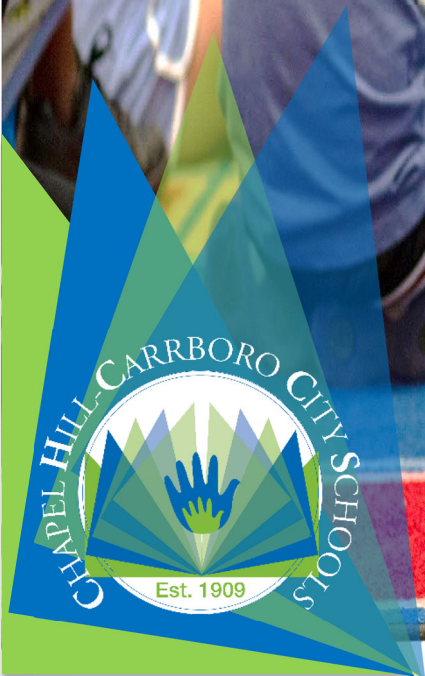


# THINK (AND ACT) DIFFERENTLY

Fiscal Year Ended June 30, 2024

Chapel Hill – Carrboro City Schools Board of Education  
Annual Comprehensive Financial Report



750 S Merritt Mill Rd, Chapel Hill, NC 27516  
[www.chccs.org](http://www.chccs.org)

# **Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024**

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

George Griffin, Chair

Riza Jenkins, Vice Chair

Rani D. Dasi

Meredith Ballew

Vickie Feaster Fornville

Barbara Fedders

Michael Sharp

Dr. Nyah Hamlett, Superintendent

Prepared By:

Jonathan Scott, Chief Financial Officer

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Business and Financial Services Division

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**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
YEAR ENDED JUNE 30, 2024**

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## **Introductory Section**



## **Letter of Transmittal**

December 20, 2024

**To the members of 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, 2024, 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 the 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 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 in because of the overall quality of life. At the heart of the region is Research Triangle Park (RTP), one of the largest and most successful research parks globally, hosting over 300 companies and employing more than 65,000 professionals. RTP serves as a hub for innovation and collaboration, particularly among leading academic institutions like the University of North Carolina at Chapel Hill and Duke University, contributing significantly to advancements in technology, healthcare, and science. The park fosters an economic ecosystem with a robust \$3.7 billion annual spending driven by university-based research. Orange County itself benefits from a highly educated population, with over 53% holding a bachelor's degree or higher, making it a cornerstone of talent in the Triangle Region.

Orange County had an estimated 2023 population of 150,626, with an average growth rate of 1% 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 63,764 residents and Carrboro has the second largest population with 21,044. Together, the two townships represent approximately 56% of the total population in Orange County. Orange County is the 21<sup>st</sup> largest county, by population, of the 100 counties in the State of North Carolina.

The economy of Orange County, North Carolina employs 81,853 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 \$77,568. CHCCS is one of two public school systems residing in Orange County along with two public charter schools. During the 2023-2024 school year, the District operated four high schools, four middle schools, eleven elementary schools and a virtual academy. The District had an average daily membership of 11,266

for 2023-2024. The District's budgeted student enrollment for the current year is 11,141 students. The current enrollment is 42 students under the projection. Total Orange County student enrollment for 2023-2024 was 18,236 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 \$9 million of funding dedicated towards those deferred maintenance efforts in FY 2023-24. A Capital Investment Plan that establishes a plan to renovate and repair all 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 3.5% in June 2024 was a slight increase from the June 2023 rate of 3.1%. Orange County's unemployment rate was lower than the State's reported June 2024 rate of 4.1%. With an average unemployment rate of 3.9% 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 maintained the State's average teacher salary in 2023-24. The beginning teacher salary remained \$39,000. North Carolina's average teacher pay continues to lag behind the national average.

The County continued its strong support for public education and provided a \$320 per pupil increase, which helped maintain Local funding in FY 2023-24. The special district tax rate remained unchanged at \$.198 in 2023-24. The Board appropriated \$250,000 at adoption to balance the FY 2023-24 Local budget. As a result of operations in the 2023-24 fiscal year, the District realized a loss of \$5.49 million.

A 3.9% cost decrease in the State retirement employer match rate and a \$538 per person increase in the health insurance match rate in the 2023-24 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 climb. The rates 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 previous years 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 (CHCCS) demonstrated exceptional academic performance and growth in the 2023-24 school year. A total of 14 schools met or exceeded growth expectations, and the district achieved an on-time graduation rate of 93.9%, surpassing the state average of 86.9%. With 967 graduates, CHCCS set a record. The district's students attained a 69.8% passing rate on state exams—the highest in North Carolina—and 73.7% of schools earned "A" or "B" grades, an improvement from 66.7% in 2022-23, compared to the statewide average of 27.8%. Significant gains were made in equity and inclusion, with Black students' End-of-Course (EOC) composite proficiency scores rising by 3 percentage points, while multilingual learners saw a 1.9-point increase. The graduation rate for Black students climbed to 94.2%, continuing a four-year upward trend from 88% in 2019-20. Furthermore, the proportion of Black students achieving grade-level proficiency on EOC tests exceeded pre-COVID levels.

Students with disabilities and economically disadvantaged students exceeded growth expectations at rates higher than their statewide peers, with proficiency increases of 3.4 and 5.1 percentage points, respectively. Attendance also improved significantly, with satisfactory attendance (95%+) increasing year-over-year by 7% at the elementary level and 3% at the middle school level. These accomplishments highlight CHCCS's commitment to fostering academic excellence and equitable outcomes for all students.

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 achieving a sustainable workforce while continuing to focus on the District's Strategic Plan 2027. By "Thinking and Acting Differently" the District focuses 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 began implementation of a district-wide reduction-in-force plan that aims to return financial stability and adequate fund balance to the District. Stabilization will allow the District to continue to strategically utilize district resources to provide an excellent education for students in Chapel Hill and Carrboro.

## **Accounting System**

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 out 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 2023-24 fiscal year with a negative unassigned fund balance of \$445,968. Due to the uncertainty in the State and Local budgets, the District implemented an array of cost-saving strategies to ensure it will not need to appropriate any fund balance for 2024-2025.

### **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 auditor's report on the basic financial statements and individual fund statements and schedules is included in the financial section of this report.

### **Awards**

The Chapel Hill-Carrboro City Board of Education has earned multiple prestigious national awards for its commitment to excellence in financial reporting and budgeting, including recognitions from the Association of School Business Officials (ASBO) and the Government Finance Officers Association (GFOA). These following awards highlight the Board's adherence to the highest standards in transparency, professionalism, and financial stewardship:

- 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, 2023. 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 (ACFR) for the fiscal year ended June 30, 2023. 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 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, 2024. 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

The preparation of this report was a collaborative effort led by the staff in the Business and Financial Services Division, with valuable contributions from personnel in other District administrative offices, the Orange County Finance Office, and our independent audit firm. We extend our sincere appreciation to everyone who played a role in developing this Annual Comprehensive Financial Report (ACFR).

We also thank the Chapel Hill-Carrboro City Board of Education for their dedication to providing quality education for all students and their unwavering commitment to maintaining the financial stability of the school district. Additionally, we express our gratitude to the Orange County Commissioners for their ongoing support of Chapel Hill-Carrboro City Schools.

Respectfully submitted,



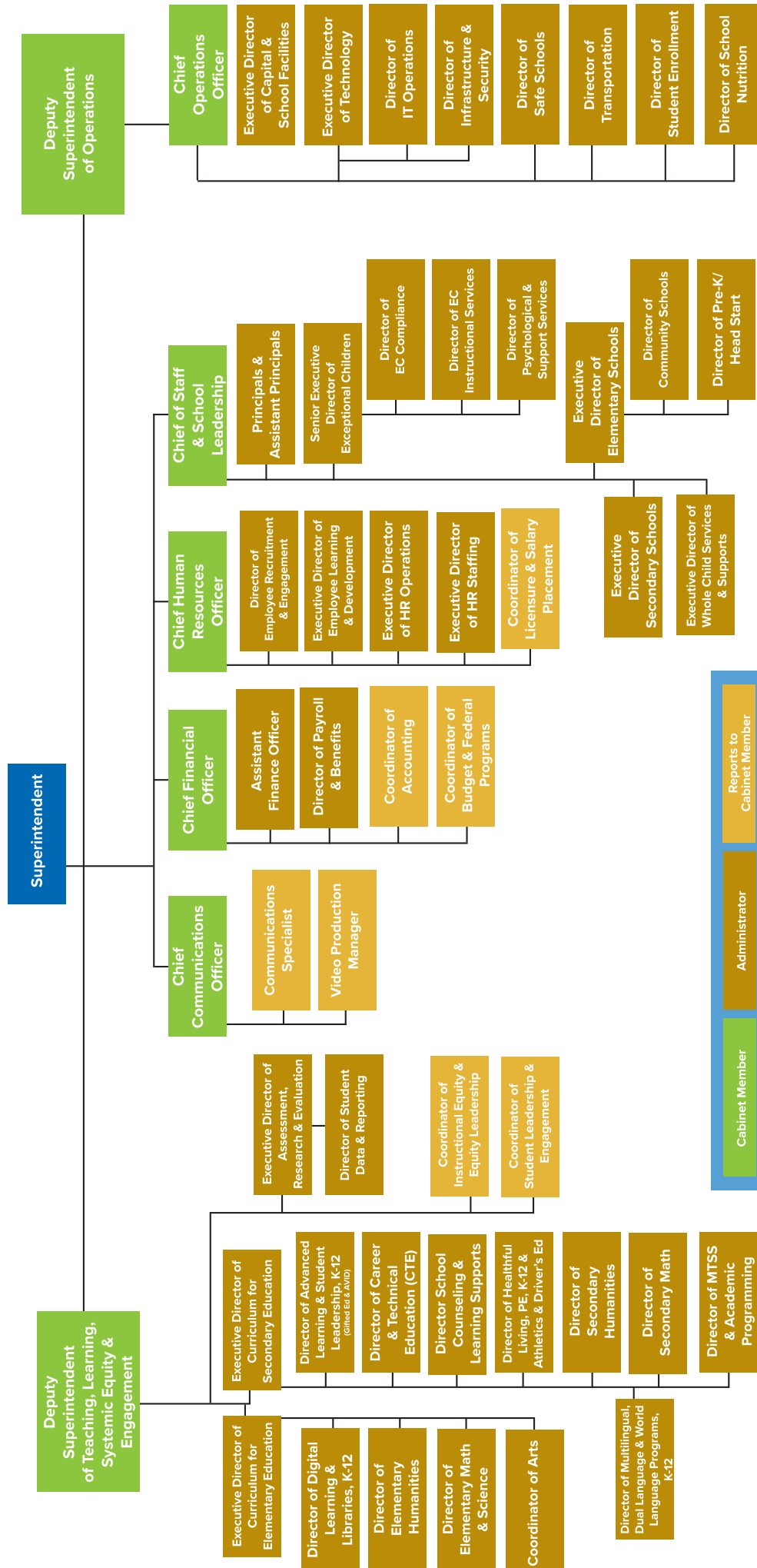
Dr. Nyah Hamlett  
Superintendent



Jonathan Scott  
Chief Financial Officer



# Cabinet & Senior Leadership Team



Cabinet Member	Administrator	Reports to Cabinet Member
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## 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.

**George Griffin**

**Chair**

**[ggriffin@chccs.k12.nc.us](mailto:ggriffin@chccs.k12.nc.us)**



**Riza Jenkins**

**Vice Chair**

**[rjenkins@chccs.k12.nc.us](mailto:rjenkins@chccs.k12.nc.us)**



**Meredith H. Ballew**

**[meredith.ballew@chccs.k12.nc.us](mailto:meredith.ballew@chccs.k12.nc.us)**



**Vickie L. Feaster Fornville**

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**Michael Sharp**

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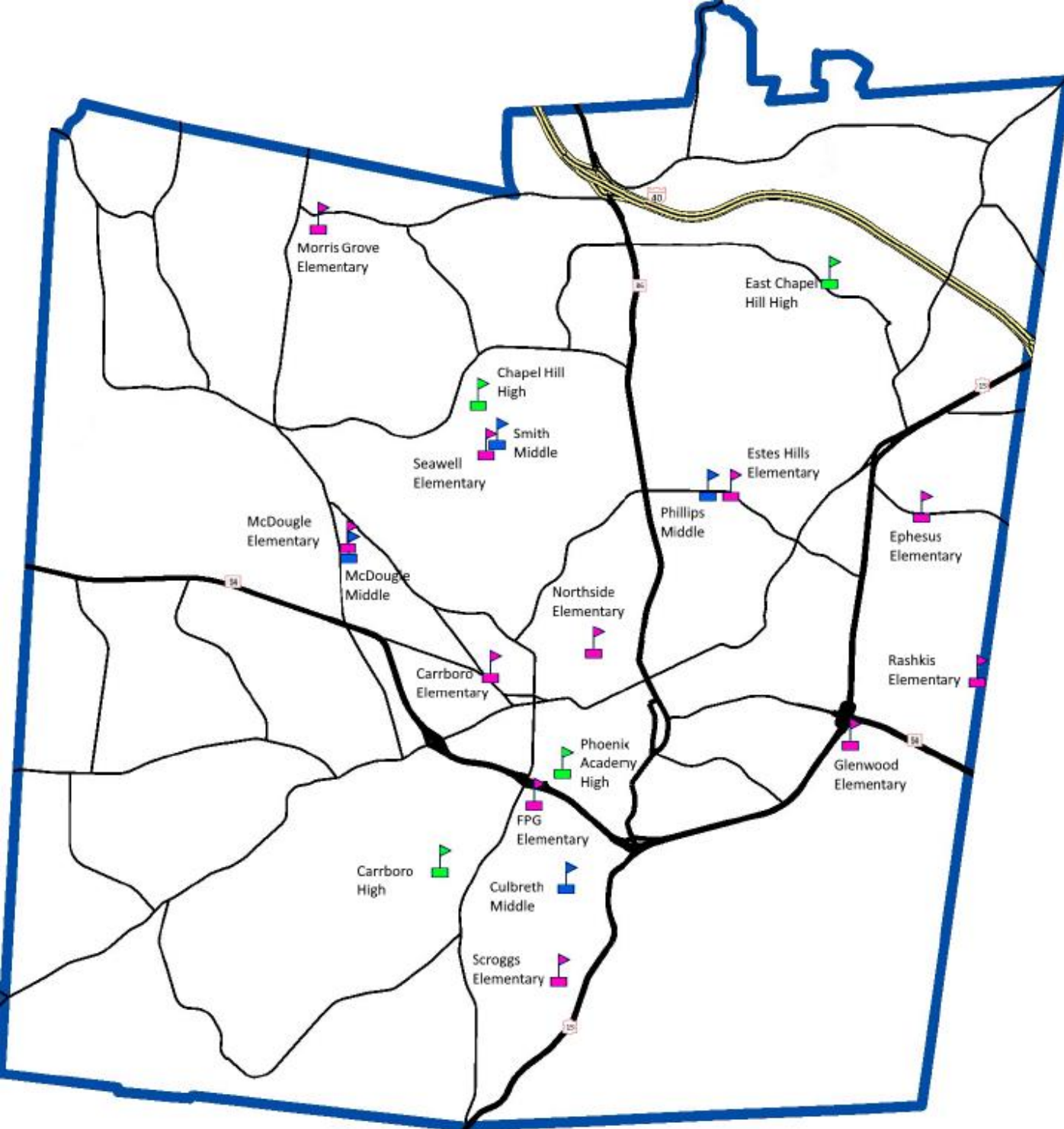


**Rani D. Dasi**

**[rdasi@chccs.k12.nc.us](mailto:rdasi@chccs.k12.nc.us)**



# Chapel Hill-Carrboro City Schools District Map





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*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, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
CEO/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, 2024, 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, 2024, 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 City 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 schedules 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 27, 2024, on our consideration of the Chapel Hill-Carrboro City Board of Education’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City 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 City Board of Education’s internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

November 27, 2024  
Rockingham, North Carolina

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

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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, 2024. 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, 2024, the Board's total government-wide net position decreased by \$8.3 million. Governmental activities net position decreased by \$7.5 million and business-type activities net position decreased by \$793 thousand.

- 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 \$5.3 million and business-type activities investment in capital assets increased by \$33 thousand.
- Total government-wide restricted net position increased by \$409 thousand over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2024 decreased by \$3.4 million from 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.

### ***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.

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.

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

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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 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

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

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 \$13.5 million as of June 30, 2024 as compared to \$5.3 million as of June 30, 2023.

Following is a summary of the Statement of Net Position at June 30, 2024 and 2023:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current and other assets	\$ 8,920,068	\$ 15,797,995	\$ 3,088,024	\$ 3,629,800	\$ 12,008,092	\$ 19,427,795
Capital assets	213,799,829	219,033,217	560,080	527,444	214,359,909	219,560,661
Total assets	<u>222,719,897</u>	<u>234,831,212</u>	<u>3,648,104</u>	<u>4,157,244</u>	<u>226,368,001</u>	<u>238,988,456</u>
Deferred outflows of resources	<u>96,340,330</u>	<u>86,024,751</u>	<u>1,346,118</u>	<u>1,101,892</u>	<u>97,686,448</u>	<u>87,126,643</u>
Current liabilities	7,781,380	7,881,772	580,160	475,594	8,361,540	8,357,366
Long-term liabilities	<u>277,507,290</u>	<u>248,079,073</u>	<u>3,859,593</u>	<u>3,188,192</u>	<u>281,366,883</u>	<u>251,267,265</u>
Total liabilities	<u>285,288,670</u>	<u>255,960,845</u>	<u>4,439,753</u>	<u>3,663,786</u>	<u>289,728,423</u>	<u>259,624,631</u>
Deferred inflows of resources	<u>47,185,677</u>	<u>70,849,586</u>	<u>659,304</u>	<u>907,511</u>	<u>47,844,981</u>	<u>71,757,097</u>
Net investment in capital assets	213,665,497	219,009,360	560,080	527,444	214,225,577	219,536,804
Restricted net position	6,505,770	6,096,482	-	-	6,505,770	6,096,482
Unrestricted net position (deficit)	<u>(233,585,387)</u>	<u>(231,060,310)</u>	<u>(664,915)</u>	<u>160,395</u>	<u>(234,250,302)</u>	<u>(230,899,915)</u>
Total net position (deficit)	<u>\$ (13,414,120)</u>	<u>\$ (5,954,468)</u>	<u>\$ (104,835)</u>	<u>\$ 687,839</u>	<u>\$ (13,518,955)</u>	<u>\$ (5,266,629)</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities decreased \$7.5 million during the year, from \$(6.0) million at June 30, 2023 to \$(13.4) million at June 30, 2024, indicating a decline in the financial condition of the Board. Restricted net position increased by \$409 thousand while unrestricted net position decreased by \$2.5 million from the prior year. Net investment in capital assets declined by \$5.3 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 3 of the financial statements for more details regarding these plans.

Net position of the Board's business-type activities decreased \$793 thousand during the year. This is the combined net loss incurred by our school food service and child care operations during the 2024 fiscal year. Following is a condensed Statement of Activities for the current and prior fiscal years:



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

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Revenues:						
Program revenues:						
Charges for services	\$ 2,602,065	\$ 2,361,158	\$ 3,774,501	\$ 3,654,783	\$ 6,376,566	\$ 6,015,941
Operating grants and contributions	93,614,803	95,472,081	2,845,929	2,926,273	96,460,732	98,398,354
Capital grants and contributions	1,224,054	821,243	-	-	1,224,054	821,243
General revenues:						
Other revenues	113,537,732	99,552,272	3,474	987,696	113,541,206	100,539,968
Total revenues	<u>210,978,654</u>	<u>198,206,754</u>	<u>6,623,904</u>	<u>7,568,752</u>	<u>217,602,558</u>	<u>205,775,506</u>
Expenses:						
Governmental activities:						
Instructional services	158,186,162	136,825,711	-	-	158,186,162	136,825,711
System-wide support services	49,629,945	40,441,327	-	-	49,629,945	40,441,327
Ancillary services	2,082	41,111	-	-	2,082	41,111
Payments to other governments	1,226,857	990,073	-	-	1,226,857	990,073
Unallocated depreciation	9,350,339	9,167,286	-	-	9,350,339	9,167,286
Business-type activities:						
School food service	-	-	4,782,496	4,121,173	4,782,496	4,121,173
Child care	-	-	2,677,003	1,825,545	2,677,003	1,825,545
Total expenses	<u>218,395,385</u>	<u>187,465,508</u>	<u>7,459,499</u>	<u>5,946,718</u>	<u>225,854,884</u>	<u>193,412,226</u>
Excess (deficiency) before transfers	(7,416,731)	10,741,246	(835,595)	1,622,034	(8,252,326)	12,363,280
Transfers in (out)	(42,921)	(91,509)	42,921	91,509	-	-
Increase in net position	(7,459,652)	10,649,737	(792,674)	1,713,543	(8,252,326)	12,363,280
Beginning net position (deficit)	(5,954,468)	(16,604,205)	687,839	(1,025,704)	(5,266,629)	(17,629,909)
Ending net position (deficit)	<u>\$ (13,414,120)</u>	<u>\$ (5,954,468)</u>	<u>\$ (104,835)</u>	<u>\$ 687,839</u>	<u>\$ (13,518,955)</u>	<u>\$ (5,266,629)</u>

Total governmental activities generated revenues of \$211.0 million while expenses in this category totaled \$218.4 million for the year ended June 30, 2024, resulting in a decrease in net position of \$7.5 million (including net transfers to business-type activities of \$43 thousand). Comparatively, revenues were \$198.2 million, expenses totaled \$187.5 million and net transfers out were \$92 thousand for the year ended June 30, 2023, resulting in an increase in net position of \$10.6 million. In comparing the two years, revenues increased \$12.8 million, or 6.4%, due largely to increased funding received from Orange County for local and capital outlay appropriations. Expenses increased by \$30.9 million, or 16.5%, primarily for instructional and system-wide support services costs. Expenses were also significantly impacted by a year-over-year increase of \$19.1 million in pension and OPEB expense due to changes in actuarial valuations and allocation percentages of those plans.

The Board's primary sources of revenues were funding from the State of N.C, Orange County, Chapel Hill and Carrboro townships and the U.S. Government, which respectively comprised 39.4%, 38.9%, 13.3% and 4.2% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 72.4% of our total expenses during the most recent fiscal year. Of the remaining 27.6% of our total expenses, 22.7% was attributable to system-wide support services.

Our business-type activities generated revenues of \$6.6 million, while expenses in this category totaled \$7.5 million and net transfers in from governmental activities totaled \$43 thousand for the year ended June 30, 2024. For the year, net position decreased by \$793 thousand. Comparatively, revenues were

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

\$7.6 million, expenses were \$5.9 million and net transfers in from governmental activities totaled \$92 thousand for the year ended June 30, 2023, resulting in an increase in net position of \$1.7 million. In comparing the two years, revenues declined \$945 thousand, or 12.5%, while expenses increased \$1.5 million, or 25.4%. In the 2023 year, the Child Care Fund received \$984 thousand of COVID-19 contracted service revenues through the DHHS in response to the COVID-19 pandemic. That funding was not renewed for the 2024 year. Salaries and benefits expenses increased \$946 thousand in 2024 over the 2023 year, largely attributable to a year-over-year increase of \$665 thousand in pension and OPEB expense due to changes in actuarial valuations and allocation percentages of those plans. Expenses were also significantly impacted by a year-over-year increase of \$377 thousand in child nutrition program management fees.

**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 \$6.1 million at June 30, 2024 for a decline of \$6.9 million from the \$13.0 million reported at June 30, 2023. Revenues were \$211.1 million for the year ended June 30, 2024, compared to \$198.6 million in the prior year for an increase of \$12.5 million, or 6.3%. Expenditures were \$218.3 million for the current year, compared to \$206.7 million in the prior year for an increase of \$11.6 million, or 5.6%.

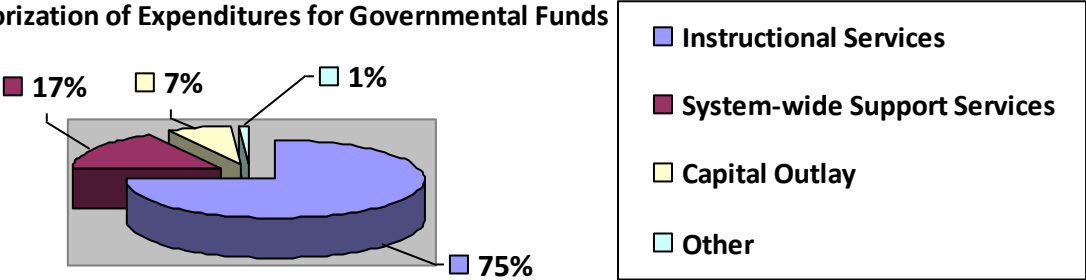
The Board’s General Fund reported a \$5.5 million decrease in fund balance during 2023-2024 year compared to a \$6.5 million decrease in the previous year. Revenues increased by \$7.2 million, or 8.7%, primarily due to increases in County appropriations and supplemental school tax revenues. Expenditures increased by \$6.2 million, or 6.9%, primarily due to an increase in 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 \$89.4 million for the year ended June 30, 2024 and \$90.7 million for the year ended June 30, 2023, resulting in a decrease of \$1.3 million, or 1.4%.

The Other Special Revenue Fund reported a decrease in fund balance for the year ended June 30, 2024 of \$1.6 million compared to a decrease of \$653 thousand in 2023. Revenues declined \$468 thousand due primarily to a decline in contracted services revenues. Expenditures rose \$487 thousand, primarily for instructional services costs.

The Capital Outlay Fund reported an increase in fund balance for the year of \$49 thousand compared to a decrease of \$807 thousand in the previous year. Revenues decreased \$6.8 million while expenditures reported a decrease of \$6.2 million. Revenues from Orange County for capital projects declined \$5.9 million from the prior year, accounting for the majority of the year-over-year decrease in revenues and expenditures. Virtually all of the Board’s capital outlay funding is provided by the County.

**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

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

*Proprietary Funds:* The Board's business-type funds, the School Food Service and Child Care funds, reported a combined decrease in net position of \$793 thousand for the year ended June 30, 2024 compared to a \$1.7 million increase in the 2023 year. The School Food Service Fund reported a decrease in net position of \$245 thousand in the current year compared to an increase of \$668 thousand in the prior fiscal year. The Child Care Fund reported a decrease in net position for the 2024 year of \$548 thousand compared to an increase of \$1.0 million 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 \$5.5 million decrease in fund balance for the year, which was consistent with the amount budgeted to be used. There were no significant variances between budgeted and actual revenues and expenditures for the year.

**Debt Outstanding**

During the year, the Board's long-term debt decreased by \$751 thousand to a balance of \$134 thousand at June 30, 2024. 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 3 to the financial statements.

**Capital Assets**

Total primary government capital assets were \$214.4 million at June 30, 2024, a decrease of 2.4% from the \$219.6 million reported at June 30, 2023. More detailed information about the Board's capital assets is contained in Note 3 to the financial statements. The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2024 and 2023:

**Table 3  
Summary of Capital Assets  
As of June 30, 2024 and 2023**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Land	\$ 6,485,407	\$ 6,485,407	\$ -	\$ -	\$ 6,485,407	\$ 6,485,407
Construction in progress	165,932	1,196,147	-	-	165,932	1,196,147
Buildings and improvements	197,275,894	202,011,447	-	-	197,275,894	202,011,447
Land improvements	3,505,360	3,862,958	-	-	3,505,360	3,862,958
Equipment and furniture	4,137,479	4,016,826	560,080	527,444	4,697,559	4,544,270
Vehicles	2,229,757	1,460,432	-	-	2,229,757	1,460,432
Total	<u>\$ 213,799,829</u>	<u>\$ 219,033,217</u>	<u>\$ 560,080</u>	<u>\$ 527,444</u>	<u>\$ 214,359,909</u>	<u>\$ 219,560,661</u>

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

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### ***Economic Factors***

- The County enjoys a consistently low unemployment rate. The unemployment rates estimated by the North Carolina Employment Security Commission were 3.5% and 3.1% at June 2024 and 2023, respectively, among the lowest in the State. The State averages for June 2024 and 2023 were 4.1% and 3.6%, respectively.
- The student enrollment of the district decreased by 150 students in 2023-2024 to 11,219 based on the average daily membership certified by the NC Department of Public Instruction. The decrease in enrollment is primarily due to a declining birth rate 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 2023-24. with the exception of ESSER III dollars that were utilized for summer programming after June 30, 2024. All emergency funding expired on September 30, 2024. 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 will require future funding beyond the expiration dates of the COVID funds that were provided.
- This year, the District's budget preparation process was closely aligned with the development of a Reduction in Force (RIF) plan to address the ongoing budget deficit and the declining fund balance experienced over the past few fiscal years. District Administration and the Board of Education collaboratively developed and implemented a tiered strategy designed to tackle these challenges while prioritizing minimal impact on student outcomes and reducing the direct effect on employees. The complete plan is outlined in the Board of Education's 2024-25 Adopted Budget, available on the District's website at [www.chccs.org](http://www.chccs.org).
- The District remains committed to compensating 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 2024-2025 budget to ensure all qualifying employees are paid a minimum of \$17.65 per hour which is in excess of the 2023 hourly rate of \$17.02 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

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 4,867,607	\$ 2,871,188	\$ 7,738,795
Due from other governments	3,426,600	92,608	3,519,208
Receivables	584,224	124,228	708,452
Prepaid expenses	41,637	-	41,637
Capital assets:			
Land and construction in progress	6,651,339	-	6,651,339
Other capital assets, net of depreciation	<u>207,148,490</u>	<u>560,080</u>	<u>207,708,570</u>
Total capital assets	<u>213,799,829</u>	<u>560,080</u>	<u>214,359,909</u>
Total assets	<u>222,719,897</u>	<u>3,648,104</u>	<u>226,368,001</u>
<b>Deferred Outflows of Resources</b>			
Pension and OPEB plans	<u>96,340,330</u>	<u>1,346,118</u>	<u>97,686,448</u>
<b>Liabilities</b>			
Bank overdraft	20,638	-	20,638
Accounts payable and accrued expenses	2,823,510	191,043	3,014,553
Unearned revenue	438,733	325,748	764,481
Long-term liabilities:			
Due within one year	4,498,499	63,369	4,561,868
Due in more than one year	<u>277,507,290</u>	<u>3,859,593</u>	<u>281,366,883</u>
Total liabilities	<u>285,288,670</u>	<u>4,439,753</u>	<u>289,728,423</u>
<b>Deferred Inflows of Resources</b>			
Pension and OPEB plans	<u>47,185,677</u>	<u>659,304</u>	<u>47,844,981</u>
<b>Net position</b>			
Net investment in capital assets	213,665,497	560,080	214,225,577
Restricted for:			
Stabilization by State statute	2,828,913	-	2,828,913
School capital outlay	1,853,446	-	1,853,446
Instructional services	381,216	-	381,216
Individual schools activities	1,442,195	-	1,442,195
Unrestricted (deficit)	<u>(233,585,387)</u>	<u>(664,915)</u>	<u>(234,250,302)</u>
Total net position (deficit)	<u>\$ (13,414,120)</u>	<u>\$ (104,835)</u>	<u>\$ (13,518,955)</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, 2024**

**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		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 84,527,283	\$ -	\$ 53,234,850	\$ 1,065,868	\$ (30,226,565)	\$ -	\$ (30,226,565)
Special populations	28,565,082	-	15,950,700	-	(12,614,382)	-	(12,614,382)
Alternative programs	12,325,426	-	8,193,035	-	(4,132,391)	-	(4,132,391)
School leadership	10,154,472	-	3,488,760	-	(6,665,712)	-	(6,665,712)
Co-curricular	5,256,062	2,459,891	-	-	(2,796,171)	-	(2,796,171)
School-based support	17,357,837	-	4,280,750	-	(13,077,087)	-	(13,077,087)
System-wide support services:							
Support and development	2,823,643	-	182,972	-	(2,640,671)	-	(2,640,671)
Special population support and development	1,664,554	-	758,428	-	(906,126)	-	(906,126)
Alternative programs and services support and development	373,507	-	163,365	-	(210,142)	-	(210,142)
Technology support	4,404,515	-	422,002	-	(3,982,513)	-	(3,982,513)
Operational support	30,426,378	142,174	6,057,491	158,186	(24,068,527)	-	(24,068,527)
Financial and human resource services	4,645,776	-	157,610	-	(4,488,166)	-	(4,488,166)
Accountability	600,185	-	-	-	(600,185)	-	(600,185)
System-wide pupil support	304,196	-	-	-	(304,196)	-	(304,196)
Policy, leadership and public relations	4,387,191	-	586,978	-	(3,800,213)	-	(3,800,213)
Ancillary services	2,082	-	-	-	(2,082)	-	(2,082)
Payments to other governments	1,226,857	-	137,862	-	(1,088,995)	-	(1,088,995)
Unallocated depreciation expense**	9,350,339	-	-	-	(9,350,339)	-	(9,350,339)
<b>Total governmental activities</b>	<b>218,395,385</b>	<b>2,602,065</b>	<b>93,614,803</b>	<b>1,224,054</b>	<b>(120,954,463)</b>	<b>-</b>	<b>(120,954,463)</b>
Business-type activities:							
School food service	4,782,496	1,645,409	2,845,929	-	-	(291,158)	(291,158)
Child care	2,677,003	2,129,092	-	-	-	(547,911)	(547,911)
<b>Total business-type activities</b>	<b>7,459,499</b>	<b>3,774,501</b>	<b>2,845,929</b>	<b>-</b>	<b>-</b>	<b>(839,069)</b>	<b>(839,069)</b>
<b>Total primary government</b>	<b>\$ 225,854,884</b>	<b>\$ 6,376,566</b>	<b>\$ 96,460,732</b>	<b>\$ 1,224,054</b>	<b>(120,954,463)</b>	<b>(839,069)</b>	<b>(121,793,532)</b>
General revenues:							
Unrestricted county and city appropriations - operating					88,290,612	-	88,290,612
Unrestricted county appropriations - capital					19,846,914	-	19,846,914
Investment earnings, unrestricted					11,067	-	11,067
Miscellaneous, unrestricted					5,389,139	3,474	5,392,613
Transfers					(42,921)	42,921	-
<b>Total general revenues and transfers</b>					<b>113,494,811</b>	<b>46,395</b>	<b>113,541,206</b>
<b>Change in net position</b>					<b>(7,459,652)</b>	<b>(792,674)</b>	<b>(8,252,326)</b>
<b>Net position (deficit) - beginning</b>					<b>(5,954,468)</b>	<b>687,839</b>	<b>(5,266,629)</b>
<b>Net position (deficit) - ending</b>					<b>\$ (13,414,120)</b>	<b>\$ (104,835)</b>	<b>\$ (13,518,955)</b>

\*\*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.

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## **FUND FINANCIAL STATEMENTS**

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**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2024**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 1,835,172	\$ -	\$ -	\$ 444,420	\$ 1,145,820	\$ 1,442,195	\$ 4,867,607
Due from other governments	392,328	-	1,873	1,807,911	1,224,488	-	3,426,600
Accounts receivable	-	-	-	584,039	185	-	584,224
Due from other funds	-	-	18,765	-	-	-	18,765
Prepaid expenditures	41,637	-	-	-	-	-	41,637
<b>Total assets</b>	<b>\$ 2,269,137</b>	<b>\$ -</b>	<b>\$ 20,638</b>	<b>\$ 2,836,370</b>	<b>\$ 2,370,493</b>	<b>\$ 1,442,195</b>	<b>\$ 8,938,833</b>
<b>Liabilities and fund balances</b>							
Liabilities:							
Bank overdraft	\$ -	\$ -	\$ 20,638	\$ -	\$ -	\$ -	\$ 20,638
Accounts payable and accrued liabilities	2,218,740	-	-	87,723	517,047	-	2,823,510
Due to other funds	18,765	-	-	-	-	-	18,765
Unearned revenue	-	-	-	400	-	-	400
<b>Total liabilities</b>	<b>2,237,505</b>	<b>-</b>	<b>20,638</b>	<b>88,123</b>	<b>517,047</b>	<b>-</b>	<b>2,863,313</b>
Fund balances:							
Nonspendable:							
Prepaid expenditures	41,637	-	-	-	-	-	41,637
Restricted:							
Stabilization by State statute	435,963	-	-	2,392,950	-	-	2,828,913
School capital outlay	-	-	-	-	1,853,446	-	1,853,446
Instructional services	-	-	-	381,216	-	-	381,216
Individual schools	-	-	-	-	-	1,442,195	1,442,195
Unassigned	(445,968)	-	-	(25,919)	-	-	(471,887)
<b>Total fund balances</b>	<b>31,632</b>	<b>-</b>	<b>-</b>	<b>2,748,247</b>	<b>1,853,446</b>	<b>1,442,195</b>	<b>6,075,520</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,269,137</b>	<b>\$ -</b>	<b>\$ 20,638</b>	<b>\$ 2,836,370</b>	<b>\$ 2,370,493</b>	<b>\$ 1,442,195</b>	

**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.	213,799,829
Deferred outflows of resources related to pensions	64,269,207
Deferred outflows of resources related to OPEB	32,071,123
Difference in unearned lease revenue attributable to difference in income recognition periods for governmental funds and governmental activities.	(438,333)
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.	(13,410,376)
Net pension liability	(110,534,623)
Net OPEB liability	(158,060,790)
Deferred inflows of resources related to pensions	(1,946,851)
Deferred inflows of resources related to OPEB	(45,238,826)
<b>Net position (deficit) of governmental activities</b>	<b>\$ (13,414,120)</b>

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2024**

**Exhibit 4**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
<b>Revenues:</b>							
State of North Carolina	\$ -	\$ 82,945,174	\$ -	\$ -	\$ 158,186	\$ -	\$ 83,103,360
Orange County:							
Local current expense	60,158,538	-	-	-	-	-	60,158,538
Other	-	-	-	2,205,559	19,846,914	-	22,052,473
U.S. Government	-	-	6,449,468	1,375,632	1,065,868	-	8,890,968
Other	29,532,853	-	-	4,491,572	431,619	2,459,891	36,915,935
Total revenues	<u>89,691,391</u>	<u>82,945,174</u>	<u>6,449,468</u>	<u>8,072,763</u>	<u>21,502,587</u>	<u>2,459,891</u>	<u>211,121,274</u>
<b>Expenditures:</b>							
<b>Current:</b>							
<b>Instructional services:</b>							
Regular instructional	32,875,990	51,975,216	1,259,634	416,853	1,070,582	-	87,598,275
Special populations	12,777,941	12,857,732	1,572,152	2,053,671	-	-	29,261,496
Alternative programs	3,224,471	3,477,294	2,016,396	3,793,684	-	-	12,511,845
School leadership	6,879,987	3,488,760	-	-	-	-	10,368,747
Co-curricular	2,988,370	-	-	298	-	2,309,160	5,297,828
School-based support	10,581,187	4,023,891	256,859	2,837,711	-	-	17,699,648
<b>System-wide support services:</b>							
Support and development	2,588,183	182,972	-	109,631	-	-	2,880,786
Special population support and development	796,615	-	758,428	132,644	-	-	1,687,687
Alternative programs / services support and development	107,794	-	163,365	105,235	-	-	376,394
Technology support	1,997,063	422,002	-	-	2,035,248	-	4,454,313
Operational support	10,007,585	5,731,972	282,598	-	2,372,922	-	18,395,077
Financial and human resource services	4,527,721	157,610	-	100	-	-	4,685,431
Accountability	607,715	-	-	-	-	-	607,715
System-wide pupil support	155,896	-	-	147,084	-	-	302,980
Policy, leadership and public relations	3,788,848	584,804	2,174	61,232	-	-	4,437,058
Ancillary services	3,838	-	-	-	-	-	3,838
Non-programmed charges	1,268,831	-	137,862	23,006	-	-	1,429,699
<b>Debt service:</b>							
Principal retirement	-	-	-	-	1,020,038	-	1,020,038
Capital outlay	-	-	-	-	15,239,865	-	15,239,865
Total expenditures	<u>95,178,035</u>	<u>82,902,253</u>	<u>6,449,468</u>	<u>9,681,149</u>	<u>21,738,655</u>	<u>2,309,160</u>	<u>218,258,720</u>
Revenues over (under) expenditures	<u>(5,486,644)</u>	<u>42,921</u>	<u>-</u>	<u>(1,608,386)</u>	<u>(236,068)</u>	<u>150,731</u>	<u>(7,137,446)</u>
Other financing sources (uses):							
Transfers to other funds	-	(42,921)	-	-	-	-	(42,921)
Insurance proceeds	-	-	-	-	16,389	-	16,389
Installment purchase obligations issued	-	-	-	-	268,661	-	268,661
Total other financing sources (uses)	<u>-</u>	<u>(42,921)</u>	<u>-</u>	<u>-</u>	<u>285,050</u>	<u>-</u>	<u>242,129</u>
Net change in fund balance	<u>(5,486,644)</u>	<u>-</u>	<u>-</u>	<u>(1,608,386)</u>	<u>48,982</u>	<u>150,731</u>	<u>(6,895,317)</u>
Fund balances:							
Beginning 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>
End of year	<u>\$ 31,632</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,748,247</u>	<u>\$ 1,853,446</u>	<u>\$ 1,442,195</u>	<u>\$ 6,075,520</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, 2024**

**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ (6,895,317)
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.	(5,233,388)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	20,260,910
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	8,331,913
Difference in lease income recognized from unearned revenue due to difference between income recognition periods for governmental funds and governmental activities.	43,833
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	207,443
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.	751,377
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	(27,845,641)
OPEB (expense) benefit	3,724,458
Compensated absences	<u>(805,240)</u>
Total changes in net position of governmental activities	<u>\$ (7,459,652)</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, 2024**

General Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Orange County	\$ 60,158,538	\$ 60,158,538	\$ 60,158,538	\$ -
Other	29,307,966	29,783,585	29,532,853	(250,732)
Total revenues	<u>89,466,504</u>	<u>89,942,123</u>	<u>89,691,391</u>	<u>(250,732)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instructional services:</b>				
Regular instructional	30,914,774	32,875,990	32,875,990	-
Special populations	9,680,506	12,777,941	12,777,941	-
Alternative programs	2,987,728	3,224,471	3,224,471	-
School leadership	6,637,755	6,879,987	6,879,987	-
Co-curricular	3,081,358	2,988,370	2,988,370	-
School-based support	10,024,135	10,653,539	10,581,187	72,352
Total instructional services	<u>63,326,256</u>	<u>69,400,298</u>	<u>69,327,946</u>	<u>72,352</u>
<b>System-wide support services:</b>				
Support and development	2,379,191	2,711,795	2,588,183	123,612
Special population support and development	670,404	796,615	796,615	-
Alternative programs and services support and development	12,354	107,794	107,794	-
Technology support	2,117,643	1,997,063	1,997,063	-
Operational support	11,149,314	10,022,933	10,007,585	15,348
Financial and human resource services	4,155,134	4,527,721	4,527,721	-
Accountability	609,639	607,715	607,715	-
System-wide pupil support	183,654	155,896	155,896	-
Policy, leadership and public relations	3,966,048	3,788,848	3,788,848	-
Total system-wide support services	<u>25,243,381</u>	<u>24,716,380</u>	<u>24,577,420</u>	<u>138,960</u>
<b>Ancillary services:</b>				
Nutrition	4,221	3,838	3,838	-
Nonprogrammed charges	1,142,382	1,268,831	1,268,831	-
Total expenditures	<u>89,716,240</u>	<u>95,389,347</u>	<u>95,178,035</u>	<u>211,312</u>
Revenues under expenditures	(249,736)	(5,447,224)	(5,486,644)	(39,420)
Fund balance appropriated	249,736	5,447,224	-	(5,447,224)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(5,486,644)	<u>\$ (5,486,644)</u>
<b>Fund balances:</b>				
Beginning of year			5,518,276	
End of year			<u>\$ 31,632</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, 2024**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 77,597,137	\$ 84,180,015	\$ 82,945,174	\$ (1,234,841)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	47,877,747	52,208,466	51,975,216	233,250
Special populations	13,605,084	12,961,058	12,857,732	103,326
Alternative programs	3,778,360	3,635,251	3,477,294	157,957
School leadership	3,481,618	3,492,438	3,488,760	3,678
School-based support	2,977,996	4,425,462	4,023,891	401,571
Total instructional services	<u>71,720,805</u>	<u>76,722,675</u>	<u>75,822,893</u>	<u>899,782</u>
System-wide support services:				
Support and development	214,909	207,644	182,972	24,672
Technology support	-	422,002	422,002	-
Operational support	4,979,877	6,024,235	5,731,972	292,263
Financial and human resource services	131,239	172,199	157,610	14,589
Policy, leadership and public relations	550,307	588,339	584,804	3,535
Total system-wide support services	<u>5,876,332</u>	<u>7,414,419</u>	<u>7,079,360</u>	<u>335,059</u>
Total expenditures	<u>77,597,137</u>	<u>84,137,094</u>	<u>82,902,253</u>	<u>1,234,841</u>
Revenues over expenditures	-	42,921	42,921	-
Other financing uses:				
Transfers to other funds	-	(42,921)	(42,921)	-
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, 2024**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 5,175,277	\$ 7,877,972	\$ 6,449,468	\$ (1,428,504)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,175,388	1,381,809	1,259,634	122,175
Special populations	1,461,411	1,714,294	1,572,152	142,142
Alternative programs	880,328	2,755,285	2,016,396	738,889
School-based support	167,565	277,138	256,859	20,279
Total instructional services	<u>3,684,692</u>	<u>6,128,526</u>	<u>5,105,041</u>	<u>1,023,485</u>
System-wide support services:				
Support and development	2,000	2,000	-	2,000
Special population support and development	645,660	979,165	758,428	220,737
Alternative programs and services support and development	104,317	80,332	163,365	(83,033)
Operational support	-	149,356	282,598	(133,242)
Policy, leadership and public relations	-	5,000	2,174	2,826
Total system-wide support services	<u>751,977</u>	<u>1,215,853</u>	<u>1,206,565</u>	<u>9,288</u>
Ancillary services:				
Nutrition	5,383	5,383	-	5,383
Nonprogrammed charges	<u>733,225</u>	<u>528,210</u>	<u>137,862</u>	<u>390,348</u>
Total expenditures	<u>5,175,277</u>	<u>7,877,972</u>	<u>6,449,468</u>	<u>1,428,504</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, 2024**

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Orange County	\$ 1,921,920	\$ 2,160,559	\$ 2,205,559	\$ 45,000
U.S. Government	1,756,126	1,756,126	1,375,632	(380,494)
Other	<u>4,821,662</u>	<u>5,987,993</u>	<u>4,491,572</u>	<u>(1,496,421)</u>
Total revenues	<u>8,499,708</u>	<u>9,904,678</u>	<u>8,072,763</u>	<u>(1,831,915)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	562,221	416,854	416,853	1
Special populations	816,196	2,105,180	2,053,671	51,509
Alternative programs	2,437,235	3,956,351	3,793,684	162,667
Co-curricular	-	300	298	2
School-based support	<u>4,549,921</u>	<u>2,875,968</u>	<u>2,837,711</u>	<u>38,257</u>
Total instructional services	<u>8,365,573</u>	<u>9,354,653</u>	<u>9,102,217</u>	<u>252,436</u>
System-wide support services:				
Support and development	-	141,662	109,631	32,031
Special population support and development	-	135,000	132,644	2,356
Alternative programs and services support and development	84,257	105,235	105,235	-
Financial and human resource services	-	100	100	-
System-wide pupil support	-	-	147,084	(147,084)
Policy, leadership and public relations	<u>36,672</u>	<u>96,028</u>	<u>61,232</u>	<u>34,796</u>
Total system-wide support services	<u>120,929</u>	<u>478,025</u>	<u>555,926</u>	<u>(77,901)</u>
Nonprogrammed charges	<u>13,206</u>	<u>72,000</u>	<u>23,006</u>	<u>48,994</u>
Total expenditures	<u>8,499,708</u>	<u>9,904,678</u>	<u>9,681,149</u>	<u>223,529</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,608,386)</u>	<u>\$ (1,608,386)</u>
Fund balances:				
Beginning of year			<u>4,356,633</u>	
End of year			<u>\$ 2,748,247</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, 2024**

**Exhibit 7**

	Enterprise		Totals
	Major Funds		
	School Food Service	Child Care	
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 1,751,859	\$ 1,119,329	\$ 2,871,188
Due from other governments	92,608	-	92,608
Receivables	120,118	4,110	124,228
Total current assets	<u>1,964,585</u>	<u>1,123,439</u>	<u>3,088,024</u>
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	560,080	-	560,080
Total assets	<u>2,524,665</u>	<u>1,123,439</u>	<u>3,648,104</u>
<b>Deferred Outflows of Resources</b>			
Pension and OPEB plans	<u>396,507</u>	<u>949,611</u>	<u>1,346,118</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable and accrued liabilities	137,333	53,710	191,043
Compensated absences	33,281	30,088	63,369
Unearned revenue	197,910	127,838	325,748
Total current liabilities	<u>368,524</u>	<u>211,636</u>	<u>580,160</u>
Noncurrent liabilities:			
Net pension liability	454,929	1,089,521	1,544,450
Net OPEB liability	650,532	1,557,978	2,208,510
Compensated absences	51,598	55,035	106,633
Total noncurrent liabilities	<u>1,157,059</u>	<u>2,702,534</u>	<u>3,859,593</u>
Total liabilities	<u>1,525,583</u>	<u>2,914,170</u>	<u>4,439,753</u>
<b>Deferred Inflows of Resources</b>			
Pension and OPEB plans	<u>194,204</u>	<u>465,100</u>	<u>659,304</u>
<b>Net position</b>			
Investment in capital assets	560,080	-	560,080
Unrestricted (deficit)	<u>641,305</u>	<u>(1,306,220)</u>	<u>(664,915)</u>
Total net position (deficit)	<u>\$ 1,201,385</u>	<u>\$ (1,306,220)</u>	<u>\$ (104,835)</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, 2024**

**Exhibit 8**

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Operating revenues:			
Food sales	\$ 1,645,409	\$ -	\$ 1,645,409
Child care fees	-	1,750,752	1,750,752
Rental of school property	-	378,340	378,340
Other	3,474	-	3,474
Total operating revenues	<u>1,648,883</u>	<u>2,129,092</u>	<u>3,777,975</u>
Operating expenses:			
Purchase of food	-	106,619	106,619
Salaries and benefits	661,372	2,186,810	2,848,182
Indirect costs	50,115	243,988	294,103
Materials and supplies	7,525	24,340	31,865
Repairs and maintenance	78,742	-	78,742
Depreciation	120,622	-	120,622
Non-capitalized equipment	91,372	116	91,488
Management fees	3,803,245	-	3,803,245
Contracted services	-	3,091	3,091
Other	19,618	112,039	131,657
Total operating expenses	<u>4,832,611</u>	<u>2,677,003</u>	<u>7,509,614</u>
Operating income (loss)	<u>(3,183,728)</u>	<u>(547,911)</u>	<u>(3,731,639)</u>
Nonoperating revenues:			
Federal reimbursements	2,434,449	-	2,434,449
Federal commodities	400,476	-	400,476
State reimbursements	11,004	-	11,004
Indirect costs not paid	50,115	-	50,115
Total nonoperating revenues	<u>2,896,044</u>	<u>-</u>	<u>2,896,044</u>
Loss before transfers	(287,684)	(547,911)	(835,595)
Transfers from other funds	42,921	-	42,921
Change in net position	(244,763)	(547,911)	(792,674)
Net position (deficit), beginning of year	<u>1,446,148</u>	<u>(758,309)</u>	<u>687,839</u>
Net position (deficit), end of year	<u>\$ 1,201,385</u>	<u>\$ (1,306,220)</u>	<u>\$ (104,835)</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, 2024**

**Exhibit 9**

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 1,553,519	\$ 2,128,703	\$ 3,682,222
Cash paid for goods and services	(3,586,380)	(440,216)	(4,026,596)
Cash paid to employees for services	(700,617)	(1,904,550)	(2,605,167)
Other	3,474	-	3,474
Net cash used by operating activities	<u>(2,730,004)</u>	<u>(216,063)</u>	<u>(2,946,067)</u>
Cash flows from noncapital financing activities:			
Due to other funds	(66,817)	-	(66,817)
Federal and State reimbursements	2,517,979	-	2,517,979
Net cash provided by noncapital financing activities	<u>2,451,162</u>	<u>-</u>	<u>2,451,162</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(153,258)	-	(153,258)
Net decrease in cash and cash equivalents	(432,100)	(216,063)	(648,163)
Cash and cash equivalents, beginning of year	2,183,959	1,335,392	3,519,351
Cash and cash equivalents, end of year	<u>\$ 1,751,859</u>	<u>\$ 1,119,329</u>	<u>\$ 2,871,188</u>
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (3,183,728)	\$ (547,911)	\$ (3,731,639)
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	120,622	-	120,622
Donated commodities	400,476	-	400,476
Salaries paid by State Public School Fund	42,921	-	42,921
Indirect costs not paid	50,115	-	50,115
Changes in assets, liabilities, deferred outflows and deferred inflows of resources:			
Increase in accounts receivable	(110,803)	(1,293)	(112,096)
Increase in accounts payable and accrued liabilities	13,646	49,977	63,623
Increase in unearned revenue	18,913	904	19,817
Increase in net pension liability	25,918	248,469	274,387
Increase in net OPEB liability	44,181	369,263	413,444
Increase in deferred outflows	(24,301)	(219,925)	(244,226)
Decrease in deferred inflows	(112,341)	(135,866)	(248,207)
Increase (decrease) in compensated absences payable	(15,623)	20,319	4,696
Total adjustments	<u>453,724</u>	<u>331,848</u>	<u>785,572</u>
Net cash used by operating activities	<u>\$ (2,730,004)</u>	<u>\$ (216,063)</u>	<u>\$ (2,946,067)</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, 2024**

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**Exhibit 9 (continued)**

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$400,476 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 \$42,921 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.

Indirect costs of \$50,115 that would be due to the General Fund were not paid. These unpaid costs are reflected as a non-operating revenue and an operating expense on Exhibit 8.

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

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2024**

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**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, 2024**

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*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, 2024**

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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 Net Position/Fund Balances

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, 2024**

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4. Capital Assets

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

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, 2024**

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7. Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 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, 2024**

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*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, 2024**

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 \$(19,489,640) 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)	\$ 381,797,503
Less accumulated depreciation	<u>(167,997,674)</u>
Net capital assets	213,799,829
Deferred outflows of resources related to pensions	64,269,207
Deferred outflows of resources related to OPEB	32,071,123
Difference in unearned lease revenue attributable to difference in income recognition periods for governmental funds and governmental activities	(438,333)
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	(134,332)
Compensated absences	(13,276,044)
Net pension liability	(110,534,623)
Net OPEB liability	(158,060,790)
Deferred inflows of resources related to pensions	(1,946,851)
Deferred inflows of resources related to OPEB	<u>(45,238,826)</u>
Total adjustment	<u>\$ (19,489,640)</u>

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2024**

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 \$(564,335) as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 4,530,476
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	(9,763,864)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(268,661)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	1,020,038
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	20,260,910
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	8,331,913
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	207,443
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	(27,845,641)
OPEB (expense) benefit	3,724,458
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	<u>(805,240)</u>
Total adjustment	<u>\$ (564,335)</u>

10. Defined Benefit Pension Plans

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

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payable in accordance with the terms of TSERS, RHBF and DIPNC. Investments are reported at fair value.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Excess of Expenditures Over Appropriations

During the fiscal year ended June 30, 2024, the Board reported expenditures within the Federal Grants, Capital Outlay and Other Special Revenue funds that violated State law [G.S. 115C-441] because they exceeded the amount appropriated in the budget ordinance as follows:

	<u>Violation Amount</u>
Federal Grants Fund:	
System-wide support services:	
Alternative programs and services support and development	\$ 83,033
Operational support	<u>133,242</u>
Total	<u>\$ 216,275</u>
Capital Outlay Fund:	
Debt service - principal retirement	<u>\$ 101,350</u>
Other Special Revenue Fund:	
System-wide support services:	
System-wide pupil support	<u>\$ 147,084</u>

Management will monitor budgets monthly and make necessary amendments to avoid expenditures in excess of appropriations.

**NOTE 3 - 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.

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At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of \$7,463,377 and a bank overdraft with the State Treasurer of \$20,638. The bank balances with the financial institutions and the State Treasurer were \$7,026,959 and \$1,215,404, respectively. Of these balances, \$1,453,889 was covered by federal depository insurance and \$6,788,474 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2024, the Board had \$275,418 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, 2024. The Board has no investment balances in the NCCMT as of June 30, 2024. 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.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2024 are as follows:

	Due from (to) other funds (Internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (18,765)	\$ 392,328	\$ -	\$ 373,563
Other governmental activities	<u>18,765</u>	<u>3,034,272</u>	<u>584,224</u>	<u>3,637,261</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 3,426,600</u>	<u>\$ 584,224</u>	<u>\$ 4,010,824</u>
Business-type activities:				
School Food Service Fund	\$ -	\$ 92,608	\$ 120,118	\$ 212,726
Child Care Fund	<u>-</u>	<u>-</u>	<u>4,110</u>	<u>4,110</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 92,608</u>	<u>\$ 124,228</u>	<u>\$ 216,836</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 392,328	Amounts due from County, Town of Chapel Hill, and UNC-CH
Federal Grants Fund	1,873	Federal grant funds
Other Special Revenue Fund	1,807,911	State funds
Capital Outlay Fund	<u>1,224,488</u>	Amounts due from County
Total governmental activities	<u>\$ 3,426,600</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 92,608</u>	Federal grant funds

All of the Board’s receivable balances are expected to be collected during the year ended June 30, 2025.

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4. Capital Assets

Capital asset activity for the year ended June 30, 2024 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	1,196,147	79,621	1,109,836	165,932
Total capital assets not being depreciated	<u>7,681,554</u>	<u>79,621</u>	<u>1,109,836</u>	<u>6,651,339</u>
Capital assets being depreciated:				
Buildings and improvements	337,195,439	3,251,537	-	340,446,976
Land improvements	10,003,997	-	-	10,003,997
Equipment and furniture	14,644,703	1,126,304	-	15,771,007
Vehicles	7,741,334	1,182,850	-	8,924,184
Total capital assets being depreciated	<u>369,585,473</u>	<u>5,560,691</u>	<u>-</u>	<u>375,146,164</u>
Less accumulated depreciation for:				
Buildings and improvements	135,183,992	7,987,090	-	143,171,082
Land improvements	6,141,039	357,598	-	6,498,637
Equipment and furniture	10,627,877	1,005,651	-	11,633,528
Vehicles	6,280,902	413,525	-	6,694,427
Total accumulated depreciation	<u>158,233,810</u>	<u>9,763,864</u>	<u>-</u>	<u>167,997,674</u>
Total capital assets being depreciated, net	<u>211,351,663</u>			<u>207,148,490</u>
Governmental activity capital assets, net	<u>\$ 219,033,217</u>			<u>\$ 213,799,829</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 2,175,857	\$ 153,258	\$ -	\$ 2,329,115
Less accumulated depreciation for:				
Equipment and furniture	1,648,413	120,622	-	1,769,035
School Food Service capital assets, net	<u>\$ 527,444</u>			<u>\$ 560,080</u>

Depreciation was charged to governmental functions as follows:

System-wide support services	\$ 413,525
Unallocated depreciation	9,350,339
Total	<u>\$ 9,763,864</u>

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

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

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

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

*Contributions.* Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2024 was 17.63% 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 \$20,544,006 for the year ended June 30, 2024.

*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 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, 2024, the Board reported a liability of \$112,079,073 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023

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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, 2023 and at June 30, 2022, the Board's proportion was 0.6723% and 0.6766%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$28,281,991. At June 30, 2024, 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	\$ 9,137,096	\$ 827,223
Changes of assumptions	3,936,069	-
Net difference between projected and actual earnings on pension plan investments	31,214,013	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	336,026	1,146,830
Board contributions subsequent to the measurement date	20,544,006	-
Total	\$ 65,167,210	\$ 1,974,053

\$20,544,006 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, 2025. 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>	
2025	\$ 13,883,954
2026	7,671,633
2027	19,760,197
2028	1,333,367
Total	\$ 42,649,151

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

Inflation	2.50 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.



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The actuarial assumptions used in the December 31, 2022 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>100%</u>	

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, 2024 and 2023 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 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:

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	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	\$ 192,413,505	\$ 112,079,073	\$ 45,805,773

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

b. Other Postemployment Benefits

1. Healthcare Benefits

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

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

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

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

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, 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

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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, 2024, the Board contributed 7.14% of covered payroll, which amounted to \$8,320,148 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 \$35.0 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 \$210,341.

At June 30, 2024, the Board reported a liability of \$160,113,168 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and 2022, the Board’s proportion was 0.6009% and 0.5970%, respectively.

\$8,320,148 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, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (9,490,896)
2026	(10,401,402)
2027	(4,976,108)
2028	<u>2,844,063</u>
Total	<u>\$ (22,024,343)</u>

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

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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	5.00-6.50%
Prescription drug	5.00-10.00%
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, 2024 and 2023 were 3.65% and 3.54%, 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 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

*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 (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate:

	1% decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability	\$ 188,884,605	\$ 160,113,168	\$ 136,681,750

*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:

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.50%, Pharmacy - 6.00- 11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 132,188,234	\$ 160,113,168	\$ 196,123,059

*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.

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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, 2024, employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$128,182 for the year ended June 30, 2024.

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, 2024, the Board reported a liability of \$156,132 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and 2022, the Board's proportion was 0.5871% and 0.5932%, respectively.

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\$128,182 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, 2025. 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>	
2025	\$ 70,725
2026	44,065
2027	68,263
2028	22,787
2029	11,141
Thereafter	<u>7,342</u>
Total	<u>\$ 224,323</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	\$ 187,692	\$ 156,132	\$ 123,997

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 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, 2023. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are 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, 2023. 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, 2023 is 1.2%.

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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, 2024:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (3,775,282)	\$ 212,284	\$ (3,562,998)
OPEB liability (asset)	160,113,168	156,132	160,269,300
Proportionate share of the net OPEB liability / asset	0.6009%	0.5871%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 1,763,159	\$ 136,830	\$ 1,899,989
Changes of assumptions	17,345,130	11,377	17,356,507
Net difference between projected and actual earnings on plan investments	1,279,066	203,929	1,482,995
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,329,180	2,237	3,331,417
Board contributions subsequent to the measurement date	8,320,148	128,182	8,448,330
Totals	<u>\$ 32,036,683</u>	<u>\$ 482,555</u>	<u>\$ 32,519,238</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 156,879	\$ 86,478	\$ 243,357
Changes of assumptions	42,716,901	26,652	42,743,553
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,867,098	16,920	2,884,018
Totals	<u>\$ 45,740,878</u>	<u>\$ 130,050</u>	<u>\$ 45,870,928</u>

2. Accounts Payable

Accounts payable as of June 30, 2024 are as follows:

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 2,218,740
Other governmental activities	<u>604,770</u>
Total governmental activities	<u>\$ 2,823,510</u>
Business-type activities:	
School Food Service Fund	\$ 137,333
Child Care Fund	<u>53,710</u>
Total business-type activities	<u>\$ 191,043</u>

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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)	\$ 400
Prepaid use fee (Capital Outlay Fund - see below)	<u>438,333</u>
Total governmental activities	<u>\$ 438,733</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	\$ 197,910
Prepayments of tuition (Child Care Fund)	<u>127,838</u>
Total business-type activities	<u>\$ 325,748</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, 2024 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 \$438,333.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,037,085	\$ 1,070,580
Changes of assumptions	21,292,576	42,743,553
Net difference between projected and actual earnings on pension and OPEB plan investments	32,697,008	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,667,443	4,030,848
Board contributions subsequent to the measurement date	<u>28,992,336</u>	<u>-</u>
Total	<u>\$ 97,686,448</u>	<u>\$ 47,844,981</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$3,150,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Additionally, the Board purchases commercial general liability



**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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 Title IX lawsuits. The Board's management and the Board's attorneys have been unable to determine the amount of loss, if any, the Board might incur as a result of these legal matters.

7. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third-party direct placement financing arrangements. During the current 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 \$268,661 at June 30, 2024. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15<sup>th</sup> dates.

During the 2020-2021 fiscal year, the Board entered into a direct placement installment purchase contract for the purchase of laptops totaling \$3,435,838. The laptops are pledged as collateral for the debt while the debt is outstanding. The financing contract requires annual payments for four years beginning in the fiscal year 2020-2021. This contract was paid in full during the 2023-2024 fiscal year.

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**For the Fiscal Year Ended June 30, 2024**

The future minimum payments of the installment purchases as of June 30, 2024 are as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities Principal</u>
2025	\$ 67,166
2026	67,166
Totals	<u>\$ 134,332</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, 2024:

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 885,709	\$ 268,661	\$ 1,020,038	\$ 134,332	\$ 67,166
Net pension liability	99,154,004	11,380,619	-	110,534,623	-
Net OPEB liability	140,141,004	17,919,786	-	158,060,790	-
Compensated absences	12,470,804	7,456,738	6,651,498	13,276,044	4,431,333
Total	<u>\$252,651,521</u>	<u>\$ 37,025,804</u>	<u>\$ 7,671,536</u>	<u>\$282,005,789</u>	<u>\$ 4,498,499</u>
Business-type activities:					
Net pension liability	\$ 1,270,063	\$ 274,387	\$ -	\$ 1,544,450	\$ -
Net OPEB liability	1,795,066	413,444	-	2,208,510	-
Compensated absences	165,306	105,981	101,285	170,002	63,369
Total	<u>\$ 3,230,435</u>	<u>\$ 793,812</u>	<u>\$ 101,285</u>	<u>\$ 3,922,962</u>	<u>\$ 63,369</u>

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

C. Interfund Balances and Activity

1. Interfund Balances

The composition of interfund balances as of June 30, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Federal Grants Fund	General Fund	<u>\$ 18,765</u>

The amount above represents funds owed to cover a bank overdraft balance in the Federal Grants Fund at June 30, 2024. This balance is expected to be paid prior to June 30, 2025.

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2024**

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2. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2024 consisted of the following:

From the State Public School Fund to the School Food Service Fund for the payment of administrative salaries	<u>\$ 42,921</u>
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D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 213,799,829
Less:	
Installment purchase obligations for school buses	<u>(134,332)</u>
Net investment in capital assets, governmental activities	<u>\$ 213,665,497</u>

2. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is unassigned and available for appropriation at June 30, 2024:

Total fund balance - General Fund	\$ 31,632
Less:	
Prepaid expenditures	(41,637)
Stabilization by State statute	<u>(435,963)</u>
Unassigned fund balance at June 30, 2024	<u>\$ (445,968)</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, 2024 are as follows:

	<u>Encumbrances</u>
General Fund	\$ 43,635
Capital Outlay Fund	302,099
Other Special Revenue Fund	1,000
School Food Service Fund	79,017

**CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2024*

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**NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

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

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

Schedule of Board Contributions  
*Retiree Health Benefit Fund*

Schedule of the Board's Proportionate Share of the Net OPEB Liability (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\***

	2024	2023	2022	2021	2020
Board's proportion of the net pension liability/asset	0.672%	0.677%	0.663%	0.663%	0.668%
Board's proportionate share of the net pension liability (asset)	\$ 112,079,073	\$ 100,424,067	\$ 31,035,811	\$ 80,081,893	\$ 69,261,640
Board's covered payroll	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	100.39%	94.58%	30.62%	80.67%	70.71%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%
	2019	2018	2017	2016	2015
Board's proportion of the net pension liability/asset	0.669%	0.657%	0.664%	0.649%	0.629%
Board's proportionate share of the net pension liability (asset)	\$ 66,616,191	\$ 52,139,592	\$ 60,979,747	\$ 23,928,359	\$ 7,373,239
Board's covered payroll	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323	\$ 81,794,672
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	71.84%	57.68%	70.71%	27.85%	9.01%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

\* 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 20,544,006	\$ 19,402,825	\$ 17,392,638	\$ 14,978,821	\$ 12,875,432
Contributions in relation to the contractually required contribution	<u>20,544,006</u>	<u>19,402,825</u>	<u>17,392,638</u>	<u>14,978,821</u>	<u>12,875,432</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 116,528,678	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 12,037,895	\$ 9,995,687	\$ 9,020,938	\$ 7,890,669	\$ 7,860,612
Contributions in relation to the contractually required contribution	<u>12,037,895</u>	<u>9,995,687</u>	<u>9,020,938</u>	<u>7,890,669</u>	<u>7,860,612</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

**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 EIGHT FISCAL YEARS\***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability/asset	0.601%	0.597%	0.585%	0.595%	0.591%
Board's proportionate share of the net OPEB liability (asset)	\$ 160,113,168	\$ 141,759,605	\$ 180,828,895	\$ 164,931,636	\$ 187,109,403
Board's covered payroll	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	143.42%	133.51%	178.43%	166.14%	191.03%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.73%	10.58%	7.72%	6.92%	4.40%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Board's proportion of the net OPEB liability/asset	0.602%	0.607%	0.593%		
Board's proportionate share of the net OPEB liability (asset)	\$ 171,504,963	\$ 198,969,592	\$ 257,834,844		
Board's covered payroll	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820		
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	184.96%	220.12%	298.98%		
Plan fiduciary net position as a percentage of the total OPEB liability/asset	4.40%	3.52%	2.41%		

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only eight 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 8,320,148	\$ 7,691,914	\$ 6,678,858	\$ 6,769,860	\$ 6,422,825
Contributions in relation to the contractually required contribution	<u>8,320,148</u>	<u>7,691,914</u>	<u>6,678,858</u>	<u>6,769,860</u>	<u>6,422,825</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 116,528,678	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 6,141,383	\$ 5,609,824	\$ 5,225,842	\$ 4,833,393	\$ 4,693,298
Contributions in relation to the contractually required contribution	<u>6,141,383</u>	<u>5,609,824</u>	<u>5,225,842</u>	<u>4,833,393</u>	<u>4,693,298</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

**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 EIGHT FISCAL YEARS\***

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.587%	0.593%	0.590%	0.584%	0.593%
Board's proportionate share of the net OPEB liability (asset)	\$ 156,132	\$ 176,465	\$ (96,286)	\$ (287,160)	\$ (256,035)
Board's covered payroll	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871	\$ 97,948,698
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.14%	0.17%	0.10%	0.29%	0.26%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.61%	90.34%	105.18%	115.57%	113.00%

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	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.592%	0.584%	0.596%
Board's proportionate share of the net OPEB liability (asset)	\$ (179,756)	\$ (357,198)	\$ (369,905)
Board's covered payroll	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.19%	0.40%	0.43%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	108.47%	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 eight 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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 128,182	\$ 111,639	\$ 95,564	\$ 91,211	\$ 99,271
Contributions in relation to the contractually required contribution	<u>128,182</u>	<u>111,639</u>	<u>95,564</u>	<u>91,211</u>	<u>99,271</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 116,528,678	\$ 111,638,809	\$ 106,182,161	\$ 101,345,203	\$ 99,270,871
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 137,128	\$ 129,814	\$ 341,793	\$ 353,873	\$ 350,501
Contributions in relation to the contractually required contribution	<u>137,128</u>	<u>129,814</u>	<u>341,793</u>	<u>353,873</u>	<u>350,501</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 97,948,698	\$ 92,724,369	\$ 90,390,160	\$ 86,236,820	\$ 85,908,323
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

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**INDIVIDUAL FUND BUDGETARY  
AND OTHER SCHEDULES**

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**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, 2024**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Orange County:			
Local current expense	\$ 60,158,538	\$ 60,158,538	\$ -
Other:			
Fines and forfeitures	308,446	308,446	-
Supplemental school taxes	28,132,074	28,132,074	-
Interest earned on investment	15,000	11,067	(3,933)
Indirect costs allocated	553,065	446,830	(106,235)
Transportation revenue	400,000	416,359	16,359
Sales and use tax refund	250,000	146,467	(103,533)
Miscellaneous	125,000	71,610	(53,390)
Total other	<u>29,783,585</u>	<u>29,532,853</u>	<u>(250,732)</u>
Total revenues	<u>89,942,123</u>	<u>89,691,391</u>	<u>(250,732)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	32,875,990	32,875,990	-
Special populations	12,777,941	12,777,941	-
Alternative programs	3,224,471	3,224,471	-
School leadership	6,879,987	6,879,987	-
Co-curricular	2,988,370	2,988,370	-
School-based support	10,653,539	10,581,187	72,352
Total instructional services	<u>69,400,298</u>	<u>69,327,946</u>	<u>72,352</u>
System-wide support services:			
Support and development	2,711,795	2,588,183	123,612
Special population support and development	796,615	796,615	-
Alternative programs and services support and development	107,794	107,794	-
Technology support	1,997,063	1,997,063	-
Operational support	10,022,933	10,007,585	15,348
Financial and human resource services	4,527,721	4,527,721	-
Accountability	607,715	607,715	-
System-wide pupil support	155,896	155,896	-
Policy, leadership and public relations	3,788,848	3,788,848	-
Total system-wide support services	<u>24,716,380</u>	<u>24,577,420</u>	<u>138,960</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, 2024**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures (Continued):			
Current:			
Ancillary services:			
Nutrition	<u>3,838</u>	<u>3,838</u>	<u>-</u>
Non-programmed charges:			
Payments to other governments	<u>1,268,831</u>	<u>1,268,831</u>	<u>-</u>
Total expenditures	<u>95,389,347</u>	<u>95,178,035</u>	<u>211,312</u>
Revenues under expenditures	(5,447,224)	(5,486,644)	(39,420)
Fund balance appropriated	<u>5,447,224</u>	<u>-</u>	<u>(5,447,224)</u>
Net change in fund balance	<u>\$ -</u>	(5,486,644)	<u>\$ (5,486,644)</u>
Fund balance:			
Beginning of year		<u>5,518,276</u>	
End of year		<u>\$ 31,632</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, 2024**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 56,836	\$ 158,186	\$ 101,350
Other	33,000	-	(33,000)
Total State of North Carolina	<u>89,836</u>	<u>158,186</u>	<u>68,350</u>
U.S. Government:			
Emergency Connectivity Funds	<u>1,065,868</u>	<u>1,065,868</u>	<u>-</u>
Orange County:			
Local bond revenues	23,303,915	18,093,714	(5,210,201)
General county appropriations	<u>1,753,200</u>	<u>1,753,200</u>	<u>-</u>
Total Orange County	<u>25,057,115</u>	<u>19,846,914</u>	<u>(5,210,201)</u>
Other:			
Sales tax refund	-	195,044	195,044
Miscellaneous	<u>275,075</u>	<u>236,575</u>	<u>(38,500)</u>
Total other	<u>275,075</u>	<u>431,619</u>	<u>156,544</u>
Total revenues	<u>26,487,894</u>	<u>21,502,587</u>	<u>(4,985,307)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	<u>1,338,718</u>	<u>1,070,582</u>	<u>268,136</u>
System-wide support services:			
Technology support	2,035,249	2,035,248	1
Operational support	<u>2,637,718</u>	<u>2,372,922</u>	<u>264,796</u>
Total system-wide support services	<u>4,672,967</u>	<u>4,408,170</u>	<u>264,797</u>
Ancillary services:			
Nutrition	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Debt service:			
Principal retirement	<u>918,688</u>	<u>1,020,038</u>	<u>(101,350)</u>
Capital outlay	<u>20,167,395</u>	<u>15,239,865</u>	<u>4,927,530</u>
Total expenditures	<u>27,142,768</u>	<u>21,738,655</u>	<u>5,404,113</u>
Revenues under expenditures	<u>(654,874)</u>	<u>(236,068)</u>	<u>418,806</u>
Other financing sources:			
Insurance proceeds	-	16,389	16,389
Installment purchase obligations issued	-	<u>268,661</u>	<u>268,661</u>
Total other financing sources	<u>-</u>	<u>285,050</u>	<u>285,050</u>
Fund balance appropriated	<u>654,874</u>	<u>-</u>	<u>(654,874)</u>
Net change in fund balance	<u>\$ -</u>	<u>48,982</u>	<u>\$ 48,982</u>
Fund balance:			
Beginning of year		<u>1,804,464</u>	
End of year		<u>\$ 1,853,446</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, 2024**

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	<u>Elementary Schools</u>	<u>Middle Schools</u>	<u>High Schools</u>	<u>Totals</u>
Revenues	\$ 453,079	\$ 508,734	\$ 1,498,078	\$ 2,459,891
Expenditures	<u>442,089</u>	<u>526,329</u>	<u>1,340,742</u>	<u>2,309,160</u>
Net change in fund balance	10,990	(17,595)	157,336	150,731
Fund balances:				
Beginning of year	<u>175,562</u>	<u>272,143</u>	<u>843,759</u>	<u>1,291,464</u>
End of year	<u>\$ 186,552</u>	<u>\$ 254,548</u>	<u>\$ 1,001,095</u>	<u>\$ 1,442,195</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, 2024**

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 1,660,800	\$ 1,645,409	\$ (15,391)
Other	9,500	3,474	(6,026)
Total operating revenues	<u>1,670,300</u>	<u>1,648,883</u>	<u>(21,417)</u>
Operating expenditures:			
Business support services:			
Salaries and benefits		743,538	
Materials and supplies		7,525	
Repairs and maintenance		78,742	
Non-capitalized equipment		91,372	
Management fees		3,803,245	
Other		19,618	
Capital outlay		153,258	
Total operating expenditures	<u>4,932,933</u>	<u>4,897,298</u>	<u>35,635</u>
Operating loss	<u>(3,262,633)</u>	<u>(3,248,415)</u>	<u>14,218</u>
Nonoperating revenues:			
Federal reimbursements		2,434,449	
Federal commodities		400,476	
State reimbursements		11,004	
Total nonoperating revenues	<u>3,189,000</u>	<u>2,845,929</u>	<u>(343,071)</u>
Revenues under expenditures	(73,633)	(402,486)	(328,853)
Other financing sources:			
Transfers from other funds	-	42,921	42,921
Fund balance appropriated	<u>73,633</u>	<u>-</u>	<u>(73,633)</u>
Net change in fund balance	<u>\$ -</u>	<u>(359,565)</u>	<u>\$ (359,565)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(120,622)	
Net pension liability		(25,918)	
Net OPEB liability		(44,181)	
Deferred outflows - pension and OPEB		24,301	
Deferred inflows - pension and OPEB		112,341	
Equipment purchases		153,258	
Indirect costs		(50,115)	
Indirect costs not paid		50,115	
Decrease in compensated absences payable		<u>15,623</u>	
Change in net position (full accrual)		<u>\$ (244,763)</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, 2024**

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Child care fees	\$ 1,802,317	\$ 1,750,752	\$ (51,565)
Rental of school property	378,340	378,340	-
Total operating revenue	<u>2,180,657</u>	<u>2,129,092</u>	<u>(51,565)</u>
Operating expenditures:			
Regular community services:			
Purchase of food		106,619	
Salaries and benefits		1,904,550	
Indirect costs		243,988	
Materials and supplies		24,340	
Non-capitalized equipment		116	
Contracted services		3,091	
Other		112,039	
Total operating expenditures	<u>2,417,797</u>	<u>2,394,743</u>	<u>23,054</u>
Operating loss	<u>(237,140)</u>	<u>(265,651)</u>	<u>(28,511)</u>
Nonoperating revenues:			
Contributions and donations	12,240	-	(12,240)
Other	50,000	-	(50,000)
Total nonoperating revenues	<u>62,240</u>	<u>-</u>	<u>(62,240)</u>
Revenues under expenditures	(174,900)	(265,651)	(90,751)
Fund balance appropriated	<u>174,900</u>	<u>-</u>	<u>(174,900)</u>
Net change in fund balance	<u>\$ -</u>	<u>(265,651)</u>	<u>\$ (265,651)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Net pension liability		(248,469)	
Net OPEB liability		(369,263)	
Deferred outflows - pension and OPEB		219,925	
Deferred inflows - pension and OPEB		135,866	
Increase in compensated absences payable		<u>(20,319)</u>	
Change in net position (full accrual)		<u>\$ (547,911)</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

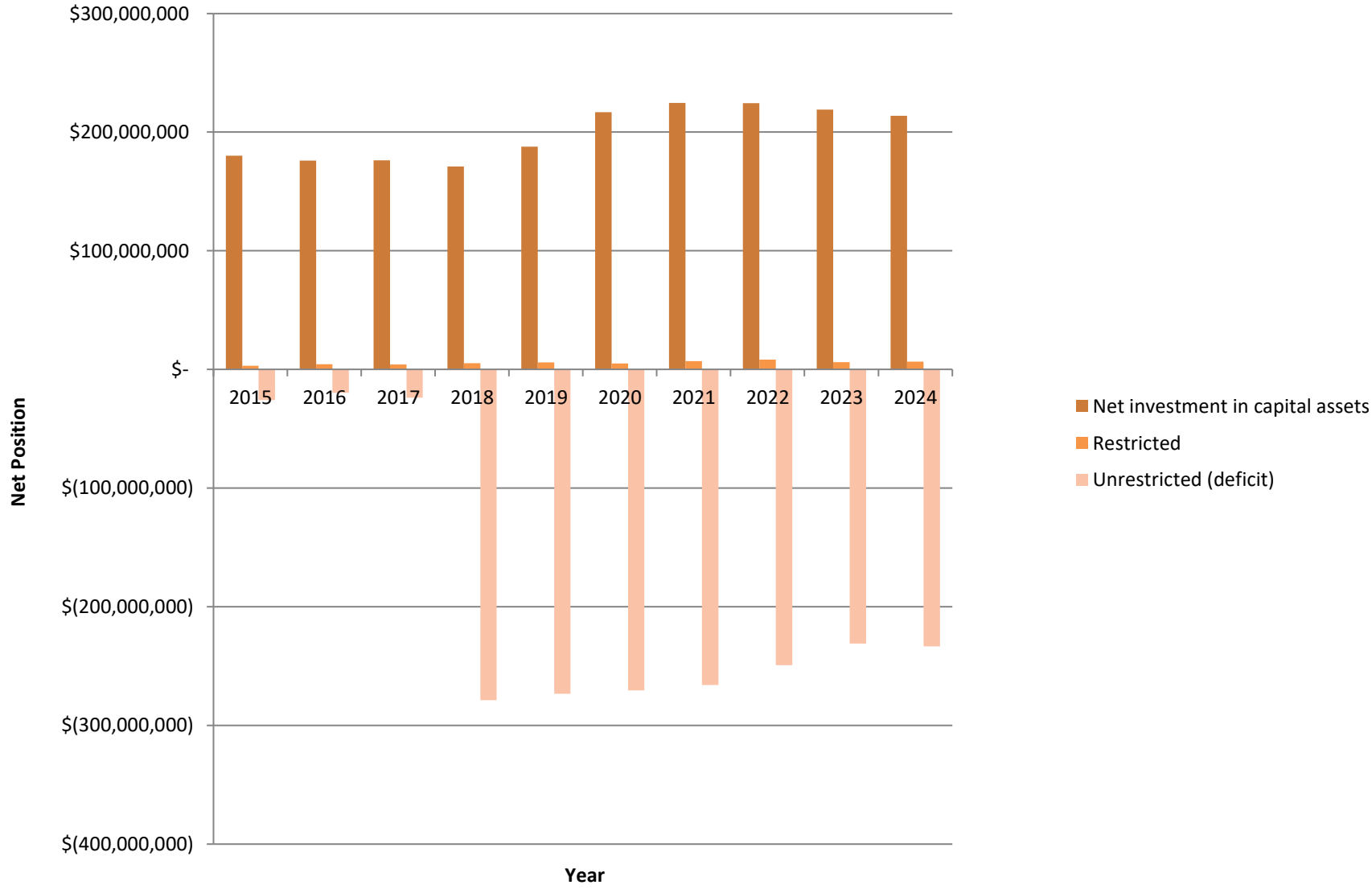
### Net Position by Component Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 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	\$ 213,665,497
Restricted	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	6,505,770
Unrestricted (deficit)	(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)	(233,585,387)
	<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>	<u>\$ (13,414,120)</u>
<b>Business-type activities:</b>										
Investment in capital assets	\$ 662,343	\$ 599,209	\$ 574,753	\$ 591,918	\$ 521,987	\$ 453,262	\$ 439,422	\$ 456,974	\$ 527,444	\$ 560,080
Restricted	-	-	-	10,748	11,747	9,038	7,041	5,455	-	-
Unrestricted (deficit)	(192,193)	10,783	209,146	(3,899,505)	(3,271,455)	(2,698,966)	(3,095,455)	(1,488,133)	160,395	(664,915)
	<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>	<u>\$ (104,835)</u>
<b>Government-wide:</b>										
Net investment in capital assets	\$ 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	\$ 214,225,577
Restricted	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	6,505,770
Unrestricted (deficit)	(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)	(234,250,302)
	<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>	<u>\$ (13,518,955)</u>

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

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses:</b>										
Governmental Activities:										
Instructional services	\$ 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	\$ 158,186,162
System-wide support services	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	49,629,945
Ancillary services	61,433	61,697	65,179	73,074	80,787	145,254	186,857	229,596	41,111	2,082
Payments to other governments	819,752	691,229	682,572	651,420	696,636	754,422	820,979	842,825	990,073	1,226,857
Interest on long-term debt	24,695	16,704	8,476	-	-	-	-	-	-	-
Unallocated depreciation expense	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	9,350,339
<b>Total governmental activities</b>	<b>143,905,783</b>	<b>145,893,994</b>	<b>158,232,615</b>	<b>170,242,809</b>	<b>168,614,999</b>	<b>177,980,883</b>	<b>176,015,553</b>	<b>174,803,576</b>	<b>187,465,508</b>	<b>218,395,385</b>
Business-type activities:										
School food service	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	4,782,496
Child care	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	2,677,003
<b>Total business-type activities</b>	<b>5,776,227</b>	<b>5,897,675</b>	<b>6,126,013</b>	<b>6,731,695</b>	<b>5,832,666</b>	<b>5,630,264</b>	<b>4,176,535</b>	<b>6,430,961</b>	<b>5,946,718</b>	<b>7,459,499</b>
<b>Total government-wide</b>	<b>\$ 149,682,010</b>	<b>\$ 151,791,669</b>	<b>\$ 164,358,628</b>	<b>\$ 176,974,504</b>	<b>\$ 174,447,665</b>	<b>\$ 183,611,147</b>	<b>\$ 180,192,088</b>	<b>\$ 181,234,537</b>	<b>\$ 193,412,226</b>	<b>\$ 225,854,884</b>
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
Co-curricular	\$ 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	\$ 2,459,891
Operational support	755,480	852,073	832,866	825,930	246,199	86,682	132,532	135,635	138,848	142,174
Operating grants and contributions	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	93,614,803
Capital grants and contributions	102,730	226,924	145,250	231,314	193,580	150,527	150,527	91,652	821,243	1,224,054
<b>Total governmental activities</b>	<b>71,472,235</b>	<b>71,701,541</b>	<b>73,295,755</b>	<b>75,360,694</b>	<b>84,008,627</b>	<b>84,000,515</b>	<b>86,239,223</b>	<b>100,306,634</b>	<b>98,654,482</b>	<b>97,440,922</b>
Business-type activities:										
Charges for services:										
School food service	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	1,645,409
Child care	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	2,129,092
Operating grants and contributions	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	2,845,929
<b>Total business-type activities</b>	<b>5,748,923</b>	<b>6,002,726</b>	<b>6,273,450</b>	<b>6,390,230</b>	<b>6,295,219</b>	<b>5,815,438</b>	<b>3,450,469</b>	<b>7,953,441</b>	<b>6,581,056</b>	<b>6,620,430</b>
<b>Total government-wide</b>	<b>\$ 77,221,158</b>	<b>\$ 77,704,267</b>	<b>\$ 79,569,205</b>	<b>\$ 81,750,924</b>	<b>\$ 90,303,846</b>	<b>\$ 89,815,953</b>	<b>\$ 89,689,692</b>	<b>\$ 108,260,075</b>	<b>\$ 105,235,538</b>	<b>\$ 104,061,352</b>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (120,954,463)
Business-type activities	(27,304)	105,051	147,437	(341,465)	462,553	185,174	(726,066)	1,522,480	634,338	(839,069)
<b>Total government-wide</b>	<b>\$ (72,460,852)</b>	<b>\$ (74,087,402)</b>	<b>\$ (84,789,423)</b>	<b>\$ (95,223,580)</b>	<b>\$ (84,143,819)</b>	<b>\$ (93,795,194)</b>	<b>\$ (90,502,396)</b>	<b>\$ (72,974,462)</b>	<b>\$ (88,176,688)</b>	<b>\$ (121,793,532)</b>



## CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

### Changes in Net Position (Continued)

Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county and city appropriations - operating	\$ 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	\$ 88,290,612
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	44,650	-	-	-
Unrestricted county appropriations - capital	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	19,846,914
Unrestricted State appropriations - capital	-	-	-	-	-	-	-	127,781	-	-
Investment earnings, unrestricted	23,785	32,149	59,843	88,417	128,483	128,787	43,603	22,940	217,015	11,067
Miscellaneous, unrestricted	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	5,389,139
Transfers	(193,286)	(34,791)	(26,470)	(176,945)	(96,565)	(315,881)	(297,468)	(100,256)	(91,509)	(42,921)
<b>Total governmental activities</b>	<b>77,516,594</b>	<b>77,320,688</b>	<b>80,846,034</b>	<b>85,460,396</b>	<b>107,526,841</b>	<b>124,928,256</b>	<b>104,048,748</b>	<b>92,493,240</b>	<b>99,460,763</b>	<b>113,494,811</b>
Business-type activities:										
Miscellaneous, unrestricted	-	-	-	-	-	-	16,272	552	987,696	3,474
Transfers	193,286	34,791	26,470	176,945	96,565	315,881	297,468	100,256	91,509	42,921
<b>Total business-type activities</b>	<b>193,286</b>	<b>34,791</b>	<b>26,470</b>	<b>176,945</b>	<b>96,565</b>	<b>315,881</b>	<b>313,740</b>	<b>100,808</b>	<b>1,079,205</b>	<b>46,395</b>
<b>Total government-wide</b>	<b>\$ 77,709,880</b>	<b>\$ 77,355,479</b>	<b>\$ 80,872,504</b>	<b>\$ 85,637,341</b>	<b>\$ 107,623,406</b>	<b>\$ 125,244,137</b>	<b>\$ 104,362,488</b>	<b>\$ 92,594,048</b>	<b>\$ 100,539,968</b>	<b>\$ 113,541,206</b>
<b>Change in Net Position</b>										
Governmental activities	\$ 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	\$ (7,459,652)
Business-type activities	165,982	139,842	173,907	(164,520)	559,118	501,055	(412,326)	1,623,288	1,713,543	(792,674)
<b>Total government-wide</b>	<b>\$ 5,249,028</b>	<b>\$ 3,268,077</b>	<b>\$ (3,916,919)</b>	<b>\$ (9,586,239)</b>	<b>\$ 23,479,587</b>	<b>\$ 31,448,943</b>	<b>\$ 13,860,092</b>	<b>\$ 19,619,586</b>	<b>\$ 12,363,280</b>	<b>\$ (8,252,326)</b>

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

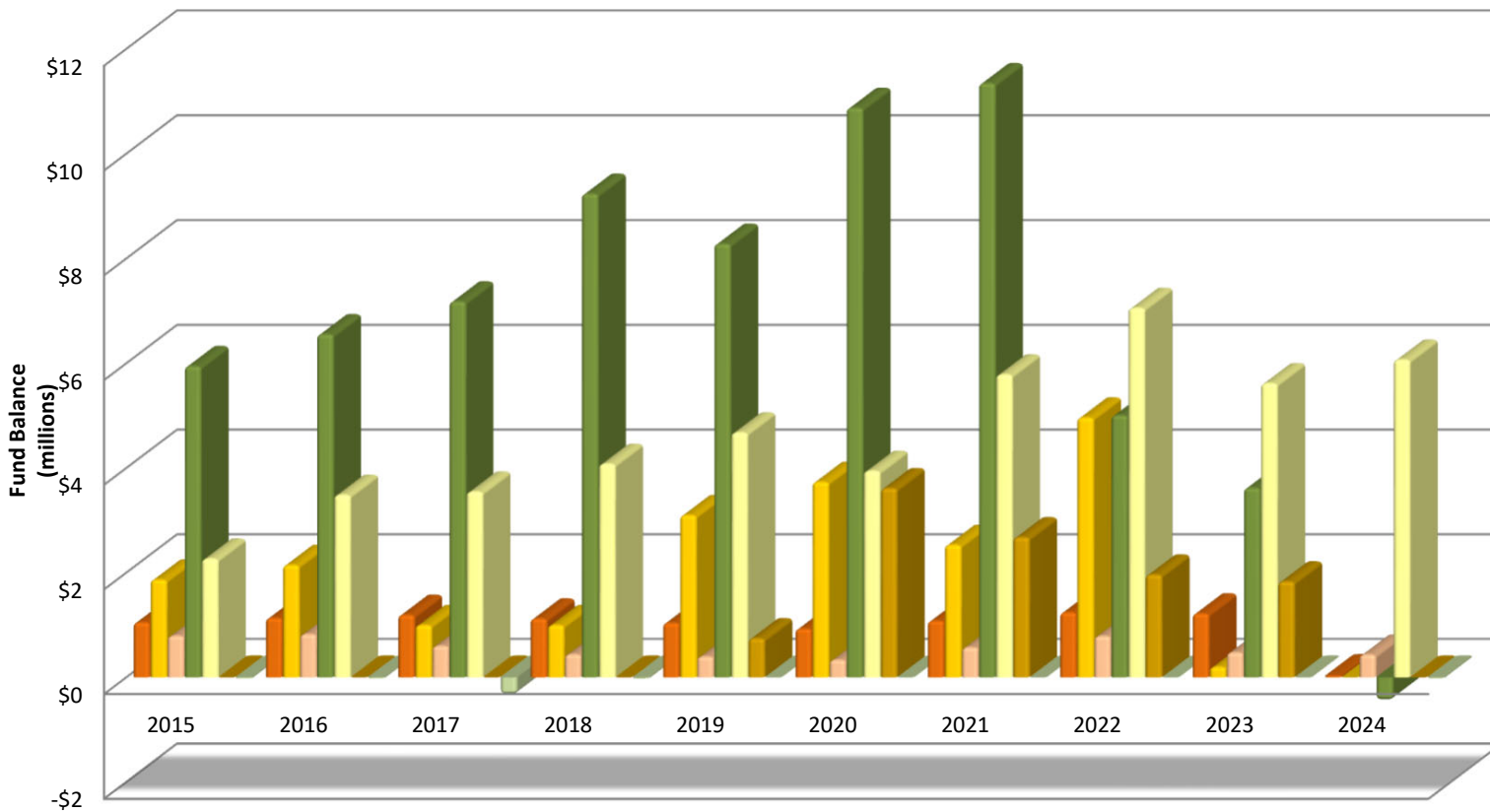
# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## Governmental Funds Fund Balances Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019
<b>General Fund</b>					
Nonspendable	\$ 1,051,690	\$ 1,134,291	\$ 1,194,588	\$ 1,125,306	\$ 1,041,973
Restricted	792,982	824,953	601,148	441,331	398,795
Assigned	1,868,000	2,148,000	1,000,000	1,000,000	3,100,000
Unassigned	5,947,241	6,554,954	7,180,587	9,236,779	8,281,224
<b>Total General Fund</b>	<b>\$ 9,659,913</b>	<b>\$ 10,662,198</b>	<b>\$ 9,976,323</b>	<b>\$ 11,803,416</b>	<b>\$ 12,821,992</b>
<b>All Other Governmental Funds</b>					
Restricted	\$ 2,267,525	\$ 3,488,422	\$ 3,548,707	\$ 4,080,456	\$ 4,679,641
Assigned, reported in Special Revenue Funds	-	-	-	-	746,110
Unassigned, reported in Special Revenue Funds	(28,864)	(28,863)	(335,567)	(31,201)	-
<b>Total all other governmental funds</b>	<b>\$ 2,238,661</b>	<b>\$ 3,459,559</b>	<b>\$ 3,213,140</b>	<b>\$ 4,049,255</b>	<b>\$ 5,425,751</b>
<b>Year Ended June 30</b>					
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>General Fund</b>					
Nonspendable	\$ 928,896	\$ 1,080,050	\$ 1,243,264	\$ 1,221,272	\$ 41,637
Restricted	335,440	573,216	789,264	476,402	435,963
Assigned	3,736,550	2,532,092	4,965,000	200,000	-
Unassigned	10,875,641	11,345,936	5,009,419	3,620,602	(445,968)
<b>Total General Fund</b>	<b>\$ 15,876,527</b>	<b>\$ 15,531,294</b>	<b>\$ 12,006,947</b>	<b>\$ 5,518,276</b>	<b>\$ 31,632</b>
<b>All Other Governmental Funds:</b>					
Restricted	\$ 3,946,128	\$ 5,787,450	\$ 7,057,637	\$ 5,620,080	\$ 6,069,807
Assigned, reported in Special Revenue Funds	3,615,456	2,676,958	1,964,267	1,832,481	-
Unassigned, reported in Special Revenue Funds	-	-	-	-	(25,919)
<b>Total all other governmental funds</b>	<b>\$ 7,561,584</b>	<b>\$ 8,464,408</b>	<b>\$ 9,021,904</b>	<b>\$ 7,452,561</b>	<b>\$ 6,043,888</b>

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

## Governmental Funds Fund Balance



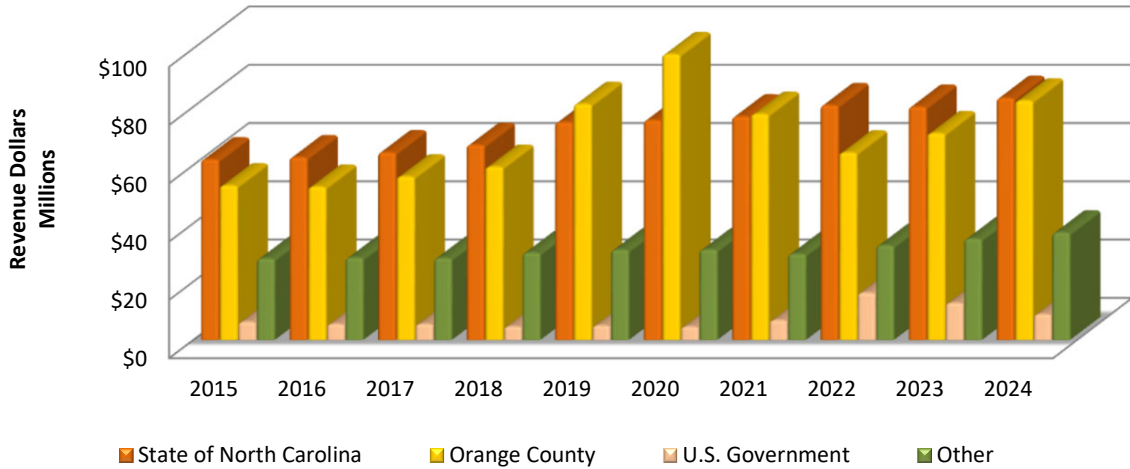
- Nonspendable, General
 ■ Assigned, General
■ Restricted, General
- Unassigned, General
 ■ Restricted, All Other Governmental Funds
■ Assigned, All Other Governmental Funds
- Unassigned, All Other Governmental Funds

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

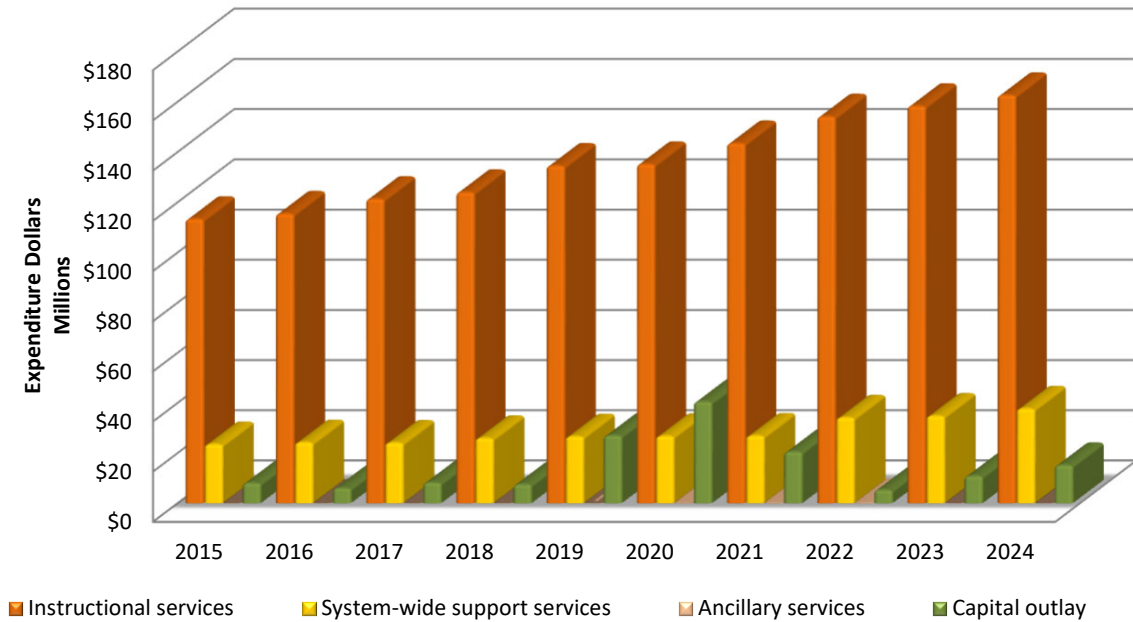
Year Ended June 30	2015	2016	2017	2018	2019
<b>Revenues</b>					
State of North Carolina	\$ 61,999,596	\$ 62,738,821	\$ 64,424,499	\$ 66,960,199	\$ 74,766,764
Orange County	53,064,569	52,627,490	56,147,185	59,464,033	81,027,750
U.S. Government	6,282,796	5,531,791	5,526,504	4,690,607	5,034,629
Other	27,977,875	28,264,396	28,133,506	29,976,249	30,979,708
Total revenues	<u>149,324,836</u>	<u>149,162,498</u>	<u>154,231,694</u>	<u>161,091,088</u>	<u>191,808,851</u>
<b>Expenditures</b>					
Instructional services	113,420,291	115,549,913	121,387,316	124,096,523	134,585,266
System-wide support services	23,595,307	24,343,796	24,189,919	26,040,728	26,702,568
Ancillary services	63,164	63,669	64,112	69,709	82,413
Non-programmed charges	1,006,307	840,540	789,838	788,307	917,287
Debt service - principal	370,899	503,084	429,638	231,314	193,580
Debt service - interest	24,695	16,704	8,476	-	-
Capital outlay	8,116,798	6,117,029	8,297,696	7,578,417	27,059,202
Total expenditures	<u>146,597,461</u>	<u>147,434,735</u>	<u>155,166,995</u>	<u>158,804,998</u>	<u>189,540,316</u>
Revenues over (under) expenditures	2,727,375	1,727,763	(935,301)	2,286,090	2,268,535
<b>Other financing sources (uses)</b>					
Transfers from other funds	341,610	1,154,000	1,283,632	200,000	200,000
Transfers to other funds	(377,544)	(1,157,478)	(1,280,625)	(249,243)	(249,213)
Installment purchase obligations issued	82,110	498,898	-	426,361	175,750
Proceeds from sale of capital assets	-	-	-	-	-
Insurance proceeds	-	-	-	-	-
Total other financing sources (uses)	<u>46,176</u>	<u>495,420</u>	<u>3,007</u>	<u>377,118</u>	<u>126,537</u>
Net change in fund balances	<u>\$ 2,773,551</u>	<u>\$ 2,223,183</u>	<u>\$ (932,294)</u>	<u>\$ 2,663,208</u>	<u>\$ 2,395,072</u>
Ratio of debt service to non-capital expenditures	0.29%	0.37%	0.30%	0.15%	0.12%
Year Ended June 30	2020	2021	2022	2023	2024
<b>Revenues</b>					
State of North Carolina	\$ 75,458,354	\$ 76,725,190	\$ 80,616,076	\$ 80,092,593	\$ 83,103,360
Orange County	98,094,316	77,610,267	64,349,241	70,985,691	82,211,011
U.S. Government	4,624,676	6,836,782	16,249,094	12,777,023	8,890,968
Other	31,068,943	29,554,651	32,465,510	34,784,605	36,915,935
Total revenues	<u>209,246,289</u>	<u>190,726,890</u>	<u>193,679,921</u>	<u>198,639,912</u>	<u>211,121,274</u>
<b>Expenditures</b>					
Instructional services	135,257,654	143,555,611	154,211,744	158,391,285	162,737,839
System-wide support services	26,869,192	26,983,499	34,237,894	34,944,296	37,827,441
Ancillary services	144,261	189,288	238,649	50,035	3,838
Non-programmed charges	897,547	1,013,565	1,666,450	1,467,064	1,429,699
Debt service - principal	150,527	1,008,522	949,648	881,851	1,020,038
Debt service - interest	-	-	-	-	-
Capital outlay	40,569,049	20,591,214	5,391,417	10,938,231	15,239,865
Total expenditures	<u>203,888,230</u>	<u>193,341,699</u>	<u>196,695,802</u>	<u>206,672,762</u>	<u>218,258,720</u>
Revenues over (under) expenditures	5,358,059	(2,614,809)	(3,015,881)	(8,032,850)	(7,137,446)
<b>Other financing sources (uses)</b>					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(265,346)	(270,739)	(46,394)	(51,383)	(42,921)
Installment purchase obligations issued	-	3,435,838	95,424	-	268,661
Proceeds from sale of capital assets	-	-	-	26,219	-
Insurance proceeds	97,655	7,301	-	-	16,389
Total other financing sources (uses)	<u>(167,691)</u>	<u>3,172,400</u>	<u>49,030</u>	<u>(25,164)</u>	<u>242,129</u>
Net change in fund balances	<u>\$ 5,190,368</u>	<u>\$ 557,591</u>	<u>\$ (2,966,851)</u>	<u>\$ (8,058,014)</u>	<u>\$ (6,895,317)</u>
Ratio of debt service to non-capital expenditures	0.09%	0.58%	0.50%	0.44%	0.48%

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
2024	\$ 1,201,385	\$ 4,832,611	24.86%	\$ (1,306,220)	\$ 2,677,003	-48.79%
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%

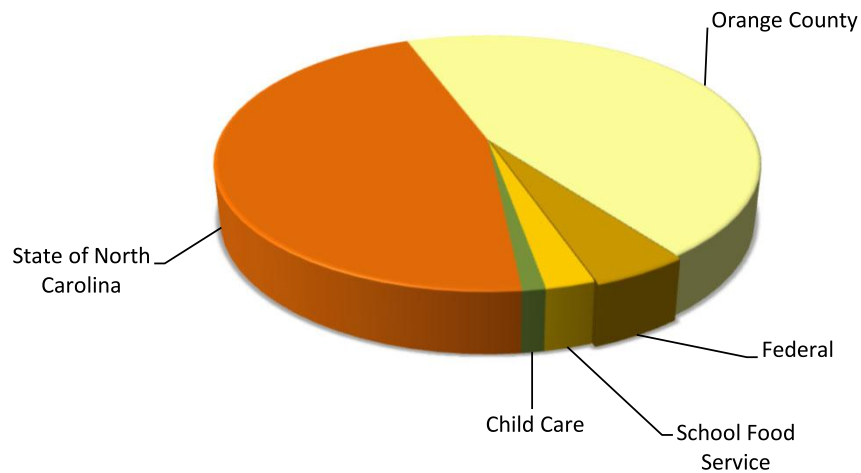
Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

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

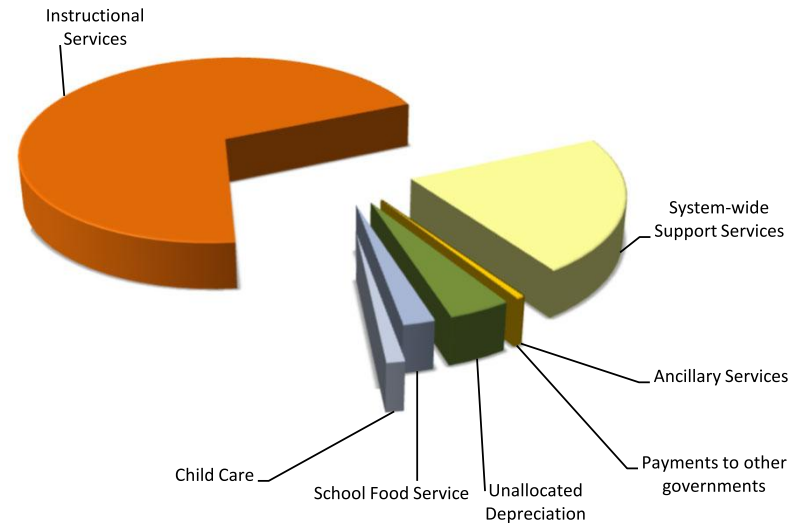
## Governmental and Business-type Activities for Fiscal Year 2023-2024

### Revenue Sources



State of North Carolina	\$ 83,103,360
Orange County	82,211,011
Federal	8,890,968
School Food Service	4,537,733
Child Care	2,129,092
Other	36,730,394
<b>Total</b>	<b><u><u>\$ 217,602,558</u></u></b>

### Expenses



Instructional Services	\$ 158,186,162
System-wide Support Services	49,629,945
Ancillary Services	2,082
Payments to Other Governments	1,226,857
Unallocated Depreciation	9,350,339
School Food Service	4,782,496
Child Care	2,677,003
<b>Total</b>	<b><u><u>\$ 225,854,884</u></u></b>

Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## Proprietary Fund - Food Service Operations

### Revenues by Source

#### Last Ten Fiscal Years

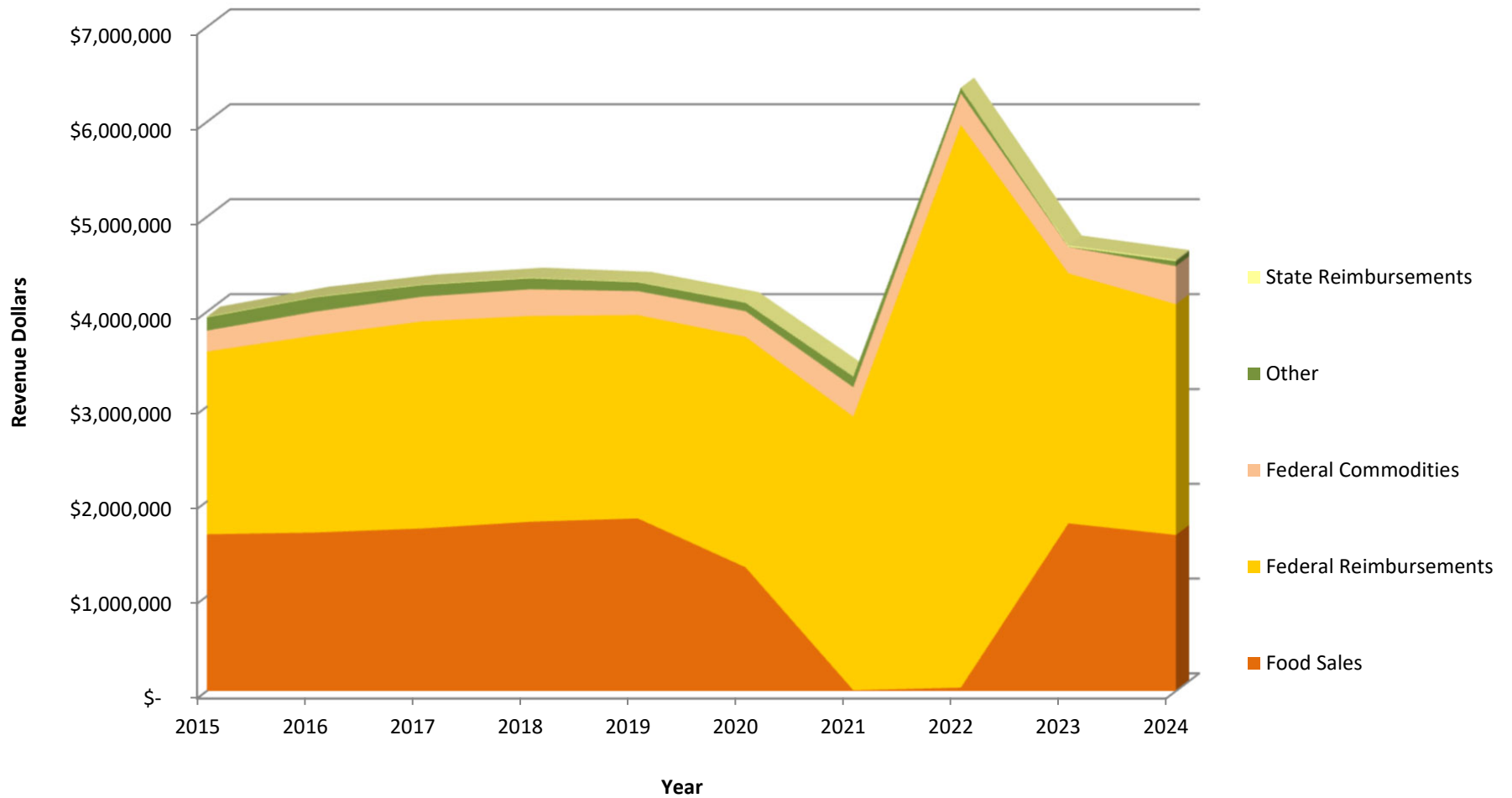
Year ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Food Sales	\$ 1,652,723	\$ 1,671,160	\$ 1,714,143	\$ 1,784,876	\$ 1,820,105	\$ 1,304,039	\$ 7,955	\$ 35,586	\$ 1,767,969	\$ 1,645,409
Federal Reimbursements	1,927,898	2,077,777	2,184,617	2,171,052	2,145,199	2,431,852	2,886,425	5,932,252	2,636,365	2,434,449
Federal Commodities	220,602	251,491	260,164	280,656	252,214	270,644	310,161	332,543	277,930	400,476
Other	141,479	151,268	123,002	116,180	92,919	89,674	112,087	59,704	3,303	53,589
State Reimbursements	6,019	5,156	4,878	6,072	4,400	4,512	-	-	11,978	11,004
<b>Totals</b>	<u>\$ 3,948,721</u>	<u>\$ 4,156,852</u>	<u>\$ 4,286,804</u>	<u>\$ 4,358,836</u>	<u>\$ 4,314,837</u>	<u>\$ 4,100,721</u>	<u>\$ 3,316,628</u>	<u>\$ 6,360,085</u>	<u>\$ 4,697,545</u>	<u>\$ 4,544,927</u>

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

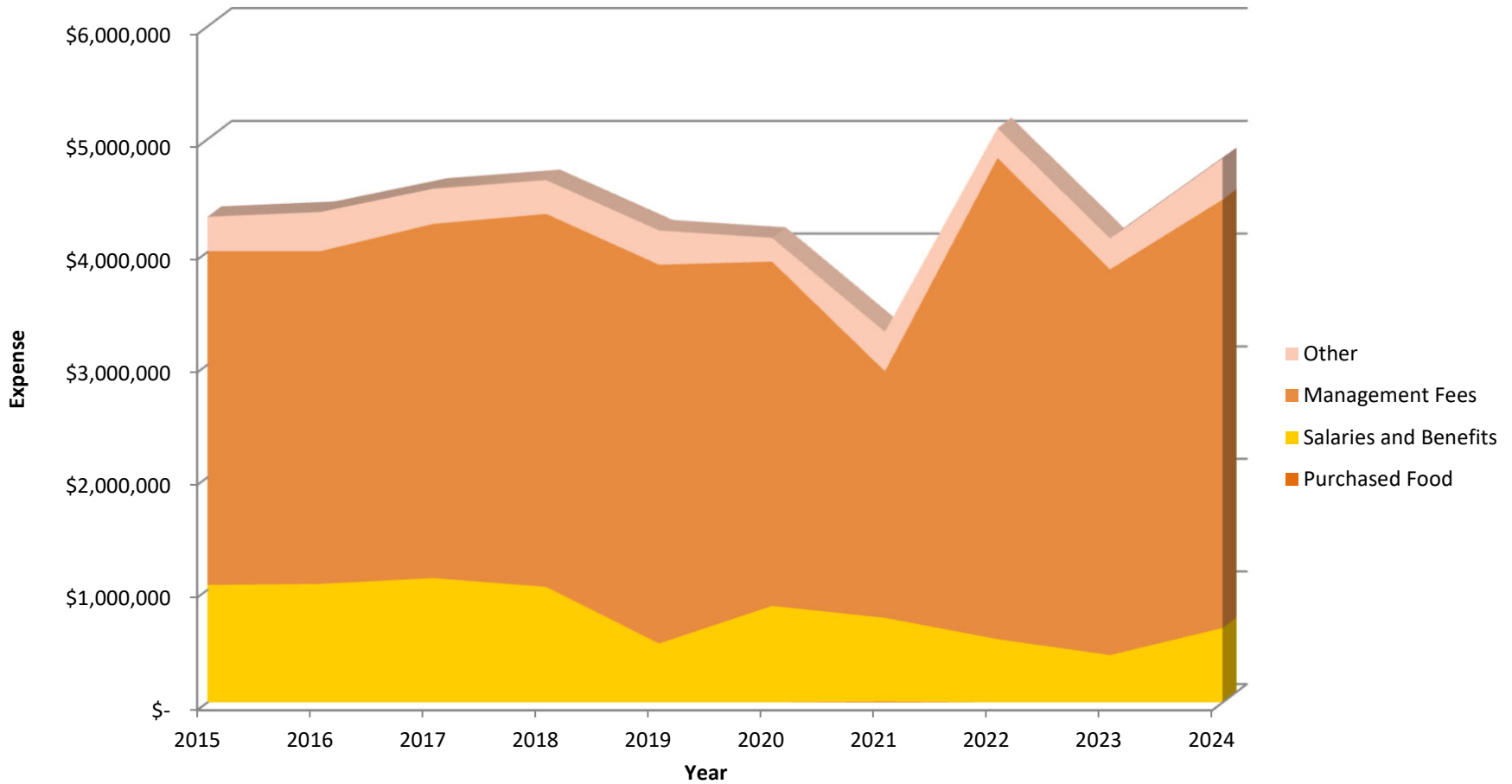
#### Last Ten Fiscal Years

Year ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Purchased Food	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 525	\$ 8,466	\$ -	\$ -	\$ -
Salaries and Benefits	1,043,464	1,052,796	1,104,337	1,026,005	523,115	856,907	742,656	561,767	420,365	661,372
Management Fees	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	3,803,245
Other	304,674	347,936	312,084	300,134	304,110	210,634	349,741	265,690	275,036	367,994
<b>Totals</b>	<b>\$ 4,312,157</b>	<b>\$ 4,354,973</b>	<b>\$ 4,561,520</b>	<b>\$ 4,637,872</b>	<b>\$ 4,190,760</b>	<b>\$ 4,125,552</b>	<b>\$ 3,291,678</b>	<b>\$ 5,098,936</b>	<b>\$ 4,121,173</b>	<b>\$ 4,832,611</b>

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

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

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



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

Year Ended June 30	Installment Purchases	Total Debt Obligations	Per Capita
2024	\$ 134,332	\$ 134,332	N/A
2023	885,709	885,709	\$ 5.88
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

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, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, 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		
2024	N/A	N/A	N/A	N/A	N/A	N/A
2023	\$ 181,052,000	\$ 116,815,000	\$ 9,738,000	\$ 307,605,000	N/A	\$ 2,042
2022	182,965,071	128,250,000	73,210,400	384,425,471	3.29%	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

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, 2024 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, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, 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, 2023 and June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2023 information will be reported for the year ended June 30, 2025, if applicable.

**ORANGE COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**For the Years Ended June 30, 2023 and 2015**

Taxpayer	Type of Business	2023			2015		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy	Public Utility	\$ 188,387,969	1	0.84%	\$ 108,266,885	1	0.65%
Chapel Hill Foundation Real Estate Inc.	Apartments/Retail	112,650,500	2	0.50%	-	-	-
Mre Propco LP	Industrial	86,510,700	3	0.39%	-	-	-
BIR Chapel Hill LLC	Apartments/Retail	80,124,700	4	0.36%	-	-	-
NR Edge Edge Apartments Property	Apartments/Retail	78,566,982	5	0.35%	53,165,596	2	0.32%
Piedmont Electric Membership	Public Utility	70,666,044	6	0.32%	38,627,273	4	0.23%
Northwestern Mutual Life Insurance Co.	Insurance Provider	68,794,458	7	0.31%	-	-	-
Townhouse Apartments	Apartments/Retail	67,581,700	8	0.30%	-	-	-
Industrial Connections & Solutions LLC	Office/Industrial	60,899,638	9	0.27%	-	-	-
State Employees' Credit Union	Bank	57,475,536	10	0.26%	-	-	-
Greenbridge Development, LLC	Retail	-	-	-	47,524,400	3	0.29%
Corium LLC	Insurance Provider	-	-	-	35,399,116	5	0.21%
ACC GF III Chapel Ridge/Chapel View LLC	Apartment Rental	-	-	-	35,006,817	6	0.21%
Madison University Mall Properties	Retail	-	-	-	34,144,411	7	0.21%
East 54 Office Retail LLC	Apartment Rental	-	-	-	33,779,800	8	0.20%
Europa Center LLC	Hotel	-	-	-	27,747,385	9	0.17%
Granville Towers LLC	Apartment Rental	-	-	-	27,327,293	10	0.16%
		<u>\$ 871,658,227</u>		<u>3.90%</u>	<u>\$ 440,988,976</u>		<u>2.65%</u>
Total Assessed Valuation		<u>\$ 22,350,210,949</u>			<u>\$ 16,641,093,434</u>		

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is intended to compare June 30, 2024 data to nine years prior. However, information for the year ended June 30, 2024 could not be obtained from Orange County prior to this report being issued. Therefore, June 30, 2023 data is presented above.

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

<b>TAX YEAR</b>	<b>FISCAL YEAR ENDED June 30</b>	<b>TOTAL TAX LEVY</b>	<b>CURRENT YEAR'S LEVY COLLECTIONS</b>	<b>PERCENT OF LEVY COLLECTED</b>	<b>PRIOR YEARS' LEVY COLLECTIONS</b>	<b>TOTAL COLLECTIONS DURING YEAR</b>
2023	2024	N/A	N/A	N/A	N/A	N/A
2022	2023	\$ 186,464,351	\$ 185,261,931	99.36	\$ 1,571,503	\$ 186,833,434
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

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, 2024 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Public-Service Companies</b>	<b>Less Tax Exempt Property</b>	<b>Total Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Market Value</b>	<b>Assessed Value as a Percent of Actual Value</b>
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	\$ 20,915,506,497	\$ 1,504,996,150	\$ 386,793,191	\$ 81,256,223	\$ 22,726,039,615	0.831	\$ 27,353,303,156	83.08%
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%

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, 2024 could not be obtained from Orange County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.



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

<b>Year Ended June 30</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Population Estimate (1)	141,354	141,796	144,946	146,027	148,476
Personal Income (2)	\$7,822,299	\$8,286,315	\$9,015,914	\$9,840,004	\$9,678,411
Per Capita Income (2)	\$55,338	\$58,438	\$62,202	\$67,384	\$65,185
Median Age (3)	32.7	34.8	35.3	35.8	36.0
School Enrollment (4)	19,530	19,466	19,526	19,554	19,572
Unemployment Rate (5)	5.0%	4.6%	3.7%	3.7%	4.0%
<b>Year Ended June 30</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
Population Estimate (1)	149,077	148,884	150,477	150,626	N/A
Personal Income (2)	\$10,001,400	\$11,165,424	\$11,672,141	N/A	N/A
Per Capita Income (2)	\$67,089	\$74,994	\$77,568	N/A	N/A
Median Age (3)	36.3	36.7	37.1	37.7	38.1
School Enrollment (4)	19,628	18,652	18,482	18,437	18,346
Unemployment Rate (5)	5.9%	3.7%	3.3%	3.1%	3.5%

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, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, 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, 2023 and June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2023 information will be reported for the year ended June 30, 2025, if applicable.

**Orange County, North Carolina**  
Principal Employers  
For the Years Ended June 30, 2023 and 2015

Employer	2023			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
UNC-Hill Care	13,536	1	16.54%	10,262	2	14.40%
UNC Chapel Hill	13,108	2	16.01%	17,819	1	25.01%
Chapel Hill-Carrboro City Schools	1,787	3	2.18%	2,043	3	2.87%
Orange County Government	1,383	4	1.69%	894	5	1.25%
Orange County Schools	1,280	5	1.56%	1,270	4	1.78%
Town of Chapel Hill	825	6	1.01%	714	6	1.00%
Industrial Connections & Solutions ABB	805	7	0.98%	620	8	0.87%
AKG of America	430	8	0.53%	-	-	-
Wegmans	372	9	0.45%	-	-	-
Armacell	351	10	0.43%	404	10	0.57%
Blue Cross Blue Shield of NC	-	-	-	698	7	0.98%
Sports Endeavors Inc.	-	-	-	439	9	0.62%
	<u>33,877</u>		<u>41.38%</u>	<u>35,163</u>		<u>49.35%</u>
Total County employment	<u>81,853</u>			<u>71,251</u>		

Source: Orange County, North Carolina, Annual Financial Reports

Note: This table is intended to compare June 30, 2024 data to nine years prior. However, information for the year ended June 30, 2024 could not be obtained from Orange County prior to this report being issued. Therefore, June 30, 2023 data is presented above.

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

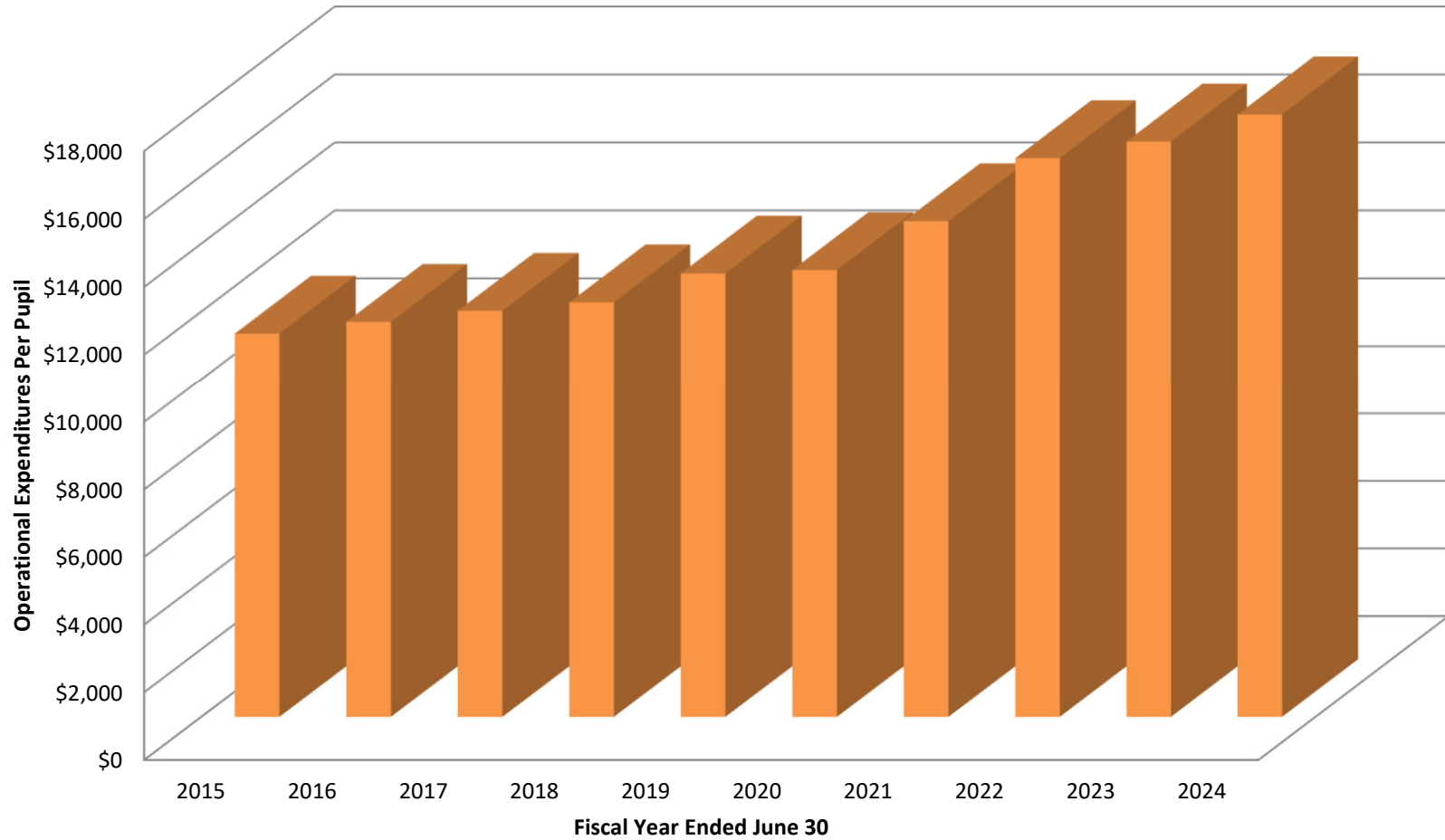
## Operational Expenditures Per Pupil Expenditures by Function Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Average Daily Membership	12,076	11,965	12,113	12,239	12,296	12,270	11,645	11,425	11,371	11,266
Instructional	\$ 9,392	\$ 9,657	\$ 10,021	\$ 10,139	\$ 10,945	\$ 11,023	\$ 12,328	\$ 13,498	\$ 13,929	\$ 14,445
System-wide Support	1,954	2,035	1,997	2,128	2,172	2,190	2,317	2,997	3,073	3,358
Ancillary	5	5	5	6	7	12	16	21	4	-
<b>Total Expenditures</b>	<b>\$ 11,351</b>	<b>\$ 11,697</b>	<b>\$ 12,023</b>	<b>\$ 12,273</b>	<b>\$ 13,124</b>	<b>\$ 13,225</b>	<b>\$ 14,661</b>	<b>\$ 16,516</b>	<b>\$ 17,006</b>	<b>\$ 17,803</b>

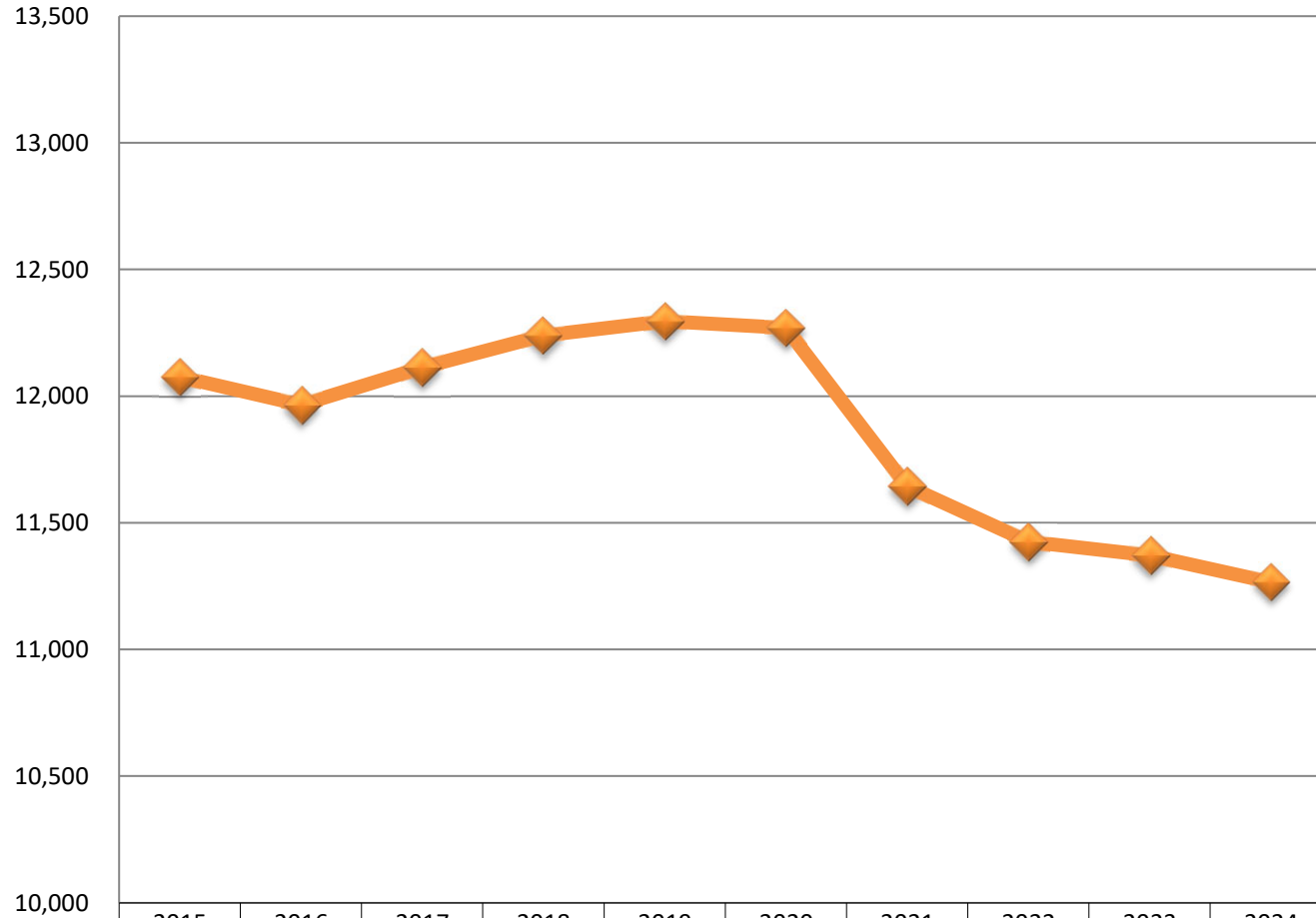
Source: Chapel Hill-Carrboro City Board of Education, North Carolina, Annual Financial Reports.

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

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



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



◆ Avg Daily Membership	12,076	11,965	12,113	12,239	12,296	12,270	11,645	11,425	11,371	11,266
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# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

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

Year ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Officials, Admins, Mgrs	27	30	28	31	33	32	30	35	36	42
Principals	20	20	20	20	20	21	20	21	20	20
Asst. Principals, Non-Teaching	22	23	22	24	25	24	25	24	27	30
<b>Total Administrators</b>	<b>69</b>	<b>73</b>	<b>70</b>	<b>75</b>	<b>78</b>	<b>77</b>	<b>75</b>	<b>80</b>	<b>83</b>	<b>92</b>
Elementary Teachers	388	387	377	385	384	379	387	386	378	365
Secondary Teachers	153	154	151	159	165	170	167	175	178	192
Other Teachers	376	376	372	367	376	378	383	373	359	363
<b>Total Teachers</b>	<b>917</b>	<b>917</b>	<b>900</b>	<b>911</b>	<b>925</b>	<b>927</b>	<b>937</b>	<b>934</b>	<b>915</b>	<b>920</b>
Guidance	42	43	39	43	43	41	38	40	38	40
Psychological	8	9	8	10	10	7	8	13	13	3
Librarian, Audiovisual	35	34	35	36	36	36	36	37	37	37
Consultant, Supervisor	14	15	13	14	13	13	13	15	19	15
Other Professionals	157	161	169	172	166	171	179	180	164	169
<b>Total Professionals</b>	<b>1,242</b>	<b>1,252</b>	<b>1,234</b>	<b>1,261</b>	<b>1,271</b>	<b>1,272</b>	<b>1,286</b>	<b>1,299</b>	<b>1,269</b>	<b>1,276</b>
Teacher Assistants	375	358	343	336	334	319	314	309	324	302
Technicians	14	14	12	12	16	17	19	19	18	18
Clerical, Secretarial	111	114	108	112	110	109	108	102	97	101
Service Workers	114	112	83	91	83	87	83	83	137	102
Skilled Crafts	30	30	27	24	29	30	19	16	20	22
Laborers, Unskilled	-	-	-	-	-	-	-	-	1	-
<b>Totals</b>	<b>1,886</b>	<b>1,880</b>	<b>1,807</b>	<b>1,836</b>	<b>1,843</b>	<b>1,834</b>	<b>1,829</b>	<b>1,828</b>	<b>1,866</b>	<b>1,821</b>

Source: North Carolina Public Schools Statistical Profile (2015-2024 Editions)

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

Year Ended June 30	Teaching Staff <sup>(3)</sup>	Average Daily Membership	Pupil/ Teacher Ratio	Student Attendance Percentage <sup>(1)</sup>	Students Receiving Free/ Reduced Lunch Percentage <sup>(2)</sup>
2024	920	11,266	1/12	N/A	28.59%
2023	915	11,371	1/12	92.94%	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%

Sources:

- (1) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports (2015-2023)
- (2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information after 2023 obtained from Chapel Hill-Carrboro City Board of Education Student Data.
- (3) North Carolina Public Schools Statistical Profile (2015-2024 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, 2024 attendance data will be shown above as "N/A", and the June 30, 2024 information will be reported for the year ended June 30, 2025, 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		
2024	0.11%	49.07%	11.66%	13.04%	18.58%	7.54%	967	N/A
2023	0.11%	49.31%	11.62%	13.17%	18.05%	7.74%	926	87.8%
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%	1,271	84.3%
2020	0.19%	50.39%	10.94%	13.91%	17.27%	7.30%	917	81.1%
2019	0.20%	50.89%	11.10%	14.21%	16.78%	6.82%	922	90.3%
2018	0.23%	51.25%	11.18%	14.39%	16.40%	6.55%	848	88.7%
2017	0.26%	51.52%	11.21%	15.01%	15.74%	6.26%	821	90.4%
2016	0.34%	51.73%	11.04%	14.94%	15.66%	6.29%	865	92.4%
2015	0.37%	52.32%	10.97%	15.15%	15.03%	6.16%	916	90.3%

Source: North Carolina Public Schools Statistical Profile (2015-2024 Editions).

Note: This table is a ten year schedule. However, the graduation data for the year ended June 30, 2024 could not be obtained from the North Carolina Public Schools Statistical Profile for the fiscal year ending June 30, 2024. Therefore, June 30, 2024 graduation data will be shown as "N/A," and the June 30, 2024 information will be reported the year ended June 30, 2025 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				
2024	\$ 48,380	\$ 86,177	\$ 67,279	N/A	N/A	N/A	N/A
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

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 six years of comparative data noted above.

# CHAPEL HILL-CARRBORO CITY BOARD OF EDUCATION

## School Building Data

June 30, 2024

<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>
<b><u>ELEMENTARY SCHOOLS</u></b>						
Carrboro Elementary	1957	61,562	533	489	(44)	Poor
Ephesus Elementary	1972	73,096	448	359	(89)	Poor
Estes Hills Elementary	1958	57,989	527	340	(187)	Poor
FP Graham Elementary	1960	68,513	538	510	(28)	Poor
Glenwood Elementary	1952	55,372	423	407	(16)	Poor
McDougle Elementary	1996	99,920	564	465	(99)	Good
Morris Grove Elementary	2008	90,221	585	399	(186)	Excellent
Northside Elementary	2013	97,423	585	380	(205)	Excellent
Rashkis Elementary	2003	95,729	585	424	(161)	Excellent
Mary Scroggs Elementary	1999	92,900	575	383	(192)	Good
Seawell Elementary	1969	67,715	466	427	(39)	Poor
<b><u>MIDDLE SCHOOLS</u></b>						
Culbreth Middle	1969	122,467	774	684	(90)	Good
McDougle Middle	1994	138,141	732	704	(28)	Good
Phillips Middle	1962	109,498	706	585	(121)	Poor
Smith Middle	2001	136,054	732	747	15	Good
<b><u>HIGH SCHOOLS</u></b>						
Carrboro High School	2007	165,976	860	884	24	Excellent
Chapel Hill High	2021	274,542	1,620	1,625	5	Excellent
East Chapel Hill High	1996	267,549	1,515	1,403	(112)	Good
Phoenix Academy (Alternative School is a part of Lincoln)				21		
Virtual Academy School				30		
<b><u>ADMINISTRATIVE OFFICES</u></b>						
Transportation Center		5,089				
Lincoln Center		72,932				

# Annual Comprehensive Financial Report



Chapel Hill – Carrboro City Board of Education  
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