■ Assigned, All Other Governmental Funds
- Unassigned, All Other Governmental Funds

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

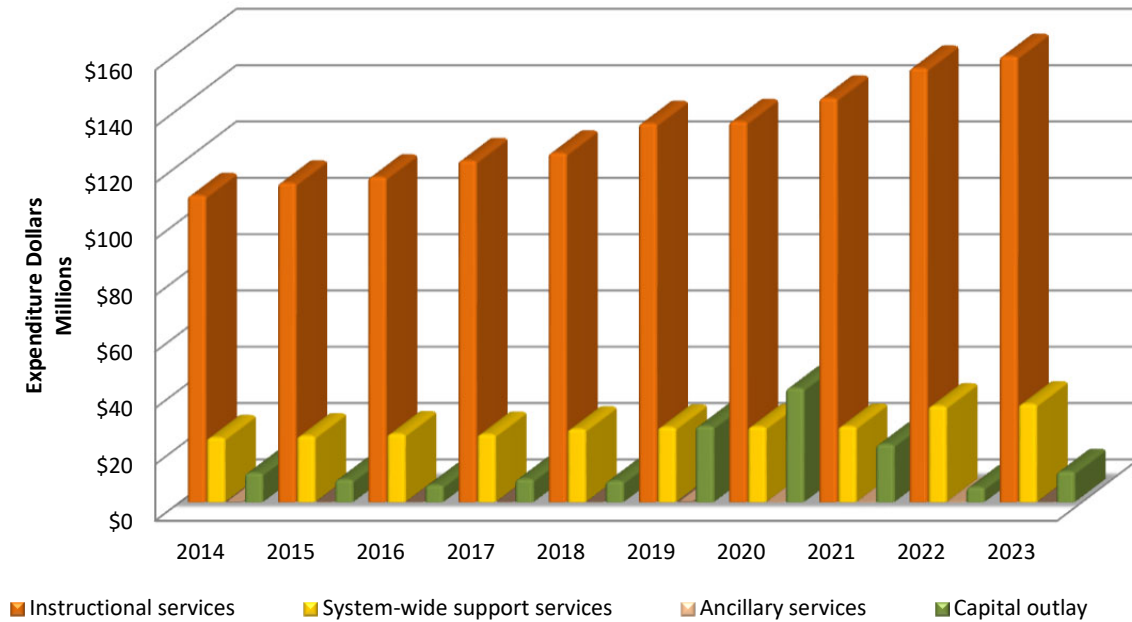
Year Ended June 30	2014	2015	2016	2017	2018
Revenues					
State of North Carolina	\$ 58,878,531	\$ 61,999,596	\$ 62,738,821	\$ 64,424,499	\$ 66,960,199
Orange County	51,422,939	53,064,569	52,627,490	56,147,185	59,464,033
U.S. Government	5,178,736	6,282,796	5,531,791	5,526,504	4,690,607
Other	27,375,623	27,977,875	28,264,396	28,133,506	29,976,249
Total revenues	<u>142,855,829</u>	<u>149,324,836</u>	<u>149,162,498</u>	<u>154,231,694</u>	<u>161,091,088</u>
Expenditures					
Instructional services	108,971,020	113,420,291	115,549,913	121,387,316	124,096,523
System-wide support services	22,987,200	23,595,307	24,343,796	24,189,919	26,040,728
Ancillary services	90,470	63,164	63,669	64,112	69,709
Non-programmed charges	793,774	1,006,307	840,540	789,838	788,307
Debt service - principal	322,084	370,899	503,084	429,638	231,314
Debt service - interest	32,455	24,695	16,704	8,476	-
Capital outlay	10,409,996	8,116,798	6,117,029	8,297,696	7,578,417
Total expenditures	<u>143,606,999</u>	<u>146,597,461</u>	<u>147,434,735</u>	<u>155,166,995</u>	<u>158,804,998</u>
Revenues over (under) expenditures	(751,170)	2,727,375	1,727,763	(935,301)	2,286,090
Other financing sources (uses)					
Transfers from other funds	293,373	341,610	1,154,000	1,283,632	200,000
Transfers to other funds	(302,039)	(377,544)	(1,157,478)	(1,280,625)	(249,243)
Installment purchase obligations issued	-	82,110	498,898	-	426,361
Proceeds from sale of capital assets	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>(8,666)</u>	<u>46,176</u>	<u>495,420</u>	<u>3,007</u>	<u>377,118</u>
Net change in fund balances	<u>\$ (759,836)</u>	<u>\$ 2,773,551</u>	<u>\$ 2,223,183</u>	<u>\$ (932,294)</u>	<u>\$ 2,663,208</u>
Ratio of debt service to non-capital expenditures	0.27%	0.29%	0.37%	0.30%	0.15%
Year Ended June 30	2019	2020	2021	2022	2023
Revenues					
State of North Carolina	\$ 74,766,764	\$ 75,458,354	\$ 76,725,190	\$ 80,616,076	\$ 80,092,593
Orange County	81,027,750	98,094,316	77,610,267	64,349,241	70,985,691
U.S. Government	5,034,629	4,624,676	6,836,782	16,249,094	12,777,023
Other	30,979,708	31,068,943	29,554,651	32,465,510	34,784,605
Total revenues	<u>191,808,851</u>	<u>209,246,289</u>	<u>190,726,890</u>	<u>193,679,921</u>	<u>198,639,912</u>
Expenditures					
Instructional services	134,585,266	135,257,654	143,555,611	154,211,744	158,391,285
System-wide support services	26,702,568	26,869,192	26,983,499	34,237,894	34,944,296
Ancillary services	82,413	144,261	189,288	238,649	50,035
Non-programmed charges	917,287	897,547	1,013,565	1,666,450	1,467,064
Debt service - principal	193,580	150,527	1,008,522	949,648	881,851
Debt service - interest	-	-	-	-	-
Capital outlay	27,059,202	40,569,049	20,591,214	5,391,417	10,938,231
Total expenditures	<u>189,540,316</u>	<u>203,888,230</u>	<u>193,341,699</u>	<u>196,695,802</u>	<u>206,672,762</u>
Revenues over (under) expenditures	2,268,535	5,358,059	(2,614,809)	(3,015,881)	(8,032,850)
Other financing sources (uses)					
Transfers from other funds	200,000	-	-	-	-
Transfers to other funds	(249,213)	(265,346)	(270,739)	(46,394)	(51,383)
Installment purchase obligations issued	175,750	-	3,435,838	95,424	-
Proceeds from sale of capital assets	-	-	-	-	26,219
Insurance proceeds	-	97,655	7,301	-	-
Total other financing sources (uses)	<u>126,537</u>	<u>(167,691)</u>	<u>3,172,400</u>	<u>49,030</u>	<u>(25,164)</u>
Net change in fund balances	<u>\$ 2,395,072</u>	<u>\$ 5,190,368</u>	<u>\$ 557,591</u>	<u>\$ (2,966,851)</u>	<u>\$ (8,058,014)</u>
Ratio of debt service to non-capital expenditures	0.12%	0.09%	0.58%	0.50%	0.44%

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
2023	\$ 1,446,148	\$ 4,121,173	35.09%	\$ (758,309)	\$ 1,825,545	-41.54%
2022	778,267	5,098,936	15.26%	(1,803,971)	1,391,177	-129.67%
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%

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

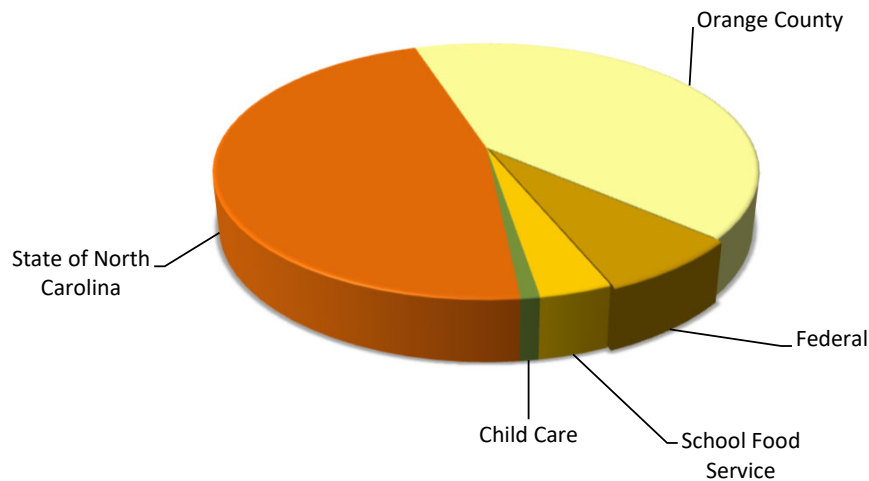
Note: Net position for 2014 is not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its participation in the statewide Teachers'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

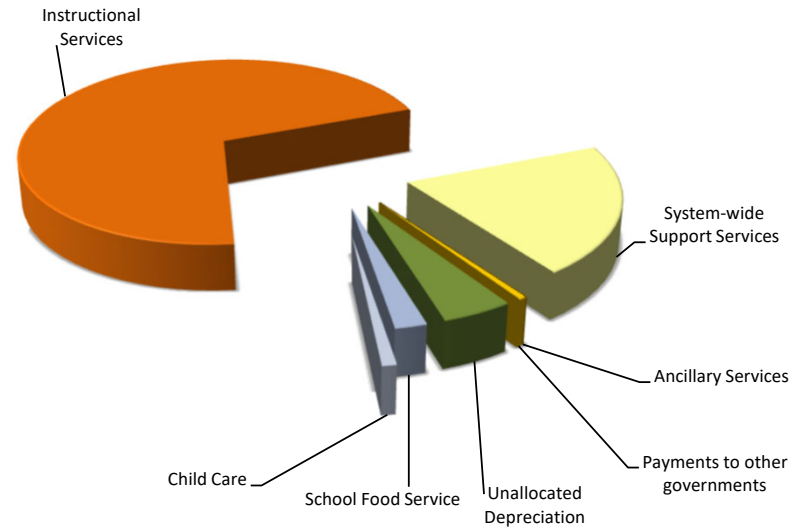
Governmental and Business-type Activities for Fiscal Year 2022-2023

Revenue Sources



State of North Carolina	\$ 80,092,593
Orange County	70,985,691
Federal	12,777,023
School Food Service	6,300,933
Child Care	1,653,060
Other	31,685,719
Total	<u><u>\$ 203,495,019</u></u>

Expenses



Instructional Services	\$ 136,825,711
System-wide Support Services	40,441,327
Ancillary Services	41,111
Payments to Other Governments	990,073
Unallocated Depreciation	9,167,286
School Food Service	4,121,173
Child Care	1,825,545
Total	<u><u>\$ 193,412,226</u></u>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2023.

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

Proprietary Fund - Food Service Operations

Revenues by Source

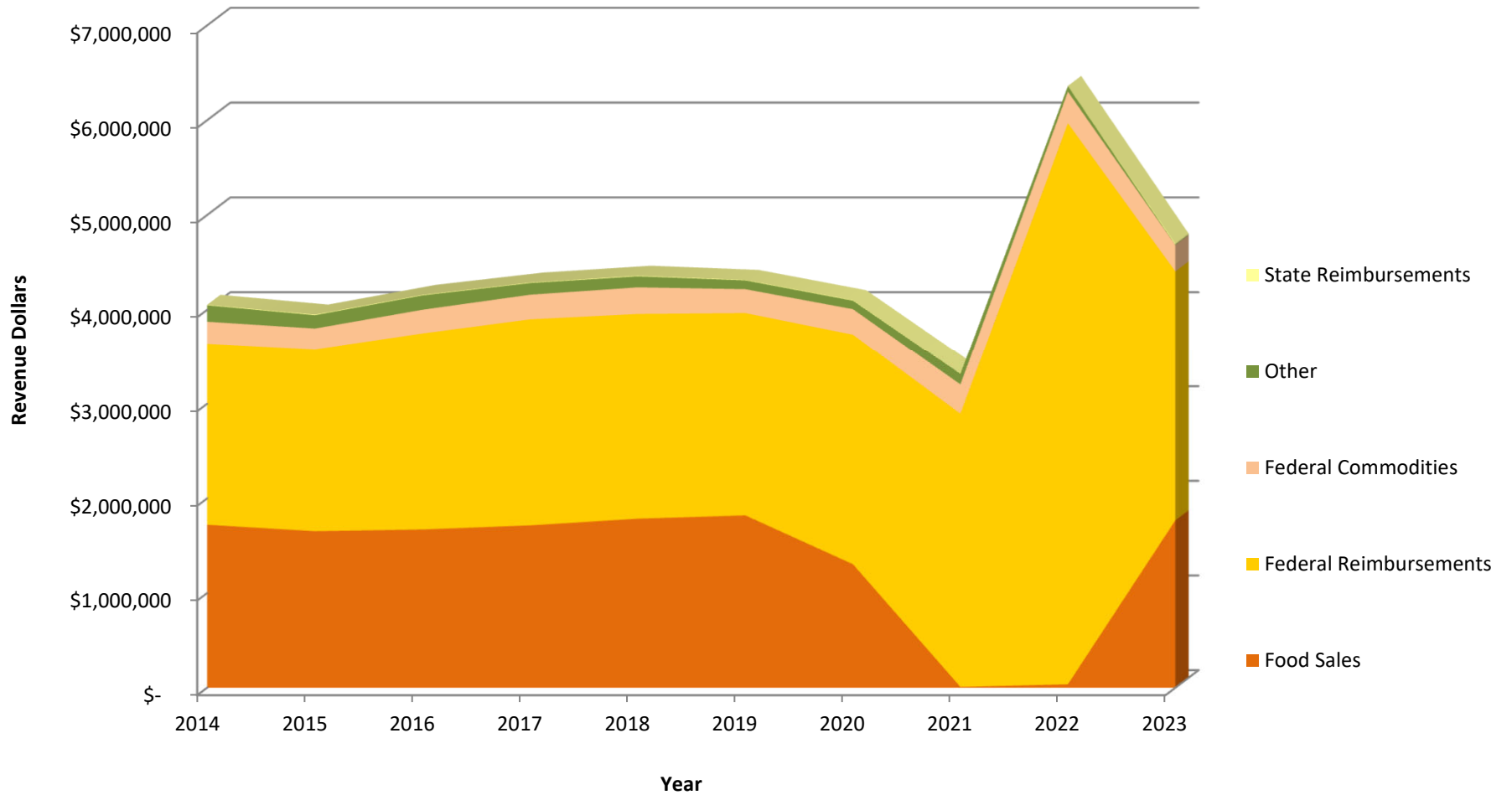
Last Ten Fiscal Years

Year ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Food Sales	\$ 1,720,720	\$ 1,652,723	\$ 1,671,160	\$ 1,714,143	\$ 1,784,876	\$ 1,820,105	\$ 1,304,039	\$ 7,955	\$ 35,586	\$ 1,767,969
Federal Reimbursements	1,918,154	1,927,898	2,077,777	2,184,617	2,171,052	2,145,199	2,431,852	2,886,425	5,932,252	2,636,365
Federal Commodities	234,534	220,602	251,491	260,164	280,656	252,214	270,644	310,161	332,543	277,930
Other	174,031	141,479	151,268	123,002	116,180	92,919	89,674	112,087	59,704	3,303
State Reimbursements	5,085	6,019	5,156	4,878	6,072	4,400	4,512	-	-	11,978
Totals	\$ 4,052,524	\$ 3,948,721	\$ 4,156,852	\$ 4,286,804	\$ 4,358,836	\$ 4,314,837	\$ 4,100,721	\$ 3,316,628	\$ 6,360,085	\$ 4,697,545

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

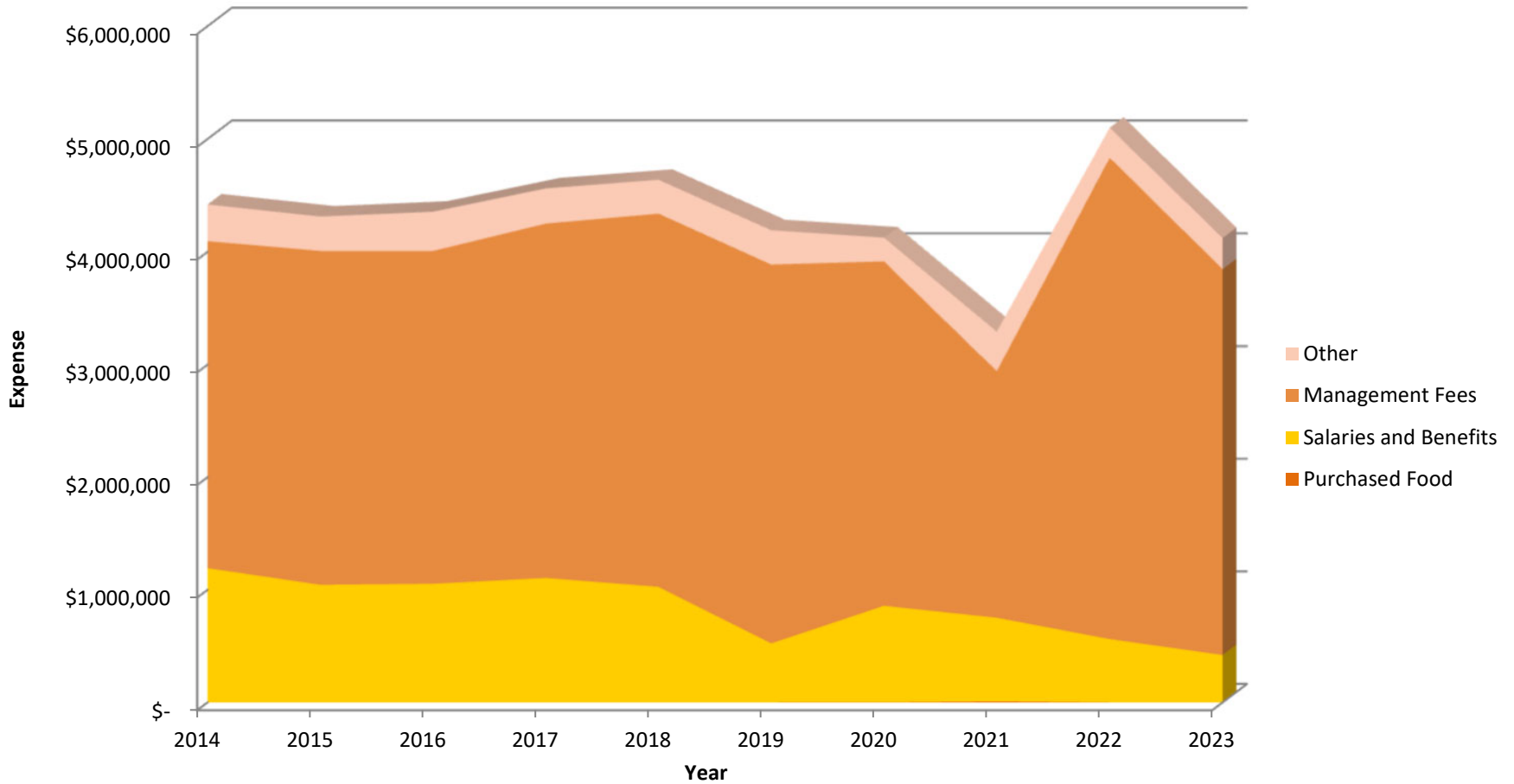
Last Ten Fiscal Years

Year ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Purchased Food	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	525	8,466	-	-
Salaries and Benefits	1,191,652	1,043,464	1,052,796	1,104,337	1,026,005	523,115	856,907	742,656	561,767	420,365
Management Fees	2,902,209	2,964,019	2,954,241	3,145,099	3,311,733	3,363,535	3,057,486	2,190,815	4,271,479	3,425,772
Other	325,476	304,674	347,936	312,084	300,134	304,110	210,634	349,741	265,690	275,036
Totals	\$ 4,419,337	\$ 4,312,157	\$ 4,354,973	\$ 4,561,520	\$ 4,637,872	\$ 4,190,760	\$ 4,125,552	\$ 3,291,678	\$ 5,098,936	\$ 4,121,173

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
2023	\$ 885,709	\$ 885,709	N/A
2022	1,767,560	1,767,560	\$ 11.75
2021	2,621,784	2,621,784	17.61
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

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, 2023 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2024, if applicable.

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

Fiscal Year	Governmental Activities		Business -Type Activities		Percentage of Personal Income	Per Capita
	Installment Loans	General Obligation Bonds	Installment Loans	Total Primary Government		
2023	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$ 182,965,071	\$ 128,250,000	\$ 73,210,400	\$ 384,425,471	N/A	\$ 2,555
2021	160,971,768	124,000,000	10,447,704	295,419,472	2.65%	1,984
2020	160,217,516	131,000,000	12,053,942	303,271,458	3.03%	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

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, 2023 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, 2023 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2024, 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, 2022 and June 30, 2023 income based information will be shown above as "N/A", and the June 30, 2022 information will be reported for the year ended June 30, 2024, if applicable.

ORANGE COUNTY, NORTH CAROLINA
Principal Property Taxpayers
For the Years Ended June 30, 2022 and 2014

Taxpayer	Type of Business	2022			2014		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	Public Utility	\$ 167,064,957	1	0.88%	\$ 108,266,885	1	0.68%
Chapel Hill Foundation Real Estate Inc.	Apartments/Retail	110,904,200	2	0.58%	-	-	-
BIR Chapel Hill LLC	Apartments/Retail	80,124,700	3	0.42%	-	-	-
NR Edge Apartments Property Owner	Apartments/Retail	78,192,535	4	0.41%	-	-	-
Piedmont Electric Membership	Public Utility	68,980,664	5	0.36%	53,165,596	2	0.33%
Northwestern Mutual Life Insurance Co.	Insurance Provider	68,785,498	6	0.36%	38,627,273	4	0.24%
Townhouse Apartments	Apartment Rental	65,295,200	7	0.34%	-	-	-
LG Chapel Hill Apartments LLC	Apartment Rental	58,524,700	8	0.31%	-	-	-
State Employees' Credit Union	Bank/Financial	57,475,536	9	0.30%	-	-	-
Public Service Co of NC Inc.	Public Utility	53,943,684	10	0.28%	-	-	-
Greenbridge Development, LLC	Apartment Rental	-	-	-	47,524,400	3	0.30%
Corium LLC	Insurance Provider	-	-	-	35,399,116	5	0.22%
ACC GF III Chapel Ridge/Chapel View LLC	Apartment Rental	-	-	-	35,006,817	6	0.22%
Madison University Mall Properties	Retail	-	-	-	34,144,411	7	0.21%
East 54	Apartment Rental	-	-	-	33,779,800	8	0.21%
Europa Center LLC	Hotel	-	-	-	27,747,385	9	0.17%
Granville Towers LLC	Apartment Rental	-	-	-	27,327,293	10	0.17%
		<u>\$ 809,291,674</u>		<u>4.24%</u>	<u>\$ 440,988,976</u>		<u>2.75%</u>
Total Assessed Valuation		<u>\$ 19,042,157,035</u>			<u>\$ 16,035,962,764</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, 2023 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

TAX YEAR	FISCAL YEAR ENDED June 30	TOTAL TAX LEVY	CURRENT YEAR'S LEVY COLLECTIONS	PERCENT OF LEVY COLLECTED	PRIOR YEARS' LEVY COLLECTIONS	TOTAL COLLECTIONS DURING YEAR
2022	2023	N/A	N/A	N/A	N/A	N/A
2021	2022	\$ 179,742,965	\$ 178,314,181	99.21	\$ 1,360,925	\$ 179,675,106
2020	2021	168,893,588	167,481,534	99.16	1,569,089	169,050,623
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

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, 2023 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**

Fiscal Year	Real Property	Personal Property	Public-Service Companies	Less Tax Exempt Property	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Market Value	Assessed Value as a Percent of Actual Value
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	\$ 19,776,883,656	\$ 1,884,947,740	\$ 364,879,155	\$ 82,177,022	\$ 21,944,533,529	0.819	\$ 22,233,569,938	98.70%
2021	17,333,962,055	1,769,659,485	346,332,873	77,934,293	19,372,020,120	0.868	21,885,849,476	88.51%
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%

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, 2023 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**

Year Ended June 30	2014	2015	2016	2017	2018
Population Estimate (1)	140,420	141,354	141,796	144,946	146,027
Personal Income (2)	\$7,440,708	\$7,822,299	\$8,286,315	\$9,015,914	\$9,840,004
Per Capita Income (2)	\$52,989	\$55,338	\$58,438	\$62,202	\$67,384
Median Age (3)	32.5	32.7	34.8	35.3	35.8
School Enrollment (4)	19,682	19,530	19,466	19,526	19,554
Unemployment Rate (5)	4.8%	5.0%	4.6%	3.7%	3.7%
Year Ended June 30	2019	2020	2021	2022	2023
Population Estimate (1)	148,476	149,077	148,884	150,477	N/A
Personal Income (2)	\$9,678,411	\$10,001,400	\$11,165,424	N/A	N/A
Per Capita Income (2)	\$65,185	\$67,089	\$74,994	N/A	N/A
Median Age (3)	36.0	36.3	36.7	37.1	37.7
School Enrollment (4)	19,572	19,628	18,652	18,482	18,437
Unemployment Rate (5)	4.0%	5.9%	3.7%	3.3%	3.1%

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, 2023 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2024, 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, 2022 and June 30, 2023 income based information will be shown above as "N/A", and the June 30, 2022 information will be reported for the year ended June 30, 2024, if applicable.

Orange County, North Carolina
Principal Employers
For the Years Ended June 30, 2022 and 2014

Employer	2022			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC Health Care System	13,536	1	16.96%	9,354	2	13.32%
UNC Chapel Hill	12,961	2	16.24%	15,985	1	22.76%
Chapel Hill-Carrboro City Schools	1,787	3	2.24%	1,885	3	2.68%
Orange County Government	1,280	4	1.60%	900	5	1.28%
Orange County Schools	1,272	5	1.59%	1,259	4	1.79%
Town of Chapel Hill	690	6	0.86%	879	6	1.25%
Industrial Connections & Solutions ABB	655	7	0.82%	-	-	-
AKG of America	430	8	0.54%	-	-	-
Wegmans	374	9	0.47%	-	-	-
Armacell	312	10	0.39%	444	9	0.63%
Sports Endeavors, Inc	-	-	-	788	7	1.12%
UNC Physicians Network	-	-	-	528	8	0.75%
Walmart	-	-	-	378	10	0.54%
	<u>33,297</u>		<u>41.71%</u>	<u>32,400</u>		<u>46.12%</u>
Total County employment	<u>79,820</u>			<u>70,224</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, 2023 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

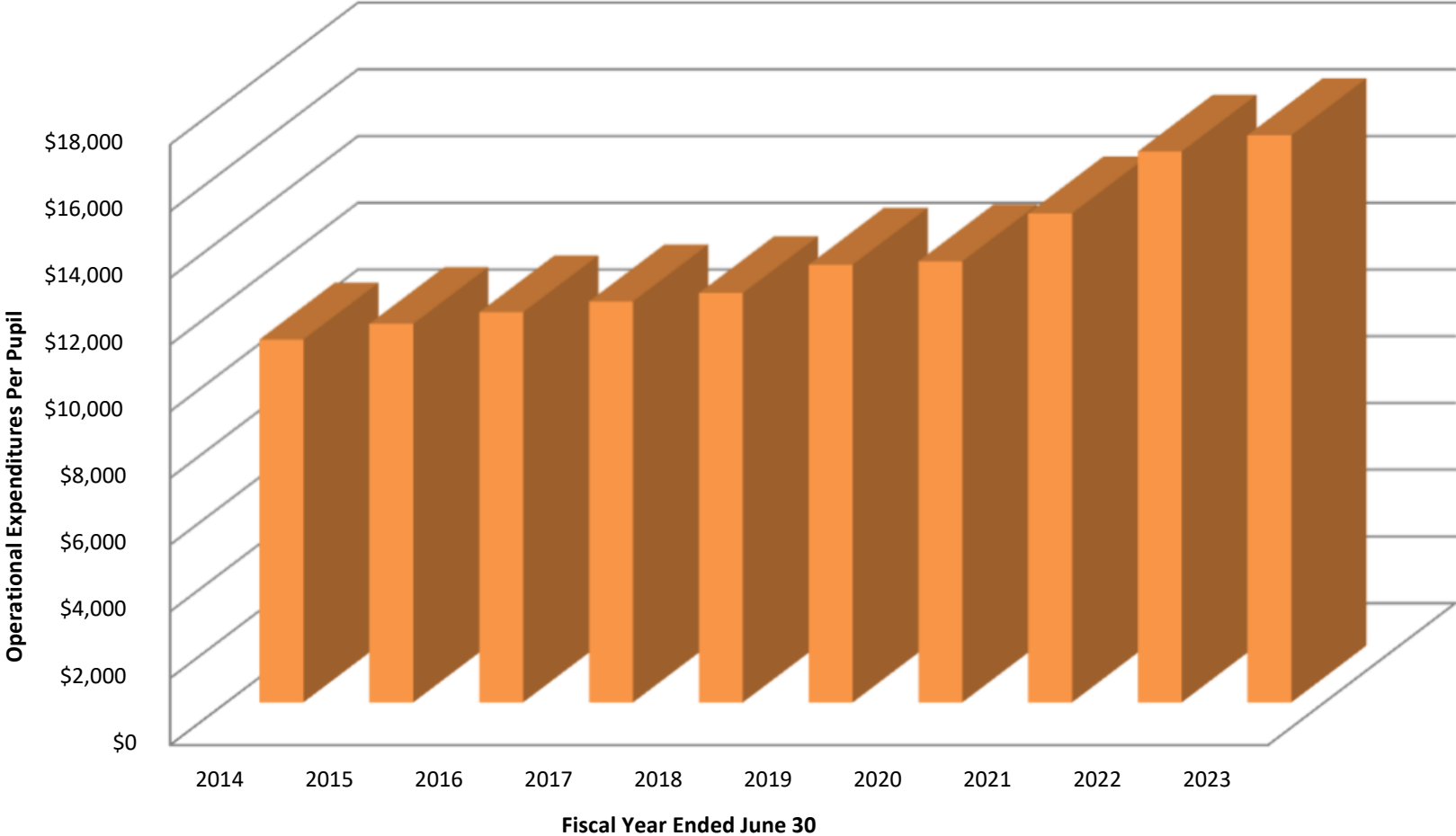
Operational Expenditures Per Pupil Expenditures by Function Last Ten Fiscal Years

Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Average Daily Membership	12,138	12,076	11,965	12,113	12,239	12,296	12,270	11,645	11,425	11,371
Instructional	\$ 8,978	\$ 9,392	\$ 9,657	\$ 10,021	\$ 10,139	\$ 10,945	\$ 11,023	\$ 12,328	\$ 13,498	\$ 13,929
Support	1,894	1,954	2,035	1,997	2,128	2,172	2,190	2,317	2,997	3,073
Ancillary	7	5	5	5	6	7	12	16	21	4
Total Expenditures	\$ 10,879	\$ 11,351	\$ 11,697	\$ 12,023	\$ 12,273	\$ 13,124	\$ 13,225	\$ 14,661	\$ 16,516	\$ 17,006

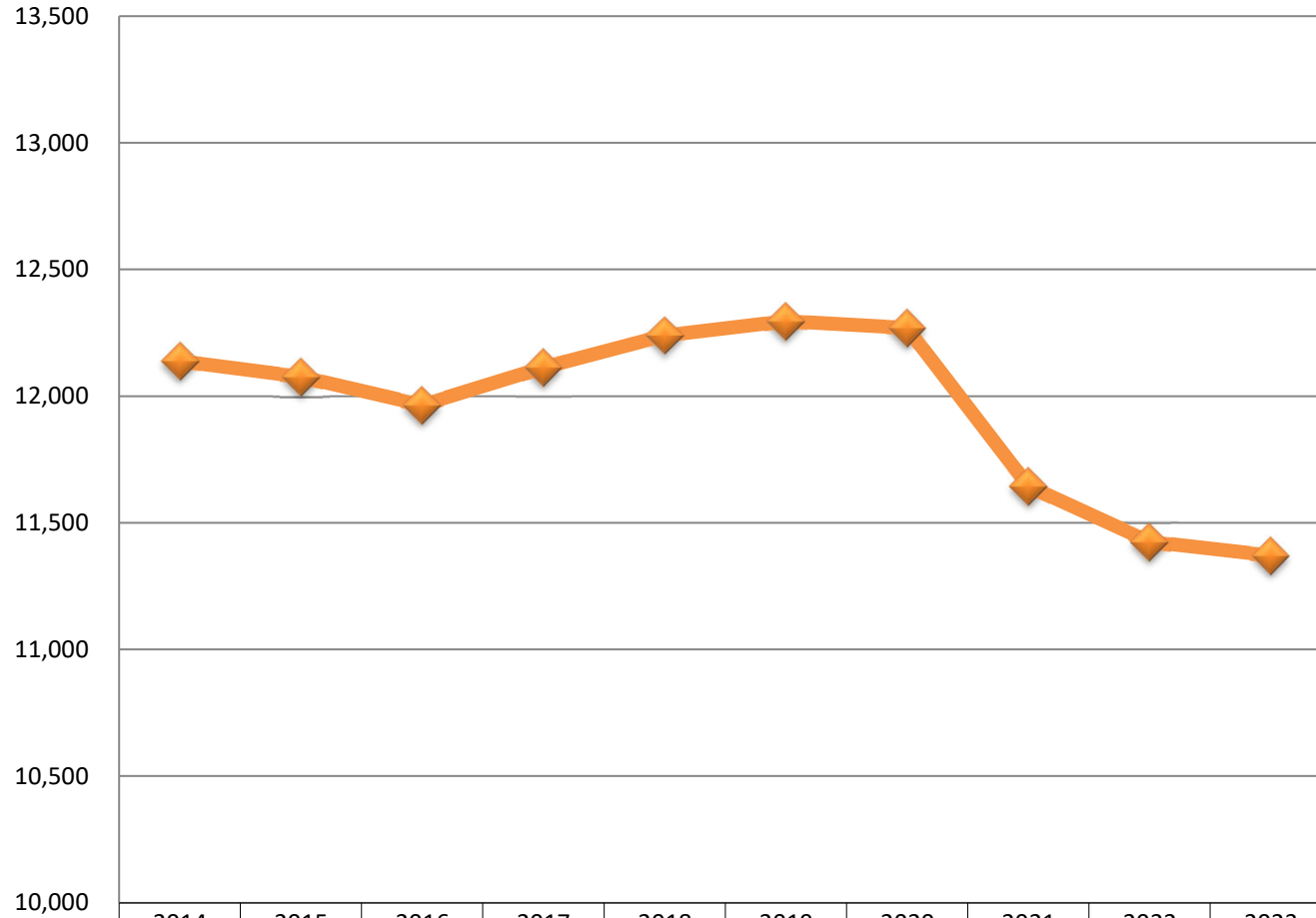
Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

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



	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
◆ Avg Daily Membership	12,138	12,076	11,965	12,113	12,239	12,296	12,270	11,645	11,425	11,371

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

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

Year ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Officials, Admins, Mgrs	28	27	30	28	31	33	32	30	35	36
Principals	22	20	20	20	20	20	21	20	21	20
Asst. Principals, Non-Teaching	18	22	23	22	24	25	24	25	24	27
Total Administrators	68	69	73	70	75	78	77	75	80	83
Elementary Teachers	408	388	387	377	385	384	379	387	386	378
Secondary Teachers	142	153	154	151	159	165	170	167	175	178
Other Teachers	344	376	376	372	367	376	378	383	373	359
Total Teachers	894	917	917	900	911	925	927	937	934	915
Guidance	39	42	43	39	43	43	41	38	40	38
Psychological	7	8	9	8	10	10	7	8	13	13
Librarian, Audiovisual	32	35	34	35	36	36	36	36	37	37
Consultant, Supervisor	15	14	15	13	14	13	13	13	15	19
Other Professionals	157	157	161	169	172	166	171	179	180	164
Total Professionals	1,212	1,242	1,252	1,234	1,261	1,271	1,272	1,286	1,299	1,269
Teacher Assistants	397	375	358	343	336	334	319	314	309	324
Technicians	14	14	14	12	12	16	17	19	19	18
Clerical, Secretarial	109	111	114	108	112	110	109	108	102	97
Service Workers	117	114	112	83	91	83	87	83	83	137
Skilled Crafts	31	30	30	27	24	29	30	19	16	20
Laborers, Unskilled	-	-	-	-	-	-	-	-	-	1
Totals	1,880	1,886	1,880	1,807	1,836	1,843	1,834	1,829	1,828	1,866

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

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

**Student Statistics
Last Ten Fiscal Years**

Year Ended June 30	Teaching Staff ⁽³⁾	Average Daily Membership	Pupil/ Teacher Ratio	Student Attendance Percentage ⁽¹⁾	Students Receiving Free/ Reduced Lunch Percentage ⁽²⁾
2023	915	11,371	1/12	N/A	30.27%
2022	934	11,425	1/12	93.36%	22.75%
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%

Sources:

(1) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports (2014-2022)

(2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2023 obtained from Chapel Hill-Carrboro City Board of Education Student Data.

(3) North Carolina Public Schools Statistical Profile (2014-2023 Editions).

Note: This table is a ten year schedule. However, current year attendance data has not been released by the NC Department of Public Instruction. Therefore, June 30, 2023 attendance data will be shown above as "N/A", and the June 30, 2023 information will be reported for the year ended June 30, 2024, if applicable.

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		
2023	0.11%	49.31%	11.62%	13.17%	18.05%	7.74%	N/A	N/A
2022	0.10%	50.15%	11.44%	13.15%	17.79%	7.37%	942	86.5%
2021	0.12%	50.24%	11.32%	13.61%	17.47%	7.24%	1271	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%

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

Note: This table is a ten year schedule. However, the graduation data for the year ended June 30, 2023 could not be obtained from the North Carolina Public Schools Statistical Profile for the fiscal year ending June 30, 2023. Therefore, June 30, 2023 graduation data will be shown as "N/A," and the June 30, 2023 information will be reported the year ended June 30, 2024 if applicable.

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				
2023	\$ 43,660	\$ 83,667	\$ 62,387	N/A	N/A	N/A	N/A
2022	40,950	83,122	60,754	N/A	N/A	N/A	N/A
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

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 North Carolina Department of Public Instruction no longer compiles degree data for Local Educational Agencies. The Board stopped tracking this information beginning in the fiscal year ended June 30, 2020. Therefore, there are only seven years of comparative data noted above.

CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

School Building Data

June 30, 2023

<u>Site</u>	<u>Year Built</u>	<u>Square Footage</u>	<u>Capacity</u>	<u>Current Membership</u>	<u>Over/(Under) Capacity</u>	<u>Condition</u>
<u>ELEMENTARY SCHOOLS</u>						
Carrboro Elementary	1957	61,562	533	487	(46)	Poor
Ephesus Elementary	1972	73,096	448	349	(99)	Poor
Estes Hills Elementary	1958	57,989	527	334	(193)	Poor
FP Graham Elementary	1960	68,513	538	509	(29)	Poor
Glenwood Elementary	1952	55,372	423	431	8	Poor
McDougle Elementary	1996	99,920	564	478	(86)	Good
Morris Grove Elementary	2008	90,221	585	423	(162)	Excellent
Northside Elementary	2013	97,423	585	381	(204)	Excellent
Rashkis Elementary	2003	95,729	585	421	(164)	Excellent
Mary Scroggs Elementary	1999	92,900	575	380	(195)	Good
Seawell Elementary	1969	67,715	466	464	(2)	Poor
<u>MIDDLE SCHOOLS</u>						
Culbreth Middle	1969	122,467	774	661	(113)	Good
McDougle Middle	1994	138,141	732	750	18	Good
Phillips Middle	1962	109,498	706	613	(93)	Poor
Smith Middle	2001	136,054	732	769	37	Good
<u>HIGH SCHOOLS</u>						
Carrboro High School	2007	165,976	860	858	(2)	Excellent
Chapel Hill High	2021	274,542	1,620	1,576	(44)	Excellent
East Chapel Hill High	1996	267,549	1,515	1,431	(84)	Good
Phoenix Academy (Alternative School is a part of Lincoln)				27		
Virtual Academy School				29		
<u>ADMINISTRATIVE OFFICES</u>						
Transportation Center		5,089				
Lincoln Center		72,932				

Annual Comprehensive Financial Report



Chapel Hill – Carrboro City Board of Education
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