

**CHATHAM COUNTY
NORTH CAROLINA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2022

CHATHAM COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

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INTRODUCTORY SECTION

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December 12, 2022

To the Board of County Commissioners and Citizens of Chatham County, North Carolina:

State law requires that all local governments publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published for the fiscal year ended June 30, 2022.

Generally accepted accounting principles require that management provide a narrative introduction, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the Management Discussion and Analysis and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

Responsibility for the accuracy, completeness, and fairness of the presentations, including all disclosures, rest with the County. We believe the data, as presented, is accurate in all material respects and fairly presents the County's financial position and results of operations.

Martin Starnes & Associates, CPAs, P.A., a firm of licensed Certified Public Accountants, has issued an unmodified opinion on the County's financial statements for the year ended June 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Description of the County

Founded in 1771 and located at the geographic center of the state, Chatham County encompasses an area of 707 square miles. The County borders Orange, Durham, Wake, Lee, Moore, Randolph, Harnett, and Alamance counties and is situated between two of the State's three largest centers of population and commerce, the Research Triangle, and the Piedmont Triad.

The proximity to these two areas continues to promote population growth and keep the County's economy healthy. New residents are attracted to the County because of its rural quality of life coupled with close proximity to major metropolitan areas and employment centers. The County's 2020 population was estimated at 74,470. By 2032, the State estimates that the County's population will grow to 115,000.

Most of the County's population continues to reside in the unincorporated area, with only 16.1 percent of residents living in a municipality. The Town of Pittsboro with a population of 4,695 serves as the County seat.

The County operates under the manager form of government. Policy making and legislative authority are vested in a Board of Commissioners consisting of five members who are elected for four-year terms in even numbered years. The County Manager is appointed by the Board and is responsible for the administration of the affairs of the County. The County is responsible for and maintains a full range of services inherent in the operation of a county government. These services include general government, public safety, human services, cultural and recreational activities, education, economic and physical development, and environmental protection. The County also operates a water system on a user charge basis. This report includes all the County's activities in maintaining these services.

The County operates under an annual budget ordinance, adopted in accordance with the provisions of the Local Government Budget and Fiscal Control Act. Budgetary control is maintained on a departmental basis and may be amended as changing conditions warrant.

Local economy

The County retains a large agricultural base with a mixture of industrial, tourism and service businesses helping support the County's economy. Strong economic influences in surrounding areas, such as Cary, Chapel Hill, Durham, Raleigh, and the Research Triangle Park have a positive effect on the growth of the County's population and economy, especially in the northern and eastern sections of the County. A large number of Chatham County residents commute outside the County for employment, with the urban areas being the top destinations for jobs. The regional prosperity has enabled Chatham County to rank fifth among the state's 100 counties in median household income. The County experienced a 20% growth rate from 2010-2020 according to Census data and is among the 10 fastest growing counties in the state.

Within the County, education and health services are the largest industry. Major employers in this sector are Carolina Meadows, Galloway Ridge, Chatham Hospital, The Laurels of Chatham, and Piedmont Health Services. Other large employers include manufacturers like Mountaire Farms, Charter Furniture, Brookwood Farms, and Southern Veneer. Gilero, a Pittsboro-based medical device manufacturer, continues to grow its presence across the United States and the globe. Charter Furniture (a subsidiary of Brown Jordan) is now the third furniture manufacturer in the county as they moved about 110 jobs from their current facility in Liberty to Siler City. Vacancy for industrial and commercial property remains low, with little inventory on the market. PolarOnyx, a laser 3D manufacturing company, occupied the county's last available industrial building, taking over the former Performance Bicycle facility located off 15-501 near Chapel Hill.

In 2020, to support the economic development goals of the Chatham County Board of Commissioners the Chatham Economic Development Corporation's (EDC) adopted a new five-year Strategic Action Plan. The EDC continues to work on supporting businesses of all sizes, site development and infrastructure solutions. In December 2016, Golden LEAF Foundation announced the recipients of its new Major Site Development Initiative (MSDI) grant. The Town of Siler City was awarded \$4 million to extend water to the Chatham-Siler City Advanced Manufacturing (CAM) Site, and the City of Sanford, in neighboring Lee County, was awarded \$4 million dollars to provide wastewater to Chatham County's Moncure Megasite, now known as the Triangle Innovation Point (TIP). Siler City completed the water line to the CAM site in early 2019. Construction is completed on the City of Sanford's sewer line to the Triangle Innovation Point. The EDC, working with the Economic Development Partnership of North Carolina, leads marketing for both sites, aiming to attract large manufacturers. The EDC also markets the Chatham County-owned Central Carolina Business Campus near the intersection of US 64 and US 421 in Siler City. A new regional marketing initiative called Carolina Core was launched by the Piedmont Triad Partnership out of Greensboro in late 2018. The EDC closely collaborates with the Carolina Core effort to promote economic development assets. In addition, the EDC is also a member of the Research Triangle Regional Partnership. This is another asset for the county as the EDC is a part of two different strong regional marketing groups.

In late March of 2022, Vietnamese electric vehicle manufacturer VinFast announced plans to invest \$4 billion and create 7,500 jobs at the Triangle Innovation Point site. The company will manufacture electric vehicles and batteries on the site, which will be their first North American plant. The company will take over the majority of the Triangle Innovation Point site for its plant and suppliers. Directly adjacent is the Triangle Innovation Point West, a brownfield site that is being redeveloped as a business park. A distribution center is under construction at the TIP West site for FedEx and will create approximately 300 jobs.

At the intersection of US 64 and Highway 421, the Durham Coca-Cola Bottling Company, the region's distribution arm of Coca-Cola, announced plans to build a new headquarters to relocate from existing facilities in Durham and Lee Counties. The move will bring 180-200 existing employees to the area.

Interest is strong in Western Chatham and Siler City, as the CAM site is suitably located between the recent Toyota (Randolph County) and VinFast announcements. The Town of Siler City and surrounding area is seeing an increased interest in residential development reflecting Chatham's general growth as well as the growth projected to follow any large announcement at the CAM site.

In addition to the major industrial sites, the EDC works with developers for Chatham Park, a 7,000-acre mixed-use development. The development is approved for 22,000 new residential unit and 22 million square feet of non-residential space. Progress at Chatham Park has been steady, with new retail and commercial tenant announcements and home construction at the Vineyards. A groundbreaking was held at Mosaic for what will be Pittsboro's first hotel, a Hampton Inn and Suites. Other Chatham Park projects underway or completed include a water reclamation

facility, a solar farm, site work for the first residential development and infrastructure expansion. Penguin Place, a three-acre multi-tenant center, is fully leased with retail and office tenants. Two building pads for new medical offices were completed in summer 2018. Also available from Chatham Park will be flex/industrial space, which will make Chatham more competitive with other areas in the triangle.

Several major highways (US 15-501, US 1, US 64, and US 421) and numerous state roads access the County and link it to Interstates 40 and 85. The area is served by major freight carriers, bus lines and delivery services, and air transportation is less than one hour away from Raleigh-Durham International Airport in the heart of the Research Triangle Region and Piedmont Triad International Airport in Greensboro. The Siler City Municipal Airport has a 5,000-foot paved, lighted runway with instrument approach capability and can accommodate small business aircraft. The airport recently completed a renovation that included repaving and repainting. The Raleigh Executive Jetport in neighboring Lee County widened its 6,500-foot taxiway and improved weight capacity to 100,000 pounds in 2018 and opened a new 14,500 square foot terminal in October 2019. The public airport is in close proximity to the Moncre industrial area in the southeastern portion of the County and is another selling point for the Triangle Innovation Point site.

Agriculture and agribusiness (food, fibers, and forestry) remain significant in the local economy. Total farm income in the County for 2020 was \$101,968,769, which ranked 36th in the State. The most recent 2017 Census of Agriculture reported Chatham County as having 1,116 farms, of which 98% identified as family farms. Over one-third of the 1,700 agricultural producers within the county are female. Most farms range in size from 10 to 179 acres, and the total number of acres used for farming has changed very little over the past two decades. The County ranks 2nd in the State in beef cattle (3rd in overall cattle production) and 16th in broiler chicken production out of the 100 counties. The county also ranks 9th in hay production, 3rd in equine population, and 2nd in sheep and goat population, as compared to other North Carolina counties. The number of dairy farms in Chatham County has remained static over the last eight years, and the County ranks 17th in the state for number of dairy cattle. The horticulture industry in the county is diverse and includes some very specialized niche nurseries that produce aquatic/wetlands plants, herbs, shady perennials, crinums, daylilies, orchids, exotic ferns, trees, and shrubs. Additionally, there are approximately 263,062 acres of private timberland in Chatham County, with an economic contribution of approximately \$297M in industry output to the County's economy on an annual basis. The County has gained a reputation as an area of innovative and sustainable agriculture practices. Because of the County's proximity to the Research Triangle and Piedmont Triad metropolitan regions, there is a large demand for local agricultural products. Producers in the County currently are unable to satisfy this growing demand. Agritourism showcasing our diverse agricultural industry brings many visitors to Chatham County to spend their money. The dynamic agricultural industry of the County is also attracting investors to potential new agribusiness enterprises.

Chatham County is home to substantial and expanding tourism assets, supporting wild growth of other sectors in the region, and with a visitor profile that meets varied interests and budgets. The county's official destination marketing organization (DMO), the Pittsboro-Siler City Convention & Visitors Bureau (CVB), has a strategic marketing campaign targeted to reach multiple traveler types.

The pandemic recovery stage has been in line with data analysis (surveys tracked weekly by national and state organizations for traveler sentiment and patterns); Chatham County's location and abundance of outdoor activities and events contributed to a resurgence of travel. Jordan Lake State Recreation Area, Jordan Lake Educational State Forest, numerous hiking and cycling trails, the American Tobacco Trail (multi-county trail), nature preserves, and six golf courses are among the outdoor sports and adventures that continue to drive day and overnight guests, and therefore sales and occupancy taxes. Chatham County remains one of only a few destinations in North Carolina with a five-star inn, restaurant, and spa.

Domestic tourism in Chatham County generated an economic impact of **\$68.03** million in 2020. This was a 41.4% change from 2020. The state report showed that the visitor industry generated a payroll of nearly \$19.1 million.

Tourism impact highlights for 2021-2022:

- The travel and tourism industry directly employs more than 576 in Chatham County.
- Total payroll generated by the tourism industry in Chatham County was \$19.1 million.
- State tax revenue generated in Chatham County totaled \$3.1 million through state sales and excise taxes, and taxes on personal and corporate income. About \$2.7 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses.
- Visitor spending results in a \$74.45 tax savings per resident.

These statistics come from the “Economic Impact of Travel on North Carolina Counties 2021.” The study was prepared for Visit North Carolina by Tourism Economics in collaboration with the U.S. Travel Association.

The CVB staff supports more than 538 tourism and hospitality businesses (accommodations, attractions, restaurants, venues, meeting services, golf courses, etc.), a majority of which are small businesses.

The CVB industry partnerships have strengthened during the pandemic and collaborations continue with state and national organizations: Visit North Carolina, American Express (Small Business Saturday program), Meetings Mean Business Coalition, N.C. Department of Environment and Natural Resources (NC GreenTravel Recognition program), North Carolina Restaurant and Lodging Association, and U.S. Travel Association. The CVB continues to work with universities: North Carolina State University, East Carolina University (Center for Sustainable Tourism), and Central Carolina Community College Culinary Institute. The CVB staff continues to partner with national and international university professors through the BEST End Think Tank (invite-only initiatives) HQ at James Cook University, Australia.

The focus for 2023 is managing the increased demand for travel, varied travel patterns, and providing support for clients, which include visitors, film scouts, sporting event organizers, and tourism and hospitality industry partners. More information: <https://visitpittsboro.com/>

Financial Information

County management is responsible for establishing and maintaining an internal control structure that is designed to provide reasonable assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2), the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

Long-term financial planning

The County updates annually during the budget process its seven-year Capital Improvements Program (CIP). The CIP is a systematic way of anticipating, planning, and budgeting for major capital projects. The CIP includes all major projects costing \$100,000 or more. The CIP includes summaries of all major projects and detailed descriptions of each project, including justifications, cost detail, funding sources, and impact on the operating budget.

Major Initiatives

Chatham County received the first tranche of American Rescue Plan Act (ARPA) funding as part of the total \$14,464,924. Steps were taken to develop a plan that involved communities throughout the county. The process was explained in detail and resident’s input was gathered on how best to use the funding that meets the community needs and abides by federal, state, and local laws.

Chatham County staff created a three-phase planning process to launch the use of ARPA funds. In phase one, the information gathering phase, staff engaged with community members, nonprofits, and departments to gather feedback on needs that could be addressed by ARPA funds. During phase two, the prioritization phase, needs and possible projects were prioritized based on the criteria established by the Board of Commissioners and management. At the end of phase two, staff presented a recommended plan of use to the Board of Commissioners in August 2022. Phase three, the implementation phase, will begin in FY2023 to launch and implement the approved projects. For more information on Chatham County’s process and the feedback from the information gathering phase, please visit www.chathamcountync.gov/arpa.

HIGHLIGHTS OF MAJOR FY 2021-22 PROJECTS

Implementation activities related to the Chatham Comprehensive Plan continued to make progress countywide in FY 2021-22. The plan focuses on Chatham County initiatives over 25 years, and departments across the county are accomplishing both short-term goals as well as long-term projects to position the county for current development and future growth. Two major economic development announcements with a historic \$9 billion in investments, accompanied by 9,000 jobs, will bring unprecedented change and opportunity to the county, region, and state.

- The biggest economic development announcement in North Carolina history took place in Chatham County, as Vietnamese electric vehicle manufacturer VinFast announced it would build its first North American plant at the Triangle Innovation Point in Moncure. The announcement will bring over 7,500 jobs and an investment of \$4 billion to the county.
- Within six months of the VinFast announcement, semiconductor manufacturer Wolfspeed announced it would build a major fabrication plant at the Chatham-Siler City Advanced Manufacturing Site in Siler City. The announcement will bring more than 1,800 jobs and an investment of \$5 billion to the county.
- The Chatham County Planning Department is in the second of four stages of the county's Unified Development Ordinance (UDO) project, known as [Recode Chatham](#). This project will merge, rewrite, and update multiple ordinances and regulations while evaluating and improving upon existing standards. The wide-ranging planning effort of a Small Area Plan for the Moncure area will be taken under consideration in the UDO.
- Construction of the new Emergency Operations Center and 911 Communications hub is underway and is located on Renaissance Drive near Pittsboro. Estimated completion is mid-year 2023.
- The upgrade to the county's emergency communications radio system is nearing completion. New radio towers and/or associated infrastructure at eight sites across the county are being finalized. Radios for all public safety agencies in the county, as well as the county school buses are being installed or distributed. Estimated project completion is early 2023.
- Construction is nearing completion for Chatham County Schools' new Central Services building on Renaissance Drive near Pittsboro. The project is expected to be finished in late 2022/early 2023.
- The Chatham County Public Utilities Department continued its work with other Western Intake Partners (City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority/OWASA) in the planning of a future, joint water treatment plant.
- In partnership, the Chatham County Parks and Recreation Department, Chatham County Cooperative Extension, and Chatham County Council on Aging built the county's first Peaceful Pathway at Northeast District Park. This respite area features an accessible pathway and picnic shelter and planted flower area that is dedicated to Chatham County caregivers serving individuals with dementia.

CONSTRUCTION TRENDS

- Chatham County continues to see growth in single family homes. An increasing number of homes are being constructed in the Town of Pittsboro and in the past year it accounted for nearly a third of all new, single-family homes.
- Construction of multi-family units has continued with 72 additional apartments in Siler City (Oak View), 160 units Pittsboro (Mosaic) and 200 apartments in the county along US 15-501 (The Knoll).
- New Commercial development has nearly tripled with 97 new commercial structure permits in FY22 versus 36 permits in FY21. The value of this construction increased significantly from \$36 million to \$133 million from FY21 to FY22.
 - ❖ **US 15-501 at Taylor Road** – Food Lion, ReFuel, and apartments
 - ❖ **Mosaic** – Retail/restaurants including Jersey Mike's and Greek Kouzina, apartments, offices, ReFuel
 - ❖ **Northwoods Area** – Lowe's Foods, Retail Shops
 - ❖ **Moncure** – FedEx Distribution Center
 - ❖ **Briar Chapel & Farrington** – Expansion of sewer treatment facilities (Old North State Wastewater and Aqua)

EDUCATION

The Chatham County Board of Education approved the One Chatham Strategic Plan, which will focus on five priority areas over the next five years: Curriculum & Innovation, Student Health & Safety, Faculty & Staff, Facilities & Infrastructure, and Communications & Information Sharing.

The priority areas were determined through One Chatham focus groups and the Superintendent's Listening and Learning Tour that spanned the county. Parent, student, staff, and community member opinions were critical in determining the goals for the district. The district has established clear goals that will be met with measurable metrics through clear strategies. The plan is available on the school district website: www.chatham.k12.nc.us.

Leadership

Dr. Kelly Batten was named the new Assistant Superintendent for Human Resources with Chatham County Schools (CCS). Dr. Batten served as Executive Director for High Schools and Career and Technical Education. He has served in that role since 2012 and has 26 years of experience in public education. Dr. Batten also has experience as a High School Principal with Chapel Hill-Carrboro City Schools and as Assistant Principal for Instruction and teacher with the Wake County Public School System. Recently, Dr. Batten completed the North Carolina Aspiring Superintendents Program and has previously been recognized as an ACT K-12 Champion, NCASA Administrator of the Year, NC Principal Fellows, and NC Teaching Fellows.

Student achievements and Honors

- Chatham County students made significant gains during the 2021-22 school year, with 17 out of 19 schools meeting or exceeding growth expectations.
- 89.5% of CCS increased its performance composite, a score that combines all assessment measures; CCS grew in every subject and every grade for the year.
- 74% of students enrolled in Career and Technical Education (CTE) courses earned industry-recognized credentials.
- The CCS Class of 2022 earned \$14.348 million in scholarships.
- Northwood High School, Chatham Central, and Jordan-Matthews had 100% college acceptance for Advancement Via Individual Determination (AVID) students.
- The 2021-22 Teacher Working Conditions survey placed CCS ahead of the state average in every category.
- As of 2022, CCS had 11 years of clean financial audits, earning national and international recognition for stewardship and transparency.

School Facilities

Construction is nearing completion for Chatham County Schools' new Central Services building on Renaissance Drive near Pittsboro. The project is expected to be finished in late 2022/early 2023.

ECONOMIC DEVELOPMENT

Chatham County retains a large agricultural base with a mixture of industrial, tourism, and service businesses helping support the county's economy. Strong economic influences in surrounding areas including Cary, Chapel Hill, Durham, Raleigh, and the Research Triangle Park have a positive effect on the growth of Chatham County's population and economy, especially in the northern and eastern sections of the county. A large number of Chatham County residents commute outside the county for employment, with the urban areas being the top destinations for jobs. The county experienced a 20% growth rate from 2010-2020 according to U.S. Census data and is among the 10 fastest growing counties in the state.

Industry Development

- The biggest economic development announcement in North Carolina history took place in Chatham County, as Vietnamese electric vehicle manufacturer VinFast announced it would build its first North American plant at the Triangle Innovation Point in Moncure. The announcement will bring over 7,500 jobs and an investment of \$4 billion to the county.
- Within six months of the VinFast announcement, semiconductor manufacturer Wolfspeed announced it would build a major fabrication plant at the Chatham-Siler City Advanced Manufacturing Site in Siler City. The announcement will bring more than 1,800 jobs and an investment of \$5 billion to the county.

- Shipping and distribution company FedEx also announced that it would be building in Moncure adjacent to the VinFast site and is slated to open the doors of its distribution center in early 2023.
- Coca-Cola Bottling Company announced that it will move its operations to Chatham County, locating at the intersection of Highway 751 and US 64. The company has plans to construct a 175,000-square-foot building at the site and will bring 180-200 employees with the move.
- The Chatham County Economic Development Corporation (EDC) celebrated the groundbreaking of Chatham County’s first hotel, a Hampton Inn & Suites built by Malcom Bryant Corporation at Mosaic in Chatham Park. The EDC worked with the builders and the Town of Pittsboro to coordinate the project.

Workforce Development

- The EDC works closely with its partners at Central Carolina Community College to coordinate workforce readiness and to meet the needs of local employers and students. As a result of recent announcements and industry growth, CCCC has begun offering the following programs:
 - Commercial truck driving training
 - Courses on how to start a construction business
 - Industrial technician courses
 - Specialized training for specific employers, including VinFast

MAJOR LEADERSHIP NEWS

Finance – Roy Lynch joined Chatham County as Finance Officer in March 2022 after serving 10 years in local government, most recently as Siler City Town Manager. Lynch has experience working in various management positions as well as in accounting and finance with both the public and private sectors. Annual departmental budgeting, financial account analysis, investment activities, debt issuance, and managing have been part of his experience in both roles as a Town Manager and Finance Director.

Council on Aging – Ashlyn Martin began work as the director of the Chatham County Council on Aging in April 2022, filling the position vacated by Dennis Streets upon his retirement in February. Martin comes to the Council after having worked for Senior Resources of Guilford, a nonprofit organization in Guilford County, for over seven years. She holds a Bachelor of Social Work degree from UNC Greensboro and a Master of Social Work degree from the Joint Master of Social Work Program between North Carolina A&T State University and UNC Greensboro. Martin is certified in Options Counseling with the North Carolina Division of Aging and Adult Services and is a certified Community Resource Specialist Aging/Disabilities (CRS – A/D) through the Alliance of Information and Referral Systems (AIRS).

Utilities – Blake Mills joined Chatham County as Director of Public Utilities in December 2021. Mills is a professional engineer and has 36 years of experience as a land development engineer, Town Engineer, and Public Works Director. Mills served as Town Engineer (5 Years) and Director of Public Works (11 Years) for the Town of Morrisville and Director of Public Works/Assistant Director of Public Works (3 Years) for the Town of Clayton. His private sector experience includes 16 years as a land development engineer working in Winnipeg, Canada, and North Carolina.

OTHER BIG NEWS IN CHATHAM COUNTY

The Chatham County Public Health Department (CCPHD) continued to lead efforts to vaccinate the Chatham community against COVID-19, offering vaccines daily at its Siler City clinic. The Public Health Department also coordinated with state-contracted testing vendors to provide no-cost COVID-19 testing sites with extended hours in Siler City and Pittsboro (the Pittsboro site remains open through October 2022) and continues to offer no-cost at-home rapid tests for pick-up at its Pittsboro and Siler City locations. The CCPHD also participated in many community outreach events, including the Community Day & Vaccine Event at Mitchell Chapel AME Zion Church in April.

The 2021 Chatham County Community Assessment, which compiles data on health and well-being in Chatham County, was published online in July 2022, giving a “snapshot” of Chatham County in several areas, including access to health care, poverty, leading causes of death, mental health, substance use, transportation, cancer, childcare, and tick-borne illnesses, just to name a few. The report was a collaborative effort between the Chatham County Public Health Department, Chatham Health Alliance, and Chatham Hospital. CCPHD employees led much

of the work, including development of the second installment of the innovative Chatham County Community Survey, writing the many sections of the report, and dissemination and promotion of the results. The full report can be found online at www.chathamcountync.gov/healthreports, along with executive summaries and one-page topic reports on several topics.

The Chatham County Department of Social Services launched the Low-Income Water Assistance Program in collaboration with local water providers including the Town of Siler City, Chatham County Water Department, Aqua, NC, and Town of Pittsboro. More than 100 residents received help through the new, federally funded program that provides emergency assistance to low-income households that pay a high proportion of household income for drinking water and wastewater services. The Chatham County Department of Social Services, with the Division of Health Benefits, worked to transition most Medicaid beneficiaries from a fee for service to a managed care model. The goal of managed care is to improve health outcomes for North Carolinians and includes integration of physical and behavioral health services.

The Chatham County Board of Elections and the elections staff held a successful Primary Election in May 2022, amid postponement of 2021 Municipal elections and the March Primary because of delayed census information and maps which caused districts in Siler City, and Cary to be redrawn. The GIS department assisted with updating all geocode changes that were affected by redistricting to ensure voters were placed in the correct districts. The Chatham County Board of Elections office successfully completed the North Carolina State Board of Elections Wellness Check and was recognized with a certificate for having a healthy NC Board of Elections Department.

The Chatham County Tax Office collected 99.18% of 2021 property taxes.

Chatham County Visitor Spending – **Tourism impact highlights**

- The travel and tourism industry directly employs more than **576** in Chatham County.
- Total payroll generated by the tourism industry in Chatham County was **\$19.1 million**.
- State tax revenue generated in Chatham County totaled **\$3.1 million** through state sales and excise taxes, and taxes on personal and corporate income. About **\$2.7 million** in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses.
- Visitor spending results in a **\$74.45** tax savings per resident.

Chatham County Libraries:

- Received > 57,800 library visitors
- Answered > 9,900 reference questions including those related to employment and technology
- Circulated more than 202,500 items (print and electronic)
- Created 11,110 new library card accounts
- Improved accessibility by removing a barrier and eliminating late fees, after a year-long pilot program

Chatham County Parks and Recreation:

- Hosted nine special events in the 2022 Fiscal Year, serving a total of 2,134 community members. The events took place at all four of the county's district parks.
- Introduced nine brand new programs and saw 1,349 participants across all athletic and instructional programs.
- Hosted a Grand Opening for Kids in Parks TRACK Trails and the trail extension at Southwest District Park. Kids in Parks TRACK Trails feature self-guided brochures and signs that offer a fun and exciting outdoors experience while learning about various plants and animals.
- Built the county's first Peaceful Pathway at Northeast District Park, in partnership with the Chatham County Council on Aging and Chatham County Cooperative Extension. This respite area features an accessible pathway and picnic shelter and planted flower area that is dedicated to Chatham County caregivers serving individuals with dementia.
- Partnered with the Chatham County Council on Aging to co-coordinate the Senior Games and Silver Arts, with 264 senior participants.

AWARDS & HONORS

Chatham County Parks and Recreation was featured in an article in a national magazine, Recreation Management Magazine, November 2021 issues, about special events during the pandemic.

Jennie Kristiansen, director of the Chatham County Department of Social Services, was named Director of the Year for 2022 by the [North Carolina Association of County Directors of Social Services](#) (NCACDSS). She received the award at the NCACDSS annual directors' meeting in May 2022 in Blowing Rock. Kristiansen has served the Chatham County Department of Social Services for 15 years and has been director since 2014.

Pandora Paschal, director of the Chatham County Board of Elections, was selected as a "Woman of Achievement" and was featured in the 5th annual Women's Issue of April/May Chatham Magazine. She attended the annual Women of Achievement Luncheon at the Carolina Inn in June 2022. The Chatham Chamber of Commerce held a Women's Event in June, to honor her and the other Women of Achievement as their distinguished guest at Starrlight Mead.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chatham County for its comprehensive annual financial report for the fiscal year ended June 30, 2021. This was the 32nd consecutive year that the County has received this award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the certificate of achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments – We appreciate the assistance and dedication of the members of the Finance Department throughout the preparation of this report. We would like to thank the entire county staff for the contributions they provided and the County's independent certified public accountants, Martin Starnes & Associates CPAs, PA, for their guidance and assistance in preparation of the financials. We would also like to thank the members of the Board of Commissioners for their continued support throughout the past year.

Respectfully submitted,



Dan LaMontagne
County Manager



Roy Lynch
Finance Officer

Board of County Commissioners

<i>Karen Howard</i>	<i>Chairman</i>
<i>Franklin Gomez Flores</i>	<i>Vice Chairman</i>
<i>Mike Dasher</i>	<i>Commissioner</i>
<i>Diana Hales</i>	<i>Commissioner</i>
<i>Robert Logan</i>	<i>Commissioner</i>

County Officials:

<i>Dan LaMontagne</i>	<i>County Manager</i>
<i>Bryan Thompson</i>	<i>Assistant County Manager</i>
<i>Carolyn Miller</i>	<i>Assistant County Manager/Human Resources</i>
<i>Roy Lynch</i>	<i>Finance Officer</i>
<i>Darrell Butts</i>	<i>Budget Director</i>
<i>Mike Roberson</i>	<i>Sheriff</i>
<i>Lunday Riggsbee</i>	<i>Register of Deeds</i>
<i>Susannah Goldston</i>	<i>Soil and Water Director</i>
<i>Ginger Cunningham</i>	<i>Cooperative Extension Director</i>
<i>Michael Zelek</i>	<i>Health Director</i>
<i>Jennie Kristiansen</i>	<i>Social Services Director</i>
<i>Jenny Williams</i>	<i>Tax Administrator</i>
<i>Pandora Paschal</i>	<i>Elections Director</i>
<i>Dennis Streets</i>	<i>Senior Services Director</i>
<i>Mike Reitz</i>	<i>Communications Director</i>
<i>Renita Foxx</i>	<i>Court Programs Director</i>
<i>Steve Newton</i>	<i>Emergency Operations Director</i>
<i>Kevin Lindley</i>	<i>Environmental Director</i>
<i>Brian Stevens</i>	<i>Facilities Management</i>
<i>Linda Clarke</i>	<i>Library Services Director</i>
<i>Nicholas Haffele</i>	<i>Information Services Director</i>
<i>Tracy Burnett</i>	<i>Parks and Recreation Director</i>
<i>David Camp</i>	<i>Permits and Inspections Director</i>
<i>Neha Shah</i>	<i>Pittsboro-Siler City CVB Director</i>
<i>Jason Sullivan</i>	<i>Planning Director</i>
<i>Blake Mills</i>	<i>Utilities Director</i>
<i>Rachael Thorn</i>	<i>Watershed Protection Director</i>



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

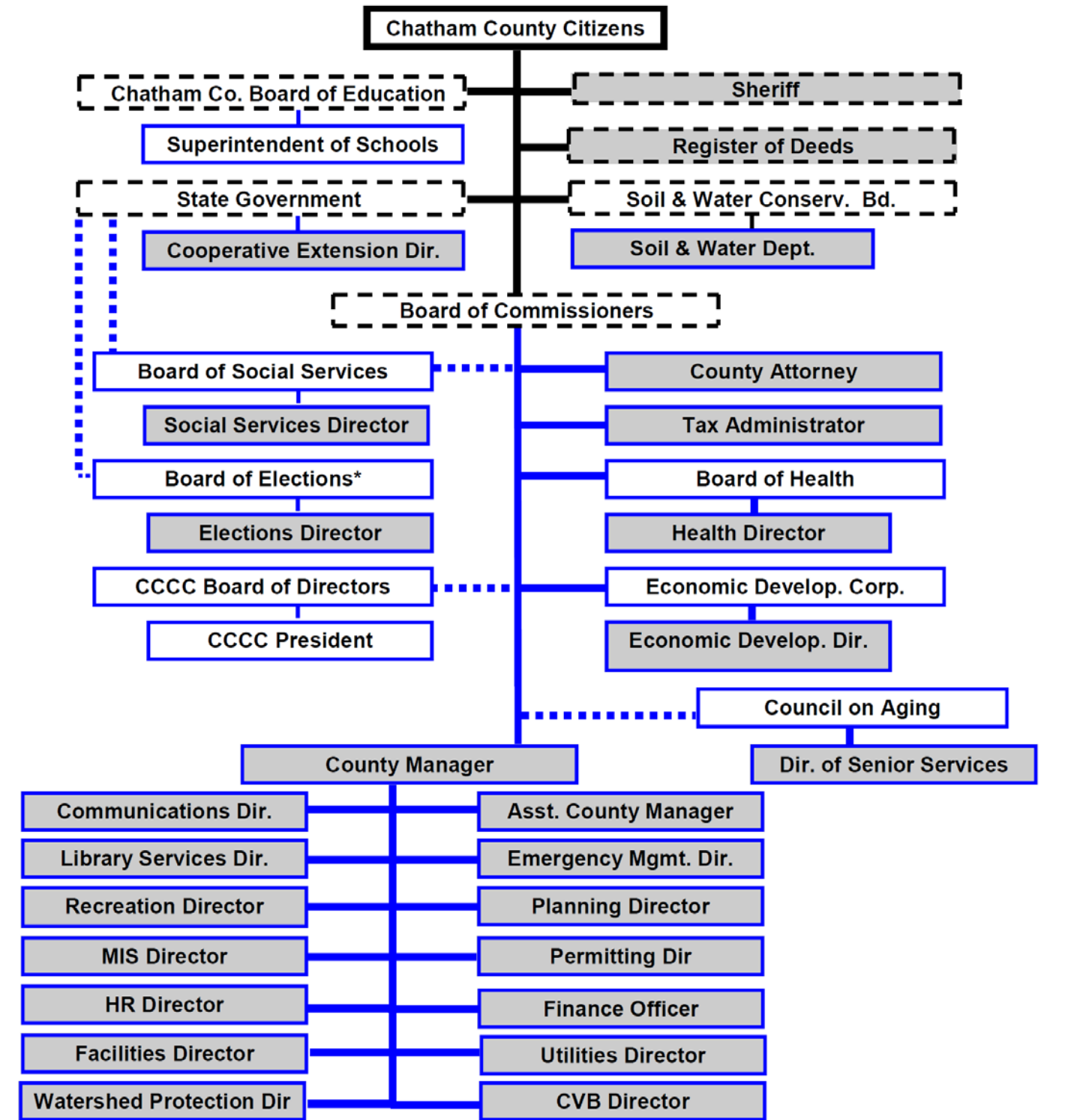
**Chatham County
North Carolina**

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

Christopher P. Morrill

Executive Director/CEO

Chatham County Organizational Chart



Elected Official/Board
Appointed Official/Board
County Department

- Directly Appoints Official/Board
- Appoints one or more members, but not full board

FINANCIAL SECTION

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Chatham County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Chatham County ABC Board as of and for the year ended June 30, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 County, 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. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

Change in Accounting Principle

As discussed in Note VIV to the financial statements, in 2022 the County adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 County'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 GAAS 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 GAAS 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 County'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 a substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required with 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 the Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Employee Payroll, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Governmental Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension (Asset) Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions 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 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 and the other auditors 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 Chatham County's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section 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 December 12, 2022 on our consideration of Chatham County'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 Chatham County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chatham County's internal control over financial reporting and compliance.

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 12, 2022

Management's Discussion and Analysis

As management of Chatham County, we offer readers of Chatham County's financial statements this narrative overview and analysis of the financial activities of Chatham County for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements which follow this narrative.

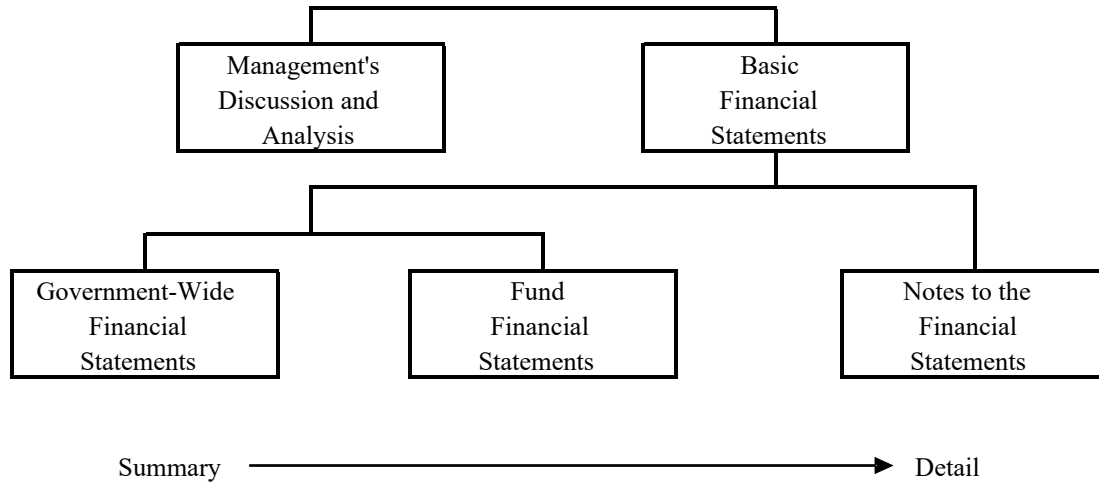
Financial Highlights

- The assets and deferred outflows of resources of Chatham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$122,279,615 (*net position*).
- Long term liabilities increased by \$15,429,177. The majority of this increase can be attributed to the new debt issuance, offset by the annual retirement of long-term debt.
- The government's total net position increased by \$19,886,157 primarily due to the improvement in the local economy and management's continued focus on monitoring spending and maximizing revenue collection.
- As of the close of the current fiscal year, Chatham County's governmental funds reported combined ending fund balances of \$160,386,078 a net increase in fund balance of \$21,345,633. Approximately 24.61% of this total amount, or \$39,467,455, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$34,214,417, or 26.87%, of total General Fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Chatham County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Chatham County.

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits A and B) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the County’s financial status.

The next statements (Exhibits C through K) are Fund Financial Statements. These statements focus on the activities of the individual parts of the County’s government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the County’s non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County’s pension and benefit plans.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the County’s finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County’s financial status as a whole.

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, human services, education, parks and recreation, and general administration. Property taxes, sales taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water, sewer, and waste management services offered by Chatham County. The final category is the component unit. Chatham County ABC Board is legally separate from the County; however, the County is financially accountable for the Board by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

The government-wide financial statements are on Exhibits A and B of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Chatham County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Chatham County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Chatham County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the

actual resources and charges. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balance.

Proprietary Funds – Chatham County has two kinds of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Chatham County uses enterprise funds to account for its water and sewer activity and for its waste management operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the functions of the County. The County uses an Internal Service Fund to account for one activity – its Self-Insurance Fund. Because this operation benefits predominantly governmental rather than business-type activities, the Internal Service Fund has been included within the governmental activities in the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Chatham County has six fiduciary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 34 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Chatham County's progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$122,279,615.

During the 2021-2022 fiscal year, the County's net position increased by \$19,886,157. This increase is primarily due to the improvement in the local economy and management's continued focus on monitoring spending and maximizing revenue collection. An additional portion of Chatham County's net position \$12,937,461 (10.58%) represents resources that are subject to external restrictions on how they may be used.

Chatham County's Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets:						
Current and other assets	\$ 190,643,328	\$ 156,898,443	\$ 39,862,178	\$ 35,803,219	\$ 230,505,506	\$ 192,701,662
Capital assets	133,884,260	119,863,546	50,557,617	51,042,778	184,441,877	170,906,324
Total assets	324,527,588	276,761,989	90,419,795	86,845,997	414,947,383	363,607,986
Deferred Outflows of Resources	15,786,564	13,161,198	950,240	775,232	16,736,804	13,936,430
Liabilities:						
Long-term liabilities outstanding	267,862,124	250,920,809	11,942,934	13,455,072	279,805,058	264,375,881
Other liabilities	17,716,227	8,791,104	1,292,849	1,036,234	19,009,076	9,827,338
Total liabilities	285,578,351	259,711,913	13,235,783	14,491,306	298,814,134	274,203,219
Deferred Inflows of Resources	10,020,969	926,877	569,469	20,862	10,590,438	947,739
Net Position:						
Net investment in capital assets	66,655,633	59,387,963	40,043,138	39,413,275	106,698,771	98,801,238
Restricted	12,937,461	11,751,305	-	-	12,937,461	11,751,305
Unrestricted	(34,878,262)	(41,854,871)	37,521,645	33,695,786	2,643,383	(8,159,085)
Total net position	\$ 44,714,832	\$ 29,284,397	\$ 77,564,783	\$ 73,109,061	\$ 122,279,615	\$ 102,393,458

Several particular aspects of the County's financial operations influenced the total unrestricted governmental net position:

- Continued diligence in the collection of property taxes resulting in a high collection percentage of 99.18%.
- The County continued to accumulate funds in the Capital Improvement Projects Reserve Fund. Chatham County Commissioners set aside 9.2 cents on the tax rate to fund debt payments on current and future capital projects.
- Continued low cost of debt due to the County's high bond rating. The County maintained its AAA rating from Standard and Poor's and its Aa1 rating from Moody's Investor Service.
- Construction was completed on the new Seaforth High School and the Chatham Grove Elementary School renovations. While the County assumes the debt obligation for these facilities, the capital assets associated with the borrowing of the funds for these facilities will be recorded by the Board of Education.
- Construction continues on the new Emergency Operations Facility and the Central Services Facility.

Chatham County's Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues						
Charges for services	\$ 11,153,325	\$ 9,985,391	\$ 15,654,036	\$ 11,702,113	\$ 26,807,361	\$ 21,687,504
Operating grants and contributions	15,725,937	14,350,834	389,644	316,962	16,115,581	14,667,796
General revenues:						
Property taxes	105,131,904	92,598,853	-	-	105,131,904	92,598,853
Sales taxes	25,697,393	20,376,820	-	-	25,697,393	20,376,820
Other taxes and licenses	1,952,454	1,433,801	-	-	1,952,454	1,433,801
Grants and contributions not restricted	5,136,221	4,305,542	-	-	5,136,221	4,305,542
Unrestricted investment earnings	(4,349,381)	(179,005)	134,042	180,981	(4,215,339)	1,976
Other	655,707	378,538	95,571	4,650	751,278	383,188
Total revenues	161,103,560	143,250,774	16,273,293	12,204,706	177,376,853	155,455,480
Expenses:						
General government	19,643,709	20,333,676	-	-	19,643,709	20,333,676
Public safety	35,212,455	33,486,720	-	-	35,212,455	33,486,720
Economic and physical development	3,819,632	3,104,470	-	-	3,819,632	3,104,470
Human services	16,347,627	16,201,415	-	-	16,347,627	16,201,415
Cultural and recreational	2,839,882	2,510,393	-	-	2,839,882	2,510,393
Education	58,997,617	51,950,817	-	-	58,997,617	51,950,817
Interest on long-term debt	8,812,203	8,722,868	-	-	8,812,203	8,722,868
Utility	-	-	7,228,084	6,646,640	7,228,084	6,646,640
Southeast water district	-	-	1,119,733	741,306	1,119,733	741,306
Solid waste management	-	-	3,469,754	3,184,821	3,469,754	3,184,821
Total expenses	145,673,125	136,310,359	11,817,571	10,572,767	157,490,696	146,883,126
Change in net position before transfers	15,430,435	6,940,415	4,455,722	1,631,939	19,886,157	8,572,354
Transfers	-	(152,460)	-	152,460	-	-
Change in net position	15,430,435	6,787,955	4,455,722	1,784,399	19,886,157	8,572,354
Net Position:						
Beginning of year, as previously reported	29,284,397	22,440,133	73,109,061	71,324,662	102,393,458	93,764,795
Prior period restatement, change in accounting principle	-	56,309	-	-	-	56,309
Beginning of year - July 1, as restated	29,284,397	22,496,442	73,109,061	71,324,662	102,393,458	93,821,104
End of year - June 30	\$ 44,714,832	\$ 29,284,397	\$ 77,564,783	\$ 73,109,061	\$ 122,279,615	\$ 102,393,458

Governmental activities. Governmental activities increased the County's net position by \$15,430,435.

Key elements affecting net position:

- Property tax revenue for the year continues to grow based on a robust real estate market that reflects demand outpacing supply of improved property. Real property saw a greater than 3% increase along with Personal property growing at a greater than 7% rate, mainly due to an increase in business listings.

- Sales Tax distributions grew at an average rate of 26% in total, well above the statewide average of 15%, based on the same growth factors as seen in other sources of the county's financials. Consumers continue to support the local economy as we see an increase in business development, allowing for a strong recovery.
- **Business-type activities.** Business-type activities increased the County's net position by \$4,455,722. This increase can be attributed to continued growth in in both the residential and commercial development reflecting an increase in the number of new connections for water services and fees collected for these services.

Financial Analysis of the County's Funds

As noted earlier, Chatham County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of Chatham County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Chatham County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2022, the governmental funds of Chatham County reported a combined fund balance of \$160,386,078, a 15.35% increase over last year.

The General Fund is the chief operating fund of Chatham County. The County's total General Fund as shown on Exhibit C consist of five consolidated funds, the General Fund, the Revaluation Fund, the Housing Trust Fund, the Coal Ash Fund, and the Law Enforcement Pension Fund. At the end of the current fiscal year, Chatham County's fund balance available for appropriation in the General Fund was \$45,681,967, while total fund balance was \$56,724,946. The County currently has an available fund balance of 30.18% of General Fund expenditures and transfers out, while total fund balance represents 37.47% of that same amount.

The governing body of Chatham County has determined that the County should maintain an unassigned fund balance in its General Fund equal to 20% of the previous annual operating budget in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. At June 30, 2022, this percentage was 26%.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues and transfers in by \$6,178,949 and decreased expenditures and transfers out by \$1,922,685.

Proprietary Funds. Chatham County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, unrestricted net position amounted to \$30,218,817 for the Utility Fund, \$810,387 for the Southeast Water District, and \$6,492,441 for the Waste Management Fund. The total increase in net position for all proprietary funds was \$4,455,722.

Capital Asset and Debt Administration

Capital assets. Chatham County's capital assets for its governmental and business-type activities as of June 30, 2022, totaled \$184,441,877 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and infrastructure for utility and solid waste management services.

**Chatham County's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Non-Depreciable Assets:						
Land	\$ 13,370,557	\$ 13,370,557	\$ 980,258	\$ 980,258	\$ 14,350,815	\$ 14,350,815
Construction in progress	38,722,259	24,260,044	9,618,542	8,769,040	48,340,801	33,029,084
Depreciable Assets:						
Buildings	75,527,198	77,070,916	1,669,366	1,773,101	77,196,564	78,844,017
Equipment and vehicles	6,264,246	5,162,029	1,192,062	1,250,488	7,456,308	6,412,517
Infrastructure:						
Water lines	-	-	37,097,389	38,269,891	37,097,389	38,269,891
Total assets	\$ 133,884,260	\$ 119,863,546	\$ 50,557,617	\$ 51,042,778	\$ 184,441,877	\$ 170,906,324

Major capital asset transactions during the year include:

- Construction of the new emergency operations facility.
- Construction of the new central services facility.

Additional information on the County's capital assets can be found in Note 2 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2022, Chatham County had total bonded debt outstanding of \$2,693,000 all of which is debt backed by the full faith and credit of the County.

**Chatham County’s Outstanding Debt
General Obligation Bonds and Other Long-Term Obligations
Figure 5**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ -	\$ -	\$ 2,693,000	\$ 2,749,000	\$ 2,693,000	\$ 2,749,000
Revenue bonds	-	-	1,557,000	1,592,000	1,557,000	1,592,000
Other long-term obligations	191,711,363	170,867,722	5,018,637	5,722,278	196,730,000	176,590,000
Direct placement/borrowings	39,513,164	42,743,369	1,245,847	1,566,225	40,759,011	44,309,594
Premium on long-term obligations	12,580,739	8,239,853	-	-	12,580,739	8,239,853
Leases	467,395	-	74	-	467,469	-
Compensated absences	2,052,026	2,106,422	129,636	142,485	2,181,662	2,248,907
LGERS pension	5,276,377	12,547,544	378,298	899,615	5,654,675	13,447,159
LEOSSA pension	3,423,021	3,488,326	-	-	3,423,021	3,488,326
OPEB	12,838,039	10,927,573	920,442	783,469	13,758,481	11,711,042
Total	\$ 267,862,124	\$ 250,920,809	\$ 11,942,934	\$ 13,455,072	\$ 279,805,058	\$ 264,375,881

Chatham County’s total general obligation bonds and other long-term obligations increased by \$15,429,177 (5.84%) under the past fiscal year. The majority of this increase can be attributed to the new debt issuance, offset by the annual retirement of long-term debt.

Chatham County maintained its Aa1 bond rating from Moody’s Investor Service and its AAA rating from Standard and Poor’s Corporation. This bond rating is an indication of the sound financial condition of Chatham County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government’s boundaries. The legal debt margin for Chatham County is \$883,473,000.

Additional information regarding Chatham County’s long-term debt can be found in Note 2 of this audited financial report.

Economic Factors and Fiscal Year End 2022 Budgets and Rates

- Chatham continues to maintain a AAA rating from Standard and Poor’s. Only ten other counties in North Carolina and 105 across the US have AAA ratings from Standard and Poor’s. The County also maintained a rating from Moody’s of Aa1.
- As of 2020, the latest data available, Chatham County has the second highest per capita income in the state, 40% higher than the state average.
- Chatham County’s seasonally unadjusted unemployment rate (3.4% in June 2022, latest data available) continues to trend well below the state (3.9 %).
- The County’s FY 2023 property tax rate remained the same at 66.5 cents/\$100 valuation.

- Total property values increased by 3.13%. Values for each part of the base are expected to increase/decrease as follows:
- Real property, a 3.00% increase, resulting from a robust real estate market in Chatham County that reflects demand outpacing supply of improved property, as well as development growth.
- Personal property, a 7.00% increase, resulting from increases in business property listings.
- Public utility values, 3.41% increase; Utility values are provided by NC Department of Revenue.
- Motor vehicles, a 2.25% increase. Motor vehicle values are provided by the NC Department of Motor Vehicles (DMV).
- In FY 2022, locally collected sales tax (Article 39), which is distributed based on where collected, grew by 18% compared to 14% statewide growth. Locally, FY 2022 sales tax revenues (Articles 39 and 42) were both trending roughly 16% above FY 2021, compared with 15% for sales tax collected statewide (Article 40). A referendum in March of 2020 was successful and levy of Article 46 began in October of 2020. This revenue is not shared with municipalities. Article 46 revenue is projected to bring Chatham about \$2.5 million in FY 2023.
- FY 2022 building permit revenue was estimated to increase 3% over the prior year due to continued growth within the county, which was projected to be somewhat impacted by supply chain issues. However, the projected supply chain impacts were not as severe as initially feared and new permit issuance increased substantially, and the actual collection increased by 28% over the prior year. Register of Deeds stamps, which are paid when properties are sold within the County, exceeded the FY 2022 budgeted amount by 45.1%, with an estimated 1.74 million by year-end. Building and real estate activity in Chatham is expected to continue to show growth, with several commercial and residential projects underway.

Budget Highlights for the Fiscal Year Ending June 30, 2023

- **Governmental Activities:** Chatham's FY 2023 budget preparations began under the shadow of the continued pandemic; however, as the budget process unfolded the county (and the country) seemed to begin to turn a corner towards a return to relative normalcy. Locally, the rapid growth that has long been expected has begun to accelerate, including the announcement that VinFast will be locating their US production facility in Chatham County, and the budget reflects the enhanced and expanded services necessary to meet the needs of a growing population. Due to continued strong sales tax receipts and the continuing growth within the county, revenues for FY 2022 exceeded expectations. The budget delivers critically needed services and places the County on stable financial footing for the future.
- The County continues to prioritize support for education. The budget fully funds Chatham County Schools' request for an additional \$1,544,425. Current expense will increase by \$105,000 to support the Chatham Reads early childhood literacy program and to account for the increased operating costs associated with the opening of the new Central Services Building in FY 2023. An additional \$820,000 will be added to supplement funding to implement a new hybrid model that guarantees a minimum increase of \$250 for all certified staff. Chatham's teacher supplement remains 5th in the region and is surpassed only by the much larger Wake, Chapel Hill, Durham, and Orange districts.

- The County funds the fourth year of a partnership with Central Carolina Community College to support Chatham County Promise, a program that guarantees up to two years of free tuition and fees at CCCC to all eligible Chatham County residents who graduate from high school in 2019 through 2023. The program requires \$260,000 in FY 2023.
 - The FY 2023 budget includes \$3.3 million to fund eighty-three additional positions (both full and part-time) to meet current and future workload demand; three multi-trade building inspectors; one inspections supervisor; one commercial plan reviewer; three watershed specialists; three environmental health specialists; one personal property appraiser; two maintenance technicians; two animal shelter attendants; one animal resources program coordinator; one veterinary technician in animal resources; one emergency management specialist; one emergency systems technician; one emergency communications assistant director; 4 telecommunicators; one domestic violence advocate; one part-time child advocacy coordinator; one domestic violence pre-trial coordinator; one economic services caseworker III; one community center supervisor; one utility service worker; one asset management specialist; and thirty-one collection center staff as the County transitions from a contract for service to County employees operating the centers. Additionally, the County has begun the process of transitioning the Council on Aging into a County department; the FY 2023 budget transitions all twenty of the staff as Council and County staff work to finalize the transition.

In addition to these eighty-three new positions, expansion items include some additional funding for programs:

- An additional \$337,885 is recommended for the Management Information Services (MIS) department to implement a data governance plan and update LiDAR data. This will allow MIS to continue to improve the security of the County's data network as well as providing updated and improved data for both the public and development services staff.
- An additional \$34,966 is included in the Planning Department as matching funds for an available MPO grant. These matching funds will supplement a project focusing on bike and pedestrian transportation.
- The Parks & Recreation Department will implement a turf management plan that will improve the condition of the current fields and will help to minimize the amount of rest time that is necessary to maintain a proper surface, at a cost of \$42,455.
- The recommended budget also includes a 2% increase in the County contribution to the health plan and a 7% pay increase for employees pay raises. Additionally, this budget increases the County's 401(k) contribution rate for general employees by 0.5% for a total of 5%, which matches the current law enforcement contribution rate. While many expenses are necessary to continue movement toward our goals, competitive salaries are essential to maintaining and attracting talented professional staff.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to Roy Lynch, Finance Director, Chatham County, Post Office Box 608, Pittsboro, North Carolina 27312. You can also call (919)-542-8471 or visit our website at www.chathamcountync.gov for more information.

BASIC FINANCIAL STATEMENTS

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CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Chatham County Board of Alcoholic Beverage Control
	Governmental Activities	Business-Type Activities	Total	
Assets:				
Cash, cash equivalents and investments	\$ 140,871,305	\$ 35,537,327	\$ 176,408,632	\$ 1,164,238
Property taxes receivable, net	1,201,534	-	1,201,534	-
Accounts receivable, net	469,244	3,673,986	4,143,230	-
Due from other governments	10,775,522	72,363	10,847,885	-
Lease receivable	1,281,219	-	1,281,219	-
Other receivables	-	90,644	90,644	-
Inventories	-	-	-	911,022
Prepaid items	-	-	-	38,094
Cash - restricted	35,357,156	487,779	35,844,935	-
Right to use leased asset, net of amortization	468,470	79	468,549	1,536,555
Net pension asset	218,878	-	218,878	-
Capital assets:				
Land, improvements and construction in progress	52,092,816	10,598,800	62,691,616	1,852,284
Other capital assets, net of depreciation	81,791,444	39,958,817	121,750,261	235,142
Total capital assets	133,884,260	50,557,617	184,441,877	2,087,426
Total assets	324,527,588	90,419,795	414,947,383	5,737,335
Deferred Outflows of Resources:				
Pension deferrals	8,866,482	565,110	9,431,592	169,312
OPEB deferrals	5,371,672	385,130	5,756,802	-
Charge on refunding	1,548,410	-	1,548,410	-
Total deferred outflows of resources	15,786,564	950,240	16,736,804	169,312
Liabilities:				
Accounts payable and accrued liabilities	9,383,819	805,070	10,188,889	656,659
Liabilities to be paid from restricted assets	1,001,841	487,779	1,489,620	-
Unearned revenues	7,275,612	-	7,275,612	-
Due to other governments	54,955	-	54,955	-
Total current liabilities	17,716,227	1,292,849	19,009,076	656,659
Long-term liabilities:				
Due within one year	21,385,808	1,262,300	22,648,108	205,560
Due in more than one year	246,476,316	10,680,634	257,156,950	2,927,256
Total long-term liabilities	267,862,124	11,942,934	279,805,058	3,132,816
Total liabilities	285,578,351	13,235,783	298,814,134	3,789,475
Deferred Inflows of Resources:				
Pension deferrals	8,126,470	556,206	8,682,676	108,786
OPEB deferrals	184,989	13,263	198,252	-
Leases	1,249,784	-	1,249,784	-
Prepaid taxes	459,726	-	459,726	-
Total deferred inflows of resources	10,020,969	569,469	10,590,438	108,786

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
Net Position:				
Net investment in capital assets	66,655,633	40,043,138	106,698,771	616,677
Restricted for:				
Stabilization by state statute	11,251,307	-	11,251,307	-
Register of Deeds' pension plan	202,632	-	202,632	-
Courthouse clock	71,526	-	71,526	-
Emergency telephone	400,898	-	400,898	-
Economic development	15,083	-	15,083	-
Fire protection	509,529	-	509,529	-
Human services	63,582	-	63,582	-
Law enforcement	422,904	-	422,904	-
Working capital	-	-	-	272,182
Unrestricted	(34,878,262)	37,521,645	2,643,383	1,119,527
Total net position	<u>\$ 44,714,832</u>	<u>\$ 77,564,783</u>	<u>\$ 122,279,615</u>	<u>\$ 2,008,386</u>

The accompanying notes are an integral part of the financial statements.

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CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 19,643,709	\$ 2,743,935	\$ 1,367,375	\$ -
Public safety	35,212,455	2,505,295	5,268,777	-
Economic and physical development	3,819,632	774,984	488,217	-
Human services	16,347,627	1,506,466	7,664,387	-
Cultural and recreational	2,839,882	435,020	937,181	-
Education	58,997,617	3,187,625	-	-
Interest on long-term debt	8,812,203	-	-	-
Total governmental activities	<u>145,673,125</u>	<u>11,153,325</u>	<u>15,725,937</u>	-
Business-Type Activities:				
Utility	7,228,084	10,839,150	111,059	-
Southeast Water District	1,119,733	1,117,231	-	-
Solid waste management	3,469,754	3,697,655	278,585	-
Total business-type activities	<u>11,817,571</u>	<u>15,654,036</u>	<u>389,644</u>	-
Total primary government	<u>\$ 157,490,696</u>	<u>\$ 26,807,361</u>	<u>\$ 16,115,581</u>	<u>\$ -</u>
Component Unit:				
Chatham County Board of Alcoholic Beverage Control	\$ 6,757,473	\$ 7,076,721	\$ -	\$ -

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions / Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Chatham County Board of Alcoholic Beverage Control
	Governmental Activities	Business Type Activities	Total	
Primary Government:				
Governmental Activities:				
General government	\$ (15,532,399)	\$ -	\$ (15,532,399)	
Public safety	(27,438,383)	-	(27,438,383)	
Economic and physical development	(2,556,431)	-	(2,556,431)	
Human services	(7,176,774)	-	(7,176,774)	
Cultural and recreational	(1,467,681)	-	(1,467,681)	
Education	(55,809,992)	-	(55,809,992)	
Interest on long-term debt	(8,812,203)	-	(8,812,203)	
Total governmental activities	<u>(118,793,863)</u>	<u>-</u>	<u>(118,793,863)</u>	
Business-Type Activities:				
Utility	-	3,722,125	3,722,125	
Southeast water district	-	(2,502)	(2,502)	
Solid waste management	-	506,486	506,486	
Total business-type activities	<u>-</u>	<u>4,226,109</u>	<u>4,226,109</u>	
Total primary government	<u>(118,793,863)</u>	<u>4,226,109</u>	<u>(114,567,754)</u>	
Component Unit:				
Chatham County Board of Alcoholic Beverage Control				\$ <u>319,248</u>
General Revenues:				
Taxes:				
Property taxes, levied for general purposes	105,131,904	-	105,131,904	-
Local option sales tax	25,697,393	-	25,697,393	-
Other taxes	1,952,454	-	1,952,454	-
Grants and contributions not restricted	5,136,221	-	5,136,221	-
Unrestricted investment earnings	(4,349,381)	134,042	(4,215,339)	140
Miscellaneous	655,707	95,571	751,278	-
Total general revenues	<u>134,224,298</u>	<u>229,613</u>	<u>134,453,911</u>	<u>140</u>
Total general revenues and transfers	<u>134,224,298</u>	<u>229,613</u>	<u>134,453,911</u>	<u>140</u>
Change in net position	15,430,435	4,455,722	19,886,157	319,388
Net Position:				
Net position, beginning	<u>29,284,397</u>	<u>73,109,061</u>	<u>102,393,458</u>	<u>1,688,998</u>
Net position, ending	<u>\$ 44,714,832</u>	<u>\$ 77,564,783</u>	<u>\$ 122,279,615</u>	<u>\$ 2,008,386</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	Major Funds			
	General	American Rescue Plan	Capital Reserve	Capital Improvements Project Reserve
Assets:				
Cash, cash equivalents, and investments	\$ 48,878,779	\$ -	\$ 18,928,269	\$ 42,107,289
Cash - restricted	1,348,918	7,163,846	-	-
Property taxes receivable, net	1,055,502	-	-	-
Due from other governments	10,645,171	-	-	-
Lease receivables	1,281,219	-	-	-
Other receivables	372,267	-	14,806	47,065
Total assets	<u>\$ 63,581,856</u>	<u>\$ 7,163,846</u>	<u>\$ 18,943,075</u>	<u>\$ 42,154,354</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,055,291	\$ -	\$ -	\$ -
Liabilities to be paid from restricted assets	1,001,841	-	-	-
Unearned revenues	-	7,163,846	-	-
Due to other governments	54,955	-	-	-
Total liabilities	<u>4,112,087</u>	<u>7,163,846</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:				
Prepaid taxes	433,643	-	-	-
Leases	1,249,784	-	-	-
Property taxes receivable	1,055,502	-	-	-
Health clinic receivable	5,894	-	-	-
Total deferred inflows of resources	<u>2,744,823</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	11,042,979	-	14,806	47,065
Courthouse clock	-	-	-	-
Capital projects	-	-	-	-
Emergency telephone	-	-	-	-
Economic and physical development	-	-	-	-
Fire protection	-	-	-	-
Human services	-	-	-	-
Law enforcement	-	-	-	-
Committed:				
LEO Special Separation Allowance	949,612	-	-	-
Tax revaluation	347,077	-	-	-
Housing trust	587,958	-	-	-
Recreation	322,851	-	-	-
Land preservation	322,851	-	-	-
Capital projects	-	-	-	42,107,289

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Funds			
	Facilities Improvements	School Construction Fund	Total Nonmajor Funds	Total Governmental Funds
Assets:				
Cash, cash equivalents, and investments	\$ 6,887,913	\$ 1,851,070	\$ 11,363,082	\$ 130,016,402
Cash - restricted	18,686,179	8,046,447	111,766	35,357,156
Property taxes receivable, net	-	-	146,032	1,201,534
Due from other governments	-	-	130,351	10,775,522
Lease receivables	-	-	-	1,281,219
Other receivables	-	61	16,045	450,244
Total assets	\$ 25,574,092	\$ 9,897,578	\$ 11,767,276	\$ 179,082,077
 Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,426,304	\$ 1,894,689	\$ 70,369	\$ 7,446,653
Liabilities to be paid from restricted assets	-	-	-	1,001,841
Unearned revenues	-	-	111,766	7,275,612
Due to other governments	-	-	-	54,955
Total liabilities	2,426,304	1,894,689	182,135	15,779,061
 Deferred Inflows of Resources:				
Prepaid taxes	-	-	26,083	459,726
Leases	-	-	-	1,249,784
Property taxes receivable	-	-	146,032	1,201,534
Health clinic receivable	-	-	-	5,894
Total deferred inflows of resources	-	-	172,115	2,916,938
 Fund Balances:				
Restricted:				
Stabilization by state statute	-	61	146,396	11,251,307
Courthouse clock	-	-	71,526	71,526
Capital projects	18,686,179	8,046,447	-	26,732,626
Emergency telephone	-	-	400,898	400,898
Economic and physical development	-	-	15,083	15,083
Fire protection	-	-	509,529	509,529
Human services	-	-	63,582	63,582
Law enforcement	-	-	422,904	422,904
Committed:				
LEO Special Separation Allowance	-	-	-	949,612
Tax revaluation	-	-	-	347,077
Housing trust	-	-	-	587,958
Recreation	-	-	-	322,851
Land preservation	-	-	-	322,851
Capital projects	4,461,609	-	-	46,568,898

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Major Funds			
	General	American Rescue Plan	Capital Reserve	Capital Improvements Project Reserve
Assigned:				
Subsequent year's expenditures	8,937,201	-	-	-
General government	-	-	18,928,269	-
Public safety	-	-	-	-
Education	-	-	-	-
Cultural and recreation	-	-	-	-
Unassigned	34,214,417	-	-	-
Total fund balances	<u>56,724,946</u>	<u>-</u>	<u>18,943,075</u>	<u>42,154,354</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 63,581,856</u>	<u>\$ 7,163,846</u>	<u>\$ 18,943,075</u>	<u>\$ 42,154,354</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022**

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Facilities Improvements</u>	<u>School Construction Fund</u>	<u>Total Nonmajor Funds</u>	
Assigned:				
Subsequent year's expenditures	-	-	-	8,937,201
General government	-	-	-	18,928,269
Public safety	-	-	127,467	127,467
Education	-	-	7,753,391	7,753,391
Cultural and recreation	-	-	1,902,398	1,902,398
Unassigned	-	(43,619)	(148)	34,170,650
Total fund balances	<u>23,147,788</u>	<u>8,002,889</u>	<u>11,413,026</u>	<u>160,386,078</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 25,574,092</u>	<u>\$ 9,897,578</u>	<u>\$ 11,767,276</u>	<u>\$ 179,082,077</u>

Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:

Total fund balance - governmental funds	\$ 160,386,078
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	133,884,260
Assets and liabilities of the Self-Insurance Internal Service Fund used by management to account for certain insurance costs are included in governmental activities in the Statement of Net Position.	10,448,474
Charges related to advance refunding bond issue	1,548,410
Net pension asset	218,878
Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	468,470
Pension related deferred outflows	8,866,482
OPEB related deferred outflows	5,371,672
Net pension liability - LGERS	(5,276,377)
Total pension liability - LEOSSA	(3,423,021)
Net OPEB liability	(12,838,039)
Deferred inflows of resources for taxes and other receivables	1,207,428
Pension related deferred inflows	(8,126,470)
OPEB related deferred inflows	(184,989)
Compensated absences not expected to be materially liquidated with expendable available resources.	(2,052,026)
Long-term liabilities, including bonds payable, accrued interest payable, lease payable, and installment purchases, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(245,784,398)</u>
Net position of governmental activities	<u>\$ 44,714,832</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Major Funds			
	General	American Rescue Plan	Capital Reserve	Capital Improvement Project Reserve
Revenues:				
Ad valorem taxes	\$ 92,588,704	\$ -	\$ -	\$ -
Local option sales tax	25,697,393	-	-	-
Other taxes	1,952,454	-	-	-
Unrestricted intergovernmental	5,136,221	-	-	-
Restricted intergovernmental	9,454,983	68,616	-	579,010
Permits and fees	2,843,212	-	-	-
Sales and services	3,289,878	-	-	-
Investment earnings	(4,672,213)	-	41,394	143,244
Other general revenues	2,073,546	-	-	-
Total revenues	138,364,178	68,616	41,394	722,254
Expenditures:				
Current:				
General government	13,351,601	-	-	-
Public safety	23,088,421	883	-	-
Economic and physical development	4,510,489	-	-	-
Human services	18,226,025	-	-	-
Cultural and recreational	2,761,470	-	-	-
Intergovernmental:				
Education	41,677,527	-	-	-
Debt service:				
Principal retirement	14,629,294	-	-	-
Interest and fees	9,078,765	-	-	-
Total expenditures	127,323,592	883	-	-
Revenues over (under) expenditures	11,040,586	67,733	41,394	722,254
Other Financing Sources (Uses):				
Transfers from other funds	14,820,700	-	7,854,471	16,205,659
Transfers (to) other funds	(24,060,130)	(67,733)	(1,191,556)	(13,111,522)
Total transfers from (to) other funds	(9,239,430)	(67,733)	6,662,915	3,094,137
Debt proceeds:				
Refunding bonds issued	9,455,000	-	-	-
Lease liability issued	706,433	-	-	-
Premium on limited obligation bond	-	-	-	-
Limited obligation bonds issued	-	-	-	-
Total proceeds	10,161,433	-	-	-
Payment to refunding bond agent	(9,418,328)	-	-	-
Debt proceeds - net	743,105	-	-	-
Total other financing sources (uses)	(8,496,325)	(67,733)	6,662,915	3,094,137
Net change in fund balances	2,544,261	-	6,704,309	3,816,391
Fund Balances:				
Fund balances, beginning	54,180,685	-	12,238,766	38,337,963
Fund balances, ending	\$ 56,724,946	\$ -	\$ 18,943,075	\$ 42,154,354

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Major Funds</u>		<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>Facilities Improvement Projects</u>	<u>School Construction Fund</u>		
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ 12,480,117	\$ 105,068,821
Local option sales tax	-	-	-	25,697,393
Other taxes	-	-	-	1,952,454
Unrestricted intergovernmental	-	-	-	5,136,221
Restricted intergovernmental	-	-	4,213,667	14,316,276
Permits and fees	-	-	3,509,929	6,353,141
Sales and services	-	-	-	3,289,878
Investment earnings	57,349	792	43,408	(4,386,026)
Other general revenues	-	-	290	2,073,836
Total revenues	<u>57,349</u>	<u>792</u>	<u>20,247,411</u>	<u>159,501,994</u>
Expenditures:				
Current:				
General government	606,999	-	236,329	14,194,929
Public safety	13,703,330	-	15,451,658	52,244,292
Economic and physical development	-	-	-	4,510,489
Human services	-	-	180,619	18,406,644
Cultural and recreational	-	-	1,852	2,763,322
Intergovernmental:				
Education	-	19,670,534	381,175	61,729,236
Debt service:				
Principal retirement	-	-	-	14,629,294
Interest and fees	-	-	-	9,078,765
Total expenditures	<u>14,310,329</u>	<u>19,670,534</u>	<u>16,251,633</u>	<u>177,556,971</u>
Revenues over (under) expenditures	<u>(14,252,980)</u>	<u>(19,669,742)</u>	<u>3,995,778</u>	<u>(18,054,977)</u>
Other Financing Sources (Uses):				
Transfers from other funds	423,826	531,401	236,329	40,072,386
Transfers (to) other funds	-	-	(1,641,445)	(40,072,386)
Total transfers from (to) other funds	<u>423,826</u>	<u>531,401</u>	<u>(1,405,116)</u>	<u>-</u>
Debt proceeds:				
Refunding bonds issued	-	-	-	9,455,000
Lease liability issued	-	-	-	706,433
Premium on limited obligation bond	4,334,031	2,738,474	-	7,072,505
Limited obligation bonds issued	18,939,326	12,645,674	-	31,585,000
Total proceeds	<u>23,273,357</u>	<u>15,384,148</u>	<u>-</u>	<u>48,818,938</u>
Payment to refunding bond agent	-	-	-	(9,418,328)
Debt proceeds - net	<u>23,273,357</u>	<u>15,384,148</u>	<u>-</u>	<u>39,400,610</u>
Total other financing sources (uses)	<u>23,697,183</u>	<u>15,915,549</u>	<u>(1,405,116)</u>	<u>39,400,610</u>
Net change in fund balances	9,444,203	(3,754,193)	2,590,662	21,345,633
Fund Balances:				
Fund balances, beginning	13,703,585	11,757,082	8,822,364	139,040,445
Fund balances, ending	<u>\$ 23,147,788</u>	<u>\$ 8,002,889</u>	<u>\$ 11,413,026</u>	<u>\$ 160,386,078</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Activities (Exhibit B) are different because:

Net changes in fund balances - total governmental funds	\$ 21,345,633
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are depreciated and amortized over their estimated useful lives.

Expenditures for capital assets	18,095,907
Current year's depreciation	(4,047,852)

Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(27,341)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payment, payments to escrow agent and amortization on long-term debt	26,687,305
Increase in accrued interest payable	143,816
Debt proceeds, lease proceeds and premium	(48,727,627)
Deferred charge on refunding	390,629

Right-to-use leased asset capital outlay expenditures which were not capitalized, net of amortization expense	468,470
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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 the governmental fund statements.

Compensated absences	54,396
OPEB plan expense	(503,412)
Contributions to pension plan in the current fiscal year	2,998,378
Pension expense - LGERS	(2,217,821)
Pension expense - ROD	7,038
Pension expense - LEOSA	(838,650)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.	54,615
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Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.	<u>1,546,951</u>
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Total change in net position of governmental activities	<u><u>\$ 15,430,435</u></u>
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The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 89,227,318	\$ 91,227,318	\$ 92,588,704	\$ 1,361,386
Local option sales tax	20,166,848	21,366,848	25,697,393	4,330,545
Other taxes	1,142,862	1,342,862	1,952,454	609,592
Unrestricted intergovernmental	3,295,300	4,795,300	5,136,221	340,921
Restricted intergovernmental	10,899,713	11,174,390	9,454,983	(1,719,407)
Permits and fees	2,044,600	2,144,600	2,843,212	698,612
Sales and services	2,634,063	2,708,063	3,289,878	581,815
Investment earnings	150,000	150,000	(4,694,876)	(4,844,876)
Other general revenues	1,070,474	1,213,671	2,073,546	859,875
Total revenues	<u>130,631,178</u>	<u>136,123,052</u>	<u>138,341,515</u>	<u>2,218,463</u>
Expenditures:				
General government	14,712,889	15,922,002	13,297,226	2,624,776
Public safety	25,583,277	25,746,705	22,532,811	3,213,894
Economic and physical development	5,044,524	5,315,934	4,204,734	1,111,200
Human services	22,898,587	22,898,291	18,226,025	4,672,266
Cultural and recreational	3,197,553	3,206,349	2,761,470	444,879
Intergovernmental:				
Education	41,832,780	41,845,919	41,677,527	168,392
Debt service:				
Principal retirement	14,371,569	14,519,295	14,629,294	(109,999)
Interest and fees	8,339,116	9,031,938	9,078,765	(46,827)
Total expenditures	<u>135,980,295</u>	<u>138,486,433</u>	<u>126,407,852</u>	<u>12,078,581</u>
Revenues over (under) expenditures	<u>(5,349,117)</u>	<u>(2,363,381)</u>	<u>11,933,663</u>	<u>14,297,044</u>
Other Financing Sources (Uses):				
Transfers from other funds	20,600,684	21,287,759	14,820,700	(6,467,059)
Transfers to other funds	<u>(20,460,831)</u>	<u>(24,889,654)</u>	<u>(25,161,804)</u>	<u>(272,150)</u>
Total transfers	<u>139,853</u>	<u>(3,601,895)</u>	<u>(10,341,104)</u>	<u>(6,739,209)</u>
Lease liability issued	-	-	91,311	91,311
Refunding bonds issued	-	9,453,978	9,455,000	1,022
Payment to refunding agent	-	<u>(9,418,328)</u>	<u>(9,418,328)</u>	-
Total proceeds	<u>-</u>	<u>35,650</u>	<u>127,983</u>	<u>92,333</u>
Total other financing sources (uses)	<u>139,853</u>	<u>(3,566,245)</u>	<u>(10,213,121)</u>	<u>(6,646,876)</u>
Appropriated fund balance	<u>5,209,264</u>	<u>5,929,626</u>	<u>-</u>	<u>(5,929,626)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,720,542</u>	<u>\$ 1,720,542</u>
Reconciliation from Budgetary Basis to Modified Accrual Basis:				
Initial implementation of lease standard			523,811	
Lease liability issued			(523,811)	
Capital outlay				
Fund Balances:				
Fund balance, beginning			<u>48,312,841</u>	
Fund balance, ending			<u>\$ 50,033,383</u>	

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Assets:					
Current assets:					
Cash, cash equivalents, and investments	\$ 28,165,599	\$ 538,919	\$ 6,832,809	\$ 35,537,327	\$ 10,854,903
Cash - restricted	449,324	38,455	-	487,779	-
Receivables, net	3,331,548	283,432	59,006	3,673,986	5,575
Due from other governments	13,702	-	58,661	72,363	-
Other receivables	36,115	1,662	52,867	90,644	13,425
Total current assets	<u>31,996,288</u>	<u>862,468</u>	<u>7,003,343</u>	<u>39,862,099</u>	<u>10,873,903</u>
Non-current assets:					
Right to use assets, net of amortization	50	-	29	79	-
Capital assets:					
Land, improvements, and construction in progress	10,103,295	-	495,505	10,598,800	-
Other capital assets, net of depreciation	33,873,878	4,138,342	1,946,597	39,958,817	-
Total capital assets, net	<u>43,977,173</u>	<u>4,138,342</u>	<u>2,442,102</u>	<u>50,557,617</u>	<u>-</u>
Total non-current assets	<u>43,977,223</u>	<u>4,138,342</u>	<u>2,442,131</u>	<u>50,557,696</u>	<u>-</u>
Total assets	<u>75,973,511</u>	<u>5,000,810</u>	<u>9,445,474</u>	<u>90,419,795</u>	<u>10,873,903</u>
Deferred Outflows of Resources:					
Pension deferrals	359,846	-	205,264	565,110	-
OPEB deferrals	245,240	-	139,890	385,130	-
Total deferred outflows of resources	<u>605,086</u>	<u>-</u>	<u>345,154</u>	<u>950,240</u>	<u>-</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	658,593	13,626	132,851	805,070	425,429
Liabilities to be paid from restricted assets	449,324	38,455	-	487,779	-
Compensated absences payable	85,019	-	44,617	129,636	-
General obligation bonds payable	-	58,000	-	58,000	-
Revenue bonds payable	-	37,000	-	37,000	-
Direct borrowings	311,462	-	-	311,462	-
Other long-term borrowings	726,175	-	27	726,202	-
Installment notes payable	1,037,637	-	27	1,037,664	-
Total current liabilities	<u>2,230,573</u>	<u>147,081</u>	<u>177,495</u>	<u>2,555,149</u>	<u>425,429</u>
Non-current liabilities:					
Net pension liability	240,889	-	137,409	378,298	-
Total OPEB liability	586,111	-	334,331	920,442	-
General obligation bonds payable	-	2,635,000	-	2,635,000	-
Revenue bonds payable	-	1,520,000	-	1,520,000	-
Direct borrowings	934,385	-	-	934,385	-
Other long-term borrowings	4,292,509	-	-	4,292,509	-
Total non-current liabilities	<u>6,053,894</u>	<u>4,155,000</u>	<u>471,740</u>	<u>10,680,634</u>	<u>-</u>
Total liabilities	<u>8,284,467</u>	<u>4,302,081</u>	<u>649,235</u>	<u>13,235,783</u>	<u>425,429</u>
Deferred Inflows of Resources:					
Pension deferrals	354,176	-	202,030	556,206	-
OPEB deferrals	8,445	-	4,818	13,263	-
Total deferred inflows of resources	<u>362,621</u>	<u>-</u>	<u>206,848</u>	<u>569,469</u>	<u>-</u>
Net Position:					
Net investment in capital assets	37,712,692	(111,658)	2,442,104	40,043,138	-
Unrestricted	30,218,817	810,387	6,492,441	37,521,645	10,448,474
Total net position	<u>\$ 67,931,509</u>	<u>\$ 698,729</u>	<u>\$ 8,934,545</u>	<u>\$ 77,564,783</u>	<u>\$ 10,448,474</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise			Governmental
	Utility	Southeast Water District	Solid Waste and Recycling	Self-Insurance Internal Service
Operating Revenues:				
Charges for services	\$ 10,839,150	\$ 1,117,231	\$ 3,697,655	\$ 15,654,036
Other operating revenues	109,357	-	-	109,357
Total operating revenues	<u>10,948,507</u>	<u>1,117,231</u>	<u>3,697,655</u>	<u>15,763,393</u>
Operating Expenses:				
Operating expenses	5,656,198	850,000	3,249,404	9,755,602
Depreciation and amortization	1,270,571	106,338	220,350	1,597,259
Total operating expenses	<u>6,926,769</u>	<u>956,338</u>	<u>3,469,754</u>	<u>11,352,861</u>
Operating income (loss)	<u>4,021,738</u>	<u>160,893</u>	<u>227,901</u>	<u>4,410,532</u>
Non-Operating Revenues (Expenses):				
Investment earnings	103,979	4,429	25,634	134,042
Interest and other charges	(301,315)	(163,395)	-	(464,710)
Gain on disposal of assets	46,678	-	48,893	95,571
Other grants and revenue	1,702	-	278,585	280,287
Total non-operating revenues (expenses)	<u>(148,956)</u>	<u>(158,966)</u>	<u>353,112</u>	<u>45,190</u>
Change in net position	3,872,782	1,927	581,013	4,455,722
Net Position:				
Beginning of year - July 1	<u>64,058,727</u>	<u>696,802</u>	<u>8,353,532</u>	<u>73,109,061</u>
End of year - June 30	<u>\$ 67,931,509</u>	<u>\$ 698,729</u>	<u>\$ 8,934,545</u>	<u>\$ 77,564,783</u>
				<u>\$ 10,448,474</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
Cash Flows from Operating Activities:					
Cash received from customers	\$ 8,788,281	\$ 977,669	\$ 3,686,041	\$ 13,451,991	\$ 8,027,355
Cash paid for goods and services	(3,670,140)	(849,990)	(2,365,404)	(6,885,534)	(6,512,112)
Cash paid to or on behalf of employees for services	(1,775,502)	-	(873,633)	(2,649,135)	-
Customer deposits	16,565	910	-	17,475	-
Net cash provided (used) by operating activities	<u>3,359,204</u>	<u>128,589</u>	<u>447,004</u>	<u>3,934,797</u>	<u>1,515,243</u>
Cash Flows from Non-Capital Financing Activities:					
Intergovernmental non-operating revenues/transfers received	48,379	-	323,417	371,796	-
Net cash provided (used) by non-capital financing activities	<u>48,379</u>	<u>-</u>	<u>323,417</u>	<u>371,796</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(849,502)	-	(267,988)	(1,117,490)	-
Principal paid on bonds, notes and capital leases	(1,024,019)	(91,000)	-	(1,115,019)	-
Interest paid on bonds, notes and capital leases	(301,315)	(163,395)	-	(464,710)	-
Net cash provided (used) by capital and related financing activities	<u>(2,174,836)</u>	<u>(254,395)</u>	<u>(267,988)</u>	<u>(2,697,219)</u>	<u>-</u>
Cash Flows from Investing Activities:					
Interest on investments	94,707	3,807	23,165	121,679	32,045
Net increase (decrease) in cash and cash equivalents	1,327,454	(121,999)	525,598	1,731,053	1,547,288
Cash and Cash Equivalents:					
Beginning of year - July 1	27,287,469	699,373	6,307,211	34,294,053	9,307,615
End of year - June 30	<u>\$ 28,614,923</u>	<u>\$ 577,374</u>	<u>\$ 6,832,809</u>	<u>\$ 36,025,106</u>	<u>\$ 10,854,903</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ 4,021,738	\$ 160,893	\$ 227,901	\$ 4,410,532	\$ 1,510,306
Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
Depreciation and amortization	1,270,385	106,338	220,350	1,597,073	-
Changes in assets and liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	(2,160,226)	(139,562)	(11,614)	(2,311,402)	4,750
(Increase) decrease in deferred outflows of resources - pension	(49,665)	-	(28,329)	(77,994)	-
(Increase) decrease in deferred outflows of resources - OPEB	(61,776)	-	(35,238)	(97,014)	-
Increase (decrease) in net pension liability	(331,960)	-	(189,357)	(521,317)	-
Increase (decrease) in OPEB liability	87,221	-	49,752	136,973	-
Increase (decrease) in deferred inflows of resources - pensions	(2,463)	-	(1,404)	(3,867)	-
Increase (decrease) in deferred inflows of resources - OPEB	351,799	-	200,675	552,474	-
Increase (decrease) in accounts payable and accrued liabilities	225,995	10	18,708	244,713	187
Increase (decrease) in customer deposits	16,565	910	-	17,475	-
Increase (decrease) in accrued vacation pay	(8,409)	-	(4,440)	(12,849)	-
Total adjustments	<u>(662,534)</u>	<u>(32,304)</u>	<u>219,103</u>	<u>(475,735)</u>	<u>4,937</u>
Net cash provided (used) by operating activities	<u>\$ 3,359,204</u>	<u>\$ 128,589</u>	<u>\$ 447,004</u>	<u>\$ 3,934,797</u>	<u>\$ 1,515,243</u>
Non-Cash Investing and Capital Activities:					
Right-to-use asset acquired in exchange for lease liability	\$ 236	\$ -	\$ 135	\$ 371	\$ -

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	<u>Custodial Funds</u>
Assets:	
Cash and cash equivalents	\$ 45,749
Taxes receivable for other governments, net	89,367
Other receivables	1
Due from other governments	<u>109,516</u>
Total assets	<u>244,633</u>
Liabilities:	
Due to other governments	<u>110,640</u>
Net Position:	
Restricted for:	
Individuals, organizations, and other governments	<u>133,993</u>
Total net position	<u>\$ 133,993</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Custodial Funds</u>
Additions:	
Ad valorem taxes for other governments	\$ 10,885,719
Collections on behalf of inmates	<u>293,795</u>
Total assets	<u>11,179,514</u>
Deductions:	
Tax distributions to other governments	10,890,849
Payments on behalf of inmates	<u>298,938</u>
Total liabilities	<u>11,189,787</u>
Net increase (decrease) in fiduciary net position	(10,273)
Net Position:	
Net position, beginning	<u>144,266</u>
Net position, ending	<u>\$ 133,993</u>

The accompanying notes are an integral part of the financial statements.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

I. Summary of Significant Accounting Policies

The accounting policies of the County and its component units 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 County of Chatham, North Carolina, is a political subdivision of the State of North Carolina. It is one of 100 counties established in North Carolina under North Carolina General Statute 153A-10, is located in the central part of the State, and according to 2020 Census data has a population of approximately 76,285. The County operates under a Commissioner-Manager form of government. The County is responsible for and maintains services inherent to the operation of a county government including general government, public safety, human services, education, economic and physical development, and cultural and recreational services. The County also operates a water and sewer utility system and a solid waste management system.

As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Southeast Water District exists to provide and maintain water systems for the County residents within the district. The district is reported as an enterprise fund in the County's financial statements. Southwest Water District and Northwest Water District have no financial transactions or account balances; therefore, they are not presented in the basic financial statements. Chatham County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Chatham County Board of Alcoholic Beverage Control (the ABC Board), which has a June 30 year-end, is presented as if it is a separate proprietary fund of the County (discrete presentation). The blended presentation method presents component units as a department or unit of the County and offers no separate presentation as with the discrete method.

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Southeast Water District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the district. The County has operational responsibility for the district.	None Issued
Southwest Water District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the district. The County will have operational responsibility for the district.	None Issued
Northwest Water District	Blended	Under State law [NCGS 162A-89], the County's board of commissioners also serve as the governing board for the district. The County will have operational responsibility for the district.	None Issued
Chatham County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the county commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Chatham County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surpluses to the General Fund of the County.	Chatham County ABC Board 11455 Suite B, US 15-501 Chapel Hill, NC 27516

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-Wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government's net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. Because the operations of the county's internal service fund benefits predominantly governmental activities the internal service fund has been included within the governmental activities in the government wide statements.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County'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, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

General Fund. This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund, Housing Trust Fund, Law Enforcement Separation Allowance Fund, and the Coal Ash Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 they are consolidated in the General Fund.

Capital Improvement Project Reserve Fund. The County transfers annually an amount equivalent to nine and two tenths' cents on the property tax rate into this fund. The money will be used to fund debt service on a variety of general capital projects, including a new emergency operations center and school administrative building.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Facilities Improvements Fund. This fund accounts for the financing and construction of facilities and additional office space within the County.

School Construction Project Fund. This fund accounts for the construction of new school facilities and additions to existing facilities within the County.

American Rescue Plan Fund. This fund accounts for the infusion of funds to meet pandemic response needs of the community and rebuild a stronger, more equitable economy as the Country recovers.

Capital Reserve Fund. This fund accounts for the accumulation of funds for large capital purchases.

The County reports the following major enterprise funds:

Utility Fund. This fund is used to account for the County's water and sewer operations.

Southeast Water District Fund. This fund is used to account for the operations of the water district covering the southeastern portion of the County.

Solid Waste and Recycling Fund. This fund is used to account for the operations of the County's collection and disposal of solid waste.

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund and Goldston-Gulf Sanitary District Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County, and the Jail Inmate Pay Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families.

Nonmajor Funds. The County maintains several legally budgeted funds. The Emergency Telephone System Fund, the Forfeited Property Fund, the Recreation-Payment in Lieu Fund, the Impact Fees Fund, the Bynum Canoe Access/Easement Monitoring Fund, the Courthouse Clock Fund, the Library Foundation Fund, the Representative Payee Fund, the Fines and Forfeitures Fund, the Opioid Settlement Fund, and the Special Fire District Funds are reported as nonmajor special revenue funds. The Tech/System Improvement Project Fund, County Wide Parks Project Fund, and Emergency Vehicle Replacement Capital Reserve Project are reported as nonmajor capital project funds.

Internal Service Fund. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a cost reimbursement basis. The measurement focus is upon determination of net income, financial position, and changes in financial position. The generally accepted accounting principles here are those applicable to similar businesses in the private sector and, thus, these funds are maintained on the accrual basis. The County has one internal service fund, the Self-Insurance Internal Service Fund.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. Custodial funds use the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using 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 County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, 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. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the state at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (excluding the Economic and Community Development Fund), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the general capital projects funds and enterprise capital projects funds. The enterprise capital projects funds are consolidated with the enterprise operating funds for reporting purposes. The Self Insurance internal service fund operates under a financial plan approved by the board.

A reconciliation is included for the General Fund due to the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for all annually budgeted funds and at the project level for the multi-year funds. The County budget officer is authorized by the budget ordinance to transfer appropriations between department areas within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund 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 tie until the annual ordinance can be adopted.

D. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity

1. Deposits and Investments

All deposits of the County and the ABC Board are made in Board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State law [G.S. 159-30(c)(8)] authorizes the County and the ABC 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 and the North Carolina Capital Management Trust (NCCMT).

The majority of the County and the ABC Board's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost.

The North Carolina Capital Management Trust (NCCMT) is authorized by G.S. 159-30(c)(8). The NCCMT Governmental Portfolio is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAM by S&P and AAA-mf by Moody Investor Services. The Government Portfolio is reported at fair value.

2. Cash and Cash Equivalents

The County pools moneys 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. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

3. Restricted Assets

The unexpended bond proceeds of the facilities improvement and school capital projects funds are classified as restricted assets because their use is restricted to ongoing capital projects for which the bonds were originally issued. The unexpended proceeds of the Opioid settlement are classified as restricted assets because their use must be expended in accordance with the agreement. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Customer deposits and financial guarantees held by the County before any services are supplied are restricted to the service for which they were collected.

Restricted Cash		
Governmental Activities:		
General Fund	Tax revaluation	\$ 347,077
	Customer deposits	40,248
	Financial guarantees	961,593
American Rescue Plan Fund	Unexpended proceeds	7,163,846
Opioid Settlement Fund	Unexpended proceeds	111,766
Facilities Improvements Fund	Unexpended bond proceeds	18,686,179
School Construction Fund	Unexpended bond proceeds	<u>8,046,447</u>
Total governmental activities		<u>35,357,156</u>
Business-Type Activities:		
Utility Fund	Customer deposits	449,324
Southeast Water District	Customer deposits	<u>38,455</u>
Total business-type activities		<u>487,779</u>
Total restricted cash		<u>\$ 35,844,935</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

4. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021.

5. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

6. Allowances for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. The ABC Board receivables are stated at realizable value and no allowance for bad debts has been provided.

7. Inventories and Prepaid Items

The inventories of the ABC Board are valued at the lower of cost or net realizable value using the first-in, first-out method. The ABC Board has prepaid expenses that consist of prepaid insurance and prepaid maintenance contract.

8. Capital Assets

Capital assets, which include property, plant, infrastructure, equipment, and vehicles, are reported in the County's government-wide financial and proprietary financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Chatham County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit the issuance of limited obligation bonds and installment purchase financing for the purpose 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 of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education once all restrictions of the bond and financing agreements and all sales tax

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Chatham County Board of Education.

Capital assets are depreciated using the straight-line method over the assets' estimated useful lives. Assets acquired under capital leases are amortized over the assets' estimated useful lives. Capital assets are reported in the County's basic financial statements net of accumulated depreciation and amortization.

The estimated useful lives for the County's capital assets are as follows:

<u>Asset Class</u>	<u>Primary Government</u>	<u>ABC Board</u>
Buildings	20-60 years	
Plant and distribution system	50 years	
Computer, equipment, and vehicles	3-5 years	4-10 years
Leasehold improvements		10-40 years

9. Right to Use Assets

The County has recorded right-to-use lease assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net financial position will sometimes report a separate section for deferred outflow 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 County has the following items that meet this criteria – a charge on refunding, pension related deferrals, and OPEB related deferrals. In addition to liabilities, the statement of financial position can also report 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 County has the following items that meet the criteria for this category - prepaid taxes, leases, property taxes receivable, health clinic receivables, pension related deferrals and OPEB related deferrals.

11. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities on the statements of net position. In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources. Bond premiums and discounts are amortized over the life of the loan using the straight-line method. Bonds payable are recorded net of any applicable premiums or discounts. Bond issuance costs, except for prepaid insurance costs, are expenses in the reporting period in which they are incurred.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The County's general obligation bonds were issued to finance the construction of facilities utilized in the operations of the Southeast Water District system and are being retired by its resources and reported as long-term debt in the Southeast Water District Fund. All general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirement are appropriated when due.

The County has constructed new school facilities, county office facilities, made water system improvements and purchased equipment under private-placement loan agreements, limited obligation bonds, loans from the North Carolina Department of Environment and Natural Resources, and the United States Department of Agriculture. Loan agreements are recorded in the appropriate columns of the government-wide and proprietary fund financial statements. The Southeast Water District issued revenue bonds to construct water lines within the District. Loan agreements are recorded in the proprietary fund financial statements.

12. Compensated Absences

The vacation policy of the County provides for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned, and the ABC Board employees may accumulate up to forty days earned vacation leave. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide and proprietary funds.

The sick leave policies of the County and the ABC Board provide 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 neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

13. Net Position/Fund Balances

Net Position

Net position in 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 a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance is composed of five 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed or imposed by law.

Restricted for Stabilization by State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute (RSS) is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. 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. Per GASB guidance, RSS is considered a resource upon which a restriction is “imposed by law through constitutional provisions or enabling legislation.” RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding encumbrances are included within RSS. RSS is included as a component of restricted net position and restricted fund balance on the face of the balance sheet.

Restricted for Courthouse Clock – portion of fund balance restricted by donor to maintain the Courthouse Clock.

Restricted for Emergency Telephone – portion of fund balance restricted by state statute to enhance the County's 911 system.

Restricted for Law Enforcement – portion of fund balance restricted by state statute for law enforcement.

Restricted for Fire Protection – portion of fund balance restricted by revenue source for fire protection.

Restricted for Economic and Physical Development – portion of fund balance restricted by revenue source for economic and physical development

Restricted for Capital Projects – portion of fund balance restricted by revenue source for capital projects

Restricted for Human Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program

The difference in restricted Fund Balance on Exhibit C from restricted net position on Exhibit A is ROD pension plan of \$202,632 and unexpended debt proceeds of \$26,732,626.

Committed Fund Balance - This classification represents the portion of fund balance that can only be used for specific purpose imposed by majority vote of Chatham County's Governing Board (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing board.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Committed for Tax Revaluation – portion of fund balance that can only be used for Tax Revaluation

Committed for Capital Projects - portion of fund balance to be used for the construction of capital projects. The governing board has adopted an ordinance committing these funds to these projects.

Committed for LEO Special Separation Allowance – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Committed for Housing Trust – portion of fund balance to be used for Board designated affordable housing projects. The governing board has adopted a policy committing the use of these funds for emergency housing and affordable housing incentive programs.

Committed for Recreation – portion of fund balance to be used for Board designated recreation projects. The governing board has adopted a plan committing the use of these funds for recreation facility improvements and development.

Committed for Land Preservation – portion of fund balance to be used for Board designated farmland preservation projects. The governing board has adopted a plan committing the use of these funds for farmland preservation plans and initiatives.

Assigned Fund Balance - Portion of fund balance that Chatham County's governing board has budgeted 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 or committed. The governing board approves the appropriation; however, the budget ordinance authorizes the Manager to make certain modifications utilizing a contingency line item without requiring Board approval.

Assigned for General Government - portion of fund balance budgeted by the Board for capital reserve expenditures.

Assigned for Education - portion of fund balance budgeted by the Board for future education expenditures.

Assigned for Cultural and Recreation - portion of fund balance budgeted by the Board for cultural and recreation expenditures.

Assigned for Public Safety – portion of fund balance budgeted by the Board for future emergency vehicle expenditures.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Unassigned Fund Balance - Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The General Fund may report a positive unassigned fund balance. In governmental funds other than the General fund, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned for those purposes.

Chatham County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-County funds, and/or County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County or when required by grant or other contractual agreements.

Chatham County has also adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the County in such a manner that unassigned fund balance is at least equal to or greater than 20% of the previous annual operating budget.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Reconciliation of the Statement of Revenues, Expenditures, and Fund Balance – Budget and Actual – General Fund to the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds

The Coal Ash Fund, Law Enforcement Separation Allowance Fund, Housing Trust Fund, and Tax Revaluation Fund are consolidated into the General Fund for reporting purposes on the Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds (Exhibit D). Fund balance for the General Fund is reconciled as follows:

	Revaluation Fund	Coal Ash Fund	Housing Trust Fund	Law Enforcement Separation Allowance Fund	Total
Fund balance, ending - General Fund (Exhibit F)	\$ -	\$ -	\$ -	\$ -	\$ 50,033,383
Revenues:					
Investment earnings	-	17,845	1,143	3,675	22,663
Other general revenues	-	-	-	175,000	175,000
Total revenues	-	17,845	1,143	178,675	197,663
Expenditures:					
General government	54,375	-	-	-	54,375
Public safety	-	-	-	115,488	115,488
Economic and physical development	-	48,534	257,221	-	305,755
Total expenditures	54,375	48,534	257,221	115,488	475,618
Revenues over (under) expenditures	(54,375)	(30,689)	(256,078)	63,187	(277,955)
Other Financing Sources (Uses):					
Transfers in	400,000	-	701,674	-	1,101,674
Revenues and other financing sources over (under) expenditures and other financing uses	345,625	(30,689)	445,596	63,187	823,719
Fund Balance:					
Beginning of year - July 1	1,452	4,836,015	142,796	887,581	5,867,844
End of year - June 30	\$ 347,077	\$ 4,805,326	\$ 588,392	\$ 950,768	6,691,563
Total ending fund balance (Exhibit D)					\$ 56,724,946

14. Defined Benefit-Cost Sharing Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments for all plans are reported at fair value.

E. Reconciliation of Government-Wide and Fund Financial Statements

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 total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$(116,144,574) consists of the following:

Capital assets (net) used in governmental activities are not financial resources and are, therefore, not reported in the funds	\$ 133,884,260
Assets and liabilities of the Self-Insurance Internal Service Fund used by management to account for certain insurance costs are included in the governmental activities in the Statement of Net Position.	10,448,474
Charges related to advance refunding bond issue	1,548,410
Net pension asset	218,878
Right-to-use assets	468,470
Pension related deferred outflows	8,866,482
OPEB related deferred outflows	5,371,672
Pension related deferred inflows	(8,126,470)
OPEB related deferred inflows	(184,989)
Deferred inflows of resources for taxes and other receivables	1,207,428
Liabilities that because they are not due and payable in the current period, do not require current resources to pay and are not reported in the fund statements:	
Bonds and installment financing	(245,784,398)
Compensated absences	(2,052,026)
Net pension liability - LGERS	(5,276,377)
Total pension liability - LEOSSA	(3,423,021)
Net OPEB liability	(12,838,039)
Total adjustment	<u>\$ (115,671,246)</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. The total adjustment of \$6,388,526 is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 18,095,907
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	(4,047,852)
Cost of disposed capital asset not recorded in fund statements	(27,341)
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes resources of governmental funds. Neither transaction has any effect on net position. Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt.	
Debt proceeds, lease proceeds and premium	(48,727,627)
Principal payment, payments to escrow agent and amortization on long-term debt	26,687,305
Increase in accrued interest payable	143,816
Deferred charge on refunding	390,629
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,998,378
Right-to-use leased asset capital outlay expenditures which were not capitalized, net of amortization expense	468,470
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded in the fund statements.	
Difference in interest expense between fund statements and government-wide statement (modified accrual) and government-wide statement (full accrual)	54,615
Compensated absences	54,396
OPEB plan expense	(503,412)
Pension expense:	
Local Government Employee Retirement System (LGERS)	(2,217,821)
Register of Deeds (LGERS-ROD)	7,038
Law Enforcement Officers Special Separation Allowance (LEOSSA)	(838,650)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded in the fund statements:	
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	1,546,951
Total	\$ (5,915,198)

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the ABC 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 County's or the ABC Board's agents in these units' names. 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 County and the ABC Board, these deposits are considered to be held by their agents in the entities' names. 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 County, the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the ABC Board rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the ABC Board have no formal policy regarding custodial credit risk for deposits.

At June 30, 2022, the County's deposits had a carrying amount of \$12,723,577 and a bank balance of \$22,974,820. Of the bank balance, \$841,496 was covered by federal depository insurance and \$22,133,324 was covered by collateral held under the Pooling Method. The County had \$1,900 of cash on hand at year-end.

At June 30, 2022, the carrying amount of deposits for Chatham County ABC Board was \$1,158,348 and the bank balance was \$1,118,574. All of the bank balance was covered by federal depository insurance except for \$488,745.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

2. Investments

As of June 30, 2022, the County had the following investments and maturities:

<u>Investment Type</u>	Valuation		Less Than		
	Measurement Method	Fair Value	6 Months	6-12 Months	1-5 Years
US Government Agencies	Fair Value - Level 2	\$ 96,206,587	\$ 990,343	\$ 27,858,454	\$ 62,283,867
US Government Treasuries	Fair Value - Level 1	1,993,778	-	1,969,095	-
Commercial Paper	Fair Value - Level 2	35,430,901	32,659,131	7,870,376	-
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	<u>65,942,573</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total		<u>\$ 199,573,839</u>	<u>\$ 33,649,474</u>	<u>\$ 37,697,925</u>	<u>\$ 62,283,867</u>

At June 30, 2022, the ABC Board had \$5,890 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The ABC Board has no policy regarding credit risk.

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

Level of fair value hierarchy: Level 1 – Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2 – Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County has an informal investment policy that requires purchases of securities to be tiered with staggered maturity dates and limits investment maturities to a maximum of five years.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2022, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA-m by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2022. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County’s informal policy indicates that the County shall utilize a third-party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. At June 30, 2022, all of the County’s investments were in the County’s name.

Concentration of Credit Risk. The County’s informal investment policy does not limit the amount that the County may invest in any one issuer. The County makes every effort to maintain a diversified investment portfolio according to security type and institution and does not allow for an investment in one issuer in excess of 25% of the County’s total investments. More than 5% of the County’s investments are in the following issuers:

	Percent of Total Investments
Federal Farm Credit Bank	16.78%
Federal Home Loan Bank	34.13%
Federal Home Loan Mortgage Corporation	10.27%
Federal National Mortgage Association	8.14%

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable.

The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year	Levied	Tax	Interest	Total		
2019	\$	5,245,943	\$	1,718,053	\$	6,963,996
2020		5,532,187		1,313,899		6,846,086
2021		5,547,644		818,281		6,365,925
2022		6,363,080		365,897		6,728,977
Total	\$	22,688,854	\$	4,216,130	\$	26,904,984

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

4. Receivables

Receivables at the government-wide level at June 30, 2022, were as follows:

	Taxes Receivable	Accounts Receivable	Interest Receivable	Lease Receivable	Due from Other Governments
Governmental Activities:					
General	\$ 1,585,905	\$ 296,621	\$ 75,646	\$ 1,281,219	\$ 10,645,171
Other governmental	222,280	77,977	-	-	130,351
Internal service	-	5,575	13,425	-	-
Total	1,808,185	380,173	89,071	1,281,219	10,775,522
Allowance for doubtful accounts	606,651	-	-	-	-
Total governmental activities	\$ 1,201,534	\$ 380,173	\$ 89,071	\$ 1,281,219	\$ 10,775,522
Business-Type Activities:					
Utility	\$ -	\$ 3,681,964	\$ 36,115	\$ -	\$ 13,702
Southeast Water District	-	283,432	1,662	-	-
Solid Waste Management	-	59,006	52,867	-	58,661
Total	-	4,024,402	90,644	-	72,363
Allowance for doubtful accounts	-	350,416	-	-	-
Total business-type activities	\$ -	\$ 3,673,986	\$ 90,644	\$ -	\$ 72,363

Due from other governments that is owed to the County consists of the following:

Governmental Activities:	
Local option sales tax	\$ 6,939,558
Sales tax refunds	1,422,901
Motor vehicle tax	713,127
Federal and state grants	1,660,596
Other	39,340
Total governmental activities	\$ 10,775,522
Business-Type Activities:	
Solid waste disposal tax	\$ 14,038
White goods disposal tax	10,073
Scrap tire tax	34,550
Local municipalities	13,702
Total business-type activities	\$ 72,363

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

5. Capital Assets

Governmental capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Increases	Decreases	Balance July 1, 2022
Non-Depreciable Assets:				
Land	\$ 13,370,557	\$ -	\$ -	\$ 13,370,557
Construction in progress	24,260,044	14,462,215	-	38,722,259
Total	37,630,601	14,462,215	-	52,092,816
Depreciable Assets:				
Buildings	92,895,097	-	16,883	92,878,214
Equipment and vehicles	22,181,870	3,633,692	1,758,933	24,056,629
Total	115,076,967	3,633,692	1,775,816	116,934,843
Less Accumulated Depreciation:				
Buildings	15,824,181	1,540,406	13,571	17,351,016
Equipment and vehicles	17,019,841	2,507,446	1,734,904	17,792,383
Total	32,844,022	4,047,852	1,748,475	35,143,399
Depreciable assets, net	82,232,945	(414,160)	27,341	81,791,444
Total governmental activities capital assets, net	\$ 119,863,546	\$ 14,048,055	\$ 27,341	\$ 133,884,260

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 1,562,954
Public safety	1,901,720
Human services	157,590
Economic and physical development	67,620
Cultural and recreational	357,968
Total	\$ 4,047,852

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Enterprise Fund capital asset activity for the year ended June 30, 2022 was as follows:

	Balance July 1, 2021	Increases	Decreases	Balance July 1, 2022
Utility Fund:				
Non-Depreciable Assets:				
Land	\$ 484,753	\$ -	\$ -	\$ 484,753
Construction in progress	8,769,040	849,502	-	9,618,542
Total	9,253,793	849,502	-	10,103,295
Depreciable Assets:				
Buildings	5,478,618	-	4,561	5,474,057
Equipment and vehicles	2,863,491	-	303,121	2,560,370
Distribution lines	49,601,209	-	-	49,601,209
Total	57,943,318	-	307,682	57,635,636
Less Accumulated Depreciation:				
Buildings	5,277,014	51,473	4,561	5,323,926
Equipment and vehicles	1,945,006	152,748	302,084	1,795,670
Distribution lines	15,575,998	1,066,164	-	16,642,162
Total	22,798,018	1,270,385	306,645	23,761,758
Depreciable assets, net	35,145,300	(1,270,385)	1,037	33,873,878
Total Utility Fund capital assets, net	\$ 44,399,093	\$ (420,883)	\$ 1,037	\$ 43,977,173
	Balance July 1, 2021	Increases	Decreases	Balance July 1, 2022
Southeast Water District:				
Depreciable Assets:				
Distribution lines	\$ 5,307,500	\$ -	\$ -	\$ 5,307,500
Less Accumulated Depreciation:				
Distribution lines	1,062,820	106,338	-	1,169,158
Depreciable assets, net	4,244,680	(106,338)	-	4,138,342
Total Southeast Water District Fund capital assets, net	\$ 4,244,680	\$ (106,338)	\$ -	\$ 4,138,342

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Balance</u> <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>July 1, 2022</u>
Solid Waste & Recycling Fund:				
Non-Depreciable Assets:				
Land	\$ 495,505	\$ -	\$ -	\$ 495,505
Depreciable Assets:				
Buildings	3,500,194	-	3,158	3,497,036
Equipment and vehicles	<u>2,764,483</u>	<u>267,988</u>	<u>410,131</u>	<u>2,622,340</u>
Total	<u>6,264,677</u>	<u>267,988</u>	<u>413,289</u>	<u>6,119,376</u>
Less Accumulated Depreciation:				
Buildings	1,928,697	51,918	2,814	1,977,801
Equipment and vehicles	<u>2,432,480</u>	<u>168,326</u>	<u>405,828</u>	<u>2,194,978</u>
Total	<u>4,361,177</u>	<u>220,244</u>	<u>408,642</u>	<u>4,172,779</u>
Depreciable assets, net	<u>1,903,500</u>	<u>47,744</u>	<u>4,647</u>	<u>1,946,597</u>
Total Solid Waste Management				
Fund capital assets, net	<u>\$ 2,399,005</u>	<u>\$ 47,744</u>	<u>\$ 4,647</u>	<u>\$ 2,442,102</u>
Total Enterprise Fund capital assets	<u>\$ 51,042,778</u>	<u>\$ (479,477)</u>	<u>\$ 5,684</u>	<u>\$ 50,557,617</u>

6. Net Investment in Capital Assets

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets, net of depreciation	\$ 133,884,260	\$ 50,557,617
Right to use leased assets, net of accumulated amortization	468,470	79
Less:		
Gross debt	(231,691,922)	(10,514,410)
Add premium on long-term obligations	(12,580,739)	-
Unspent debt proceeds	8,046,447	-
Debt related to assets not owned by the County	<u>168,529,117</u>	<u>-</u>
Net capital debt	<u>(67,697,097)</u>	<u>(10,514,410)</u>
Net investment in capital assets	<u>\$ 66,655,633</u>	<u>\$ 40,043,286</u>

Deferred charge on refunding is not related to County's capital assets and is not included in the calculation of governmental Net Investment in Capital Assets.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

7. Construction Commitments

The County has two active construction projects. At June 30, 2022, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
Emergency Operations Center	\$ 15,025,241	\$ 9,484,282
County Schools Central Services Building	9,664,605	6,675,077
	\$ 24,689,845	\$ 16,159,359

8. Right-to-Use Leased Assets

The County has recorded right-to-use leased assets. The assets are right-to-use assets for land, buildings, and equipment. The related leases are discussed in the leases subsection of the long-term obligations section of this note. The right-to-use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right-to-use asset activity for the primary government for the year ended June 30, 2022 was as follows:

Right-to-Use Assets:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Governmental Activities:				
Right-to-use assets:				
Land	\$ -	\$ 9,723	\$ -	\$ 9,723
Buildings	-	590,617	-	590,617
Equipment	-	14,782	-	14,782
Less: accumulated amortization				
Land	-	(4,862)	-	(4,862)
Buildings	-	(133,848)	-	(133,848)
Equipment	-	(7,942)	-	(7,942)
Right-to-use assets, net	\$ -	\$ 468,470	\$ -	\$ 468,470
 Business-Type Activities:				
Equipment	\$ -	\$ 370	\$ -	\$ 370
Less: accumulated amortization	-	(291)	-	(291)
Right-to-use assets, net	\$ -	\$ 79	\$ -	\$ 79

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

9. Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2022 was as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u>
	<u>June 30, 2021</u>			<u>June 30, 2022</u>
ABC Board:				
Non-Depreciable Assets:				
Land	\$ 197,758	\$ -	\$ -	\$ 197,758
Construction in progress	35,117	1,619,409	-	1,654,526
Total	<u>232,875</u>	<u>1,619,409</u>	<u>-</u>	<u>1,852,284</u>
Depreciable Assets:				
Leasehold improvements	404,211	-	-	404,211
Furniture/equipment	221,257	32,335	-	253,592
Total	<u>625,468</u>	<u>32,335</u>	<u>-</u>	<u>657,803</u>
Less Accumulated Depreciation:				
Furniture/equipment and leasehold improvements	358,434	64,227	-	422,661
Total	<u>358,434</u>	<u>64,227</u>	<u>-</u>	<u>422,661</u>
Total ABC Board capital assets, net	<u>\$ 499,909</u>	<u>\$ 1,587,517</u>	<u>\$ -</u>	<u>\$ 2,087,426</u>

The ABC Board has recorded right-to-use leased assets as a result of implementing GASB 87. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

The ABC Board has recorded three right-to-use leased assets. The assets are right-to-use assets for leased buildings. The related leases are discussed in the leases subsection of the liabilities section of this note. The right-to-use lease assets are amortized on a straight line-basis over the terms of the related leases.

Right-to-use asset activity for the ABC Board for the year ended June 30, 2022 was as follows:

Right-to-Use Assets:	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Leased buildings	\$ -	\$ 1,753,550	\$ -	\$ 1,753,550
Less: accumulated amortization	-	(216,995)	-	(216,995)
Right-to-use assets, net	<u>\$ -</u>	<u>\$ 1,536,555</u>	<u>\$ -</u>	<u>\$ 1,536,555</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2022 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Claims Liability</u>	<u>Total</u>
Governmental Activities:				
General	\$ 4,503,828	\$ 1,065,041	\$ -	\$ 5,568,869
Internal service	1,429	-	424,000	425,429
Other governmental	4,391,362	-	-	4,391,362
Total governmental activities	<u>\$ 8,896,619</u>	<u>\$ 1,065,041</u>	<u>\$ 424,000</u>	<u>\$ 10,385,660</u>
Business-Type Activities:				
Utility	\$ 1,054,615	\$ 53,302	\$ -	\$ 1,107,917
Southeast water district	52,081	-	-	52,081
Solid waste management	108,299	24,552	-	132,851
Total business-type activities	<u>\$ 1,214,995</u>	<u>\$ 77,854</u>	<u>\$ -</u>	<u>\$ 1,292,849</u>

2. Operating Leases

The ABC Board has an operating lease for the Moncure facility. The lease has expired. The Board is currently leasing the facility on a month-to-month basis. The ABC Board is responsible for utilities and insurance.

3. Pension Plan and Other Post-Employment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County and the ABC Board contribute to the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS 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 Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% 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. 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. 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. LGERS 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 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022, was 12.10% of compensation for law enforcement officers and 11.35% for general employees, 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 County were \$3,076,931 for the year ended June 30, 2022.

Refunds of Contributions – County employees who have terminated service as a contributing member of LGERS, 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 LGERS.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the County reported a liability of \$5,654,675 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

was based on a projection of the County'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 LGERS employers, actuarially determined. At June 30, 2022, the County's proportion was .369% (measured as of June 30, 2021), which was a decrease of .0076% from its proportion as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$2,376,830. At June 30, 2022, the County 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
Difference between expected and actual experience	\$ 1,798,955	\$ -
Changes of assumptions	3,552,580	-
Net difference between projected and actual earnings on pension plan investments	-	8,078,832
Changes in proportion and difference between County contributions and proportionate share of contributions	18,614	235,157
County contributions subsequent to the measurement date	3,076,931	-
Total	\$ 8,447,080	\$ 8,313,989

The \$3,076,931 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ 448,719
2024	(239,709)
2025	(680,678)
2026	(2,472,172)
2027	-
Thereafter	-
Total	\$ (2,943,840)

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.5 percent, net of pension plan investment expense, including inflation

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The plan actuary currently uses mortality rates based on the RP-2014 *Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2020 valuation was based on the results of an actuarial experience study for the period of January 1, 2015, through December 31, 2019.

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, 2021 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	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Opportunistic fixed income	7.0%	6.0%
Inflation sensitive	6.0%	4.0%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 3.05%. Return projections do not include any excess expectations over benchmark averages. All rates of return and inflation are annualized.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Discount Rate. The discount rate used to measure the total pension liability was 6.50 percent. 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 County’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County’s proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	<u>\$ 21,950,978</u>	<u>\$ 5,654,675</u>	<u>\$ (7,756,235)</u>

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 for the State of North Carolina.

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

The County administers a public employee retirement system (the *Separation Allowance*), a single employer defined benefit pension plan that provides retirement benefits to the County’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2020 valuation date, the Separation Allowance’s membership consisted of:

Retirees receiving benefits	6
Active plan members	<u>101</u>
Total	<u><u>107</u></u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

2. Summary of Significant Accounting Policies

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria, which are outlined in GASB Statement 73.

3. Actuarial Assumptions

The entry age normal actuarial cost method was used in the December 31, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20-Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019. Other key assumptions include:

Mortality Assumption: All mortality rates use Pub-2010 amount-weighted tables.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled Members at Retirement): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths After Retirement (Survivors of Deceased Members): Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$117,838 as benefits came due for the reporting period. Administration costs of the separation allowance are paid in the General Fund. There were no contributions made by employees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the County reported a total pension liability of \$3,423,021. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$437,601.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 126,040	\$ 172,039
Changes of assumptions	771,467	145,281
County benefit payments and plan administrative expense made subsequent to the measurement date	51,884	-
Total	<u>\$ 949,391</u>	<u>\$ 317,320</u>

The County paid \$51,884 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pension which will be recognized as a decrease of the total pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ 131,902
2024	131,428
2025	123,427
2026	130,143
2027	83,462
Thereafter	(20,175)
Total	<u>\$ 580,187</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate

The following presents the County's total pension liability calculated using the discount rate of 2.25 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 3,800,171	\$ 3,423,021	\$ 3,085,286

Schedule of Changes in Total Pension Liability Law Enforcement Officers' Special Separation Allowance

	2022
Beginning balance	\$ 3,488,326
Service cost	239,356
Interest on the total pension liability	66,188
Differences between expected and actual experience	(136,756)
Changes of assumptions or other inputs	(116,255)
Benefit payments	(117,838)
Net pension obligation, end of year	\$ 3,423,021

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2021 to 2.25 percent at June 30, 2022.

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

The plan currently uses mortality tables that vary by age 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.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

c. Supplemental Retirement Income Plan for Law Enforcement Officers (401k)

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$315,343, which consisted of \$243,346 from the County and \$71,997 from law enforcement officers. No amounts were forfeited.

d. Supplemental Retirement Income Plan of North Carolina 401(k)

Plan Description. The County contributes to the Supplemental Retirement Income Plan of North Carolina 401(k) (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to all employees not engaged in law enforcement who work more than 20 hours of each week and who are not already receiving supplemental retirement benefits. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. The County contributes each month an amount equal to four and one-half percent (4.5%). Also, the employees may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2022 were \$1,339,871, which consisted of \$990,324 from the County and \$349,547 from employees.

e. Deferred Compensation Plan

Plan Description. The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all employees not engaged in law enforcement, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The County has complied with changes in laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is not reported within the County's Custodial Funds.

Funding Policy. The County does not contribute to the deferred compensation plan. Employees may make voluntary contributions to the plan. Contributions from employees for the year ended June 30, 2022 were \$39,385.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

f. Registers of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS 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 Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The state's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$9,456 for the year ended June 30, 2022.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the County reported an asset of \$218,878 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was 1.139%, which was an increase of .298% from its proportion measured as of June 30, 2020.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

For the year ended June 30, 2022, the County recognized pension expense of \$7,040. At June 30, 2022, the County 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
Difference between expected and actual experience	\$ 2,335	\$ 2,654
Changes of assumptions	15,960	-
Net difference between projected and actual earnings on pension plan investments	-	672
Changes in proportion and difference between County contributions and proportionate share of contributions	7,370	48,041
County contributions subsequent to the measurement date	9,456	-
Total	\$ 35,121	\$ 51,367

\$9,456 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ending June 30, 2023.

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2023	\$ (14,091)
2024	(16,201)
2025	(513)
2026	5,103
2027	-
Thereafter	-
Total	\$ (25,702)

Actuarial Assumptions. The total pension liability in the December 31, 2020 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 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent net of pension plan investment expense, including inflation

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019. 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. 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 adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30-year expectations developed with the consulting actuary as part of a study conducted in 2016, and is part of the asset, liability and investment policy of the North Carolina Retirement Systems. 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 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized.

Discount Rate. The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on those assumptions, the System'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 County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset 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 rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension asset (liability)	\$ (173,856)	\$ (218,878)	\$ (256,712)

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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 for the State of North Carolina.

g. Pension (Asset) Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension asset (liability) for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net position liability (asset) was determined by an actuarial valuation as of December 31, 2020. The total pension liability for LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expenses:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of net pension (asset) liability	\$ 5,654,675	\$ (218,878)	n/a	\$ 5,435,797
Proportion of the net pension asset (liability)	0.36872%	(-1.13922%)	n/a	-
Total pension liability	-	-	3,423,021	3,423,021
Pension expense	2,376,830	7,040	437,601	2,821,471

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,798,955	\$ 2,335	\$ 126,040	\$ 1,927,330
Changes of assumptions	3,552,580	15,960	771,467	4,340,007
Changes in proportion and differences between County contributions and proportionate share of contributions	18,614	7,370	-	25,984
County contributions (LGERS,ROD)/benefits payments and administration costs (LEOSSA) subsequent to the measurement date	<u>3,076,931</u>	<u>9,456</u>	<u>51,884</u>	<u>3,138,271</u>
	<u>\$ 8,447,080</u>	<u>\$ 35,121</u>	<u>\$ 949,391</u>	<u>\$ 9,431,592</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 2,654	\$ 172,039	\$ 174,693
Changes of assumptions	-	-	145,281	145,281
Net difference between projected and actual earnings on pension plan investments	8,078,832	672	-	8,079,504
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>235,157</u>	<u>48,041</u>	<u>-</u>	<u>283,198</u>
	<u>\$ 8,313,989</u>	<u>\$ 51,367</u>	<u>\$ 317,320</u>	<u>\$ 8,682,676</u>

h. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. Under the terms of resolutions, the County administers a single employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. On September 25, 2019, the ABC Board voted to approve the revised “Retiree’s Benefit Section” of the personnel policy manual. This section eliminated the other post-employee benefit plan and replaced it with a Retiree Longevity Payout Plan.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Benefits Provided. Retirees qualify for benefits provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. Retirees who do not meet the aforementioned criteria have the option to purchase basic medical insurance for themselves and their dependents through the County for eighteen months. The County is self-insured for its healthcare coverage and contributes funding for all employee groups annually. Currently, 21 retirees are eligible for post-employment health benefits. Eligible retirees who elect this coverage will be enrolled in the group health plan. For members that retire with at least 30 years of service, the County pays 100% of the premium cost for pre-medicare eligible health coverage for the retiree. For members that retire with at least 25 years of service, the County pays 75% of the premium cost for pre-medicare eligible health coverage. For members that retire with at least 20 years of service, the County pays 50% of the premium cost for pre-Medicare eligible health coverage. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The plan may be amended by the Board of Commissioners. A separate report was not issued for the plan.

<u>Years of County Service at Retirement</u>	<u>County Contribution</u>
30 or more	100.00%
25-29	75.00%
20-24	50.00%
Less than 20	Not eligible

Membership of the other post-employment health benefit plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Retirees receiving benefits	21
Active plan members	<u>582</u>
Total	<u><u>603</u></u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total OPEB Liability

The County's total OPEB liability of \$13,758,481 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified.

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Law enforcement officers	3.25% - 7.90%
Municipal Bond Index Rate (discount):	
Prior measurement date	2.21%
Measurement date	2.16%
Healthcare cost trends, pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2030

The discount rate used to measure the total OPEB liability was based on a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure total OPEB liability.

Changes in the total OPEB Liability:

Total OPEB Liability as of June 30, 2021	\$ 11,711,042
Changes for the year:	
Service cost	865,417
Interest	269,013
Differences between expected and actual experience	511,429
Changes of assumptions or other inputs	1,213,844
Benefit payments	<u>(812,264)</u>
Net changes	<u>2,047,439</u>
Total OPEB Liability as of June 30, 2022	<u>\$ 13,758,481</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by the Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

Mortality rates were based on the PUB-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, healthcare cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2020 valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following presents the total OPEB liability of the County, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB liability	<u>\$ 15,588,299</u>	<u>\$ 13,758,481</u>	<u>\$ 12,159,062</u>

Sensitivity of the Total OPEB Liability to Healthcare Cost Trend Rates. The following presents the total OPEB liability of the County, determined using current healthcare cost trend rates, as well as what the County’s total OPEB liability would be if it were determined using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than current rates:

	1% Decrease	Current	1% Increase
Total OPEB liability	<u>\$ 11,633,805</u>	<u>\$ 13,758,481</u>	<u>\$ 16,386,195</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the County recognized OPEB expense of \$1,802,364. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,814,577	\$ 4,247
Changes of assumptions	3,129,961	194,005
Benefit payments and administrative costs made subsequent to the measurement date	812,264	-
Total	\$ 5,756,802	\$ 198,252

\$812,264 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2023	\$ 657,926
2024	657,926
2025	657,926
2026	690,874
2027	620,043
Thereafter	1,461,591
Total	\$ 4,746,286

i. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, state-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the system, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump-sum death

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

The County has also elected to provide enrollment in additional term life and accidental death and dismemberment insurance to employees. The plan, which is available to all County employees who work 30 hours or more per week, is valued at \$10,000. Employees may elect to purchase additional coverage for themselves or their dependents at additional cost. Any benefit elections purchased in excess of \$50,000 are considered taxable to the employee as a fringe benefit.

4. Deferred Outflows and Inflows of Resources

The County has several deferred inflows and outflows of resources. The deferred amounts are comprised of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Charges on refunding of debt	\$ 1,548,410	\$ -
Pensions - difference between projected and actual investment earnings	-	8,079,504
Pensions/OPEB - net difference between expected and actual experience	3,741,907	178,940
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	25,984	283,198
Pensions/OPEB - change of assumptions	7,469,968	339,286
Contributions to pension plans subsequent to the measurement date (LGRS, ROD)	3,086,387	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	812,264	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	51,884	-
Leases	-	1,249,784
Prepaid taxes not yet earned (General)	-	433,643
Prepaid taxes not yet earned (Special Revenue)	-	26,083
Total	\$ 16,736,804	\$ 10,590,438

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

5. Closure and Post-Closure Landfill Costs

The County closed its landfill facility in October 1993 and placed a cover on the site. The County is required to perform semi-annual monitoring functions at the site. Costs that relate to monitoring activities are expensed as incurred. Post-closure costs for the fiscal year ended June 30, 2022 were approximately \$15,642. As a result of the monitoring, the County submitted an assessment and remediation plan pursuant to NC Administrative Code 13B in November 1998 to the North Carolina Department of Environment and Natural Resources Division of Waste Management. The plan required the County to purchase land adjacent to the site as a buffer zone. All necessary property to provide the buffer zone was purchased and the project was completed during the fiscal year ending June 30, 2009. Future post-closure costs is an estimate subject to changes resulting from inflation, technology, or changes in applicable laws or regulations. Future post-closure costs will be expensed as incurred.

6. Risk Management

The County and the ABC Board are exposed to various risks of loss related to torts; theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases insurance for property, general liability, automobile, errors and omissions, law enforcement liability and employment practices liability. The County's property is insured based on replacement cost up to a limit of \$167,703,305. The County carries flood insurance for non-flood zones with a limit of coverage of \$5,000,000. General liability law enforcement, public official, employment practices and employee benefit liability have a \$1,000,000 per occurrence limit, with a \$3,000,000 total aggregate and automobile liability of \$1,000,000 per occurrence. The County purchases a \$5,000,000 umbrella over all of the casualty coverage. The County carries a workers' compensation policy that has a \$1,000,000 per occurrence limit, with a \$1,000,000 per employee limit and a total \$1,000,000 policy limit. The County self-insures for employee health coverage, which is administered by a private company, with a stop loss provision of \$125,000 per occurrence. The maximum lifetime benefit is unlimited, in accordance with health care reform. The County carries commercial insurance coverage above these limits. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Finance Officer, Register of Deed and Tax Collector are each individually bonded for \$100,000. The Sheriff is individually bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$300,000.

The ABC Board has commercial property, general liability, auto liability, liquor legal liability, workmen's compensation and employee health coverage. There have been no significant reductions in insurance coverage in the prior year and settled claims have not exceeded coverage in any of the last three fiscal years. Each board member and employees designated as general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

7. Contingent Liabilities and Commitments

At June 30, 2022, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

The County self-insures for employee health coverage. The County has recorded a liability in its Self-Insurance Internal Service Fund for estimated unfiled insurance claims.

The following is a reconciliation of the changes in the liability for claims and judgments for the prior two fiscal years:

Accrued claims and judgments, June 30, 2020	\$ (424,105)
Additions	5,889,216
Benefits paid	<u>(5,889,111)</u>
Accrued claims and judgments, June 30, 2021	(424,000)
Additions	5,473,656
Benefits paid	<u>(5,473,656)</u>
Accrued claims and judgments, June 30, 2022	<u>\$ (424,000)</u>

8. Long-Term Obligations

a. Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

For the year ended 6/30/2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Chatham County, NC entered into a 31-month lease as lessee for the use of election's office - Platinum Common buildings. An initial lease liability was recorded in the amount of \$138,376. As of 06/30/2022, the value of the lease liability is \$85,040. Chatham County is required to make monthly fixed payments of \$4,500. The lease has an interest rate of 0.6480%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$138,376 with accumulated amortization of \$53,565 is included with buildings on the lease class activities table found below. Chatham County has 1 extension option(s), each for 12 months.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

On 07/01/2021, Chatham County, NC entered into a 64-month lease as lessee for the use of sheriff's office - Goldston. An initial lease liability was recorded in the amount of \$18,715. As of 06/30/2022, the value of the lease liability is \$15,267. Chatham County is required to make monthly fixed payments of \$300. The lease has an interest rate of 0.9800%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$18,715 with accumulated amortization of \$3,509 is included with buildings on the lease class activities table found below.

On 07/01/2021, Chatham County, NC entered into a 78-month lease as lessee for the use of sheriff's office - Pittsboro. An initial lease liability was recorded in the amount of \$184,623. As of 06/30/2022, the value of the lease liability is \$159,174. Chatham County is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 1.2960%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$184,623 with accumulated amortization of \$28,403 is included with buildings on the lease class activities table found below.

On 07/01/2021, Chatham County, NC entered into an 80-month lease as lessee for the use of sheriff's office - Siler City - 134 Village Lake Drive. An initial lease liability was recorded in the amount of \$191,684. As of 06/30/2022, the value of the lease liability is \$163,822. Chatham County is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 1.2960%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$191,684 with accumulated amortization of \$28,753 is included with buildings on the lease class activities table found below. Chatham County has 2 extension option(s), each for 60 months.

On 07/01/2021, Chatham County, NC entered into a 29-month lease as lessee for the use of Pitney Bowes - DSS. An initial lease liability was recorded in the amount of \$9,615. As of 06/30/2022, the value of the lease liability is \$5,353. Chatham County is required to make quarterly fixed payments of \$1,074. The lease has an interest rate of 0.4350%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$9,615 with accumulated amortization of \$3,880 is included with equipment on the lease class activities table found below.

On 07/01/2021, Chatham County, NC entered into a 15-month lease as lessee for the use of Pitney Bowes - manager's office - DM475. An initial lease liability was recorded in the amount of \$5,537. As of 06/30/2022, the value of the lease liability is \$1,108. Chatham County is required to make quarterly fixed payments of \$1,109. The lease has an interest rate of 0.3080%. The equipment estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$5,537 with accumulated amortization of \$4,353 is included with equipment on the lease class activities table found below.

On 07/01/2021, Chatham County, NC entered into a 24-month lease as lessee for the use of Central Chatham Investments-Harts Farm Tower lease. An initial lease liability was recorded in the amount of \$9,723. As of 06/30/2022, the value of the lease liability is \$0.00. Chatham County is required to make annual fixed payments of \$9,750. The lease has an interest rate of 0.4350%. The land estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$9,723 with accumulated amortization of \$4,862 is included with land on the lease class activities table found below. Chatham County has 3 extension option(s), each for 12 months.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

On 07/01/2021, Chatham County, NC entered into a 35-month lease as lessee for the use of sheriff's office - Siler City - 124 Village Lake Drive. An initial lease liability was recorded in the amount of \$57,219. As of 06/30/2022, the value of the lease liability is \$37,705. Chatham County is required to make monthly fixed payments of \$1,650. The lease has an interest rate of 0.6480%. The buildings estimated useful life was 0 months as of the contract commencement. The value of the right-to-use asset as of 06/30/2022 of \$57,219 with accumulated amortization of \$19,618 is included with buildings on the lease class activities table found below. Chatham County has 1 extension option(s), each for 24 months.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 138,149	\$ 4,583	\$ 74	\$ 1
2024	110,975	3,349	-	-
2025	61,155	2,445	-	-
2026	61,941	1,659	-	-
2027	60,330	870	-	-
2028 - 2029	34,845	153	-	-
Total	<u>\$ 467,395</u>	<u>\$ 13,059</u>	<u>\$ 74</u>	<u>\$ 1</u>

ABC Board

The Board has entered into agreements to lease certain retail store buildings. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception.

The first agreement was executed on June 28, 2012 to lease a store building (Store #1) and requires 120 monthly payments of \$5,638. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.50%, which is the Board's incremental borrowing rate. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$21,771 at June 30, 2022.

The second agreement was executed on October 1, 2021 to lease a store building (Store #3) and requires 60 monthly payments of \$4,966. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.50%, which is the Board's incremental borrowing rate. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$195,668 at June 30, 2022.

The third agreement was executed on December 23, 2019 to lease a store building (Store #4) and requires 180 monthly payments of \$10,417. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.50%, which is the Board's incremental borrowing rate. As a result of the lease, the Board has recorded a right-to-use asset with a net book value of \$1,274,116 at June 30, 2022.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

The future minimum lease obligations and the net present value of these minimum lease payments for the ABC Board as of June 30, 2022, were as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 141,578	\$ 68,161
2024	130,444	62,357
2025	142,333	56,245
2026	154,956	49,583
2027	115,745	43,118
2028-2032	900,945	146,703
Total	<u>\$ 1,586,001</u>	<u>\$ 426,167</u>

b. General Obligation Indebtedness

All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Chatham County's Southeast Water District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the southeast water district, are collateralized by the full faith, credit, and taxing power of the district. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the purchaser, on demand, interest on any and all amounts due and owing by the County under this agreement.

The County's general obligation bonds payable at June 30, 2022 is comprised of the following individual issue:

Serviced by the County's Southeast Water District:

\$3,200,000 Bonds issued March 23, 2010, interest at 4%; due serially to 2049 \$ 2,693,000

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Annual debt service requirements to maturity for the County’s and the district’s general obligation bonds and bond anticipation notes are as follows:

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2023	\$ 58,000	\$ 107,720
2024	60,000	105,400
2025	63,000	103,000
2026	65,000	100,480
2027	68,000	97,880
2028-2032	380,000	446,600
2033-2037	464,000	364,080
2038-2042	564,000	263,680
2043-2047	687,000	141,360
2048-2049	284,000	16,640
Total	<u>\$ 2,693,000</u>	<u>\$ 1,746,840</u>

c. Revenue Bonds

In March 2010, the County’s Southeast Water District issued \$1,886,000 of direct placement revenue bonds through the USDA to provide funds for the acquisition and construction of major water system capital improvements. The revenue bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any of the County’s property or upon its income, receipts, or revenues. The taxing power of the County is not pledged for the payment of the principal or interest on the revenue bonds and no owner has the right to compel the exercise of the taxing power of the County or the forfeiture of any or its property in connection with any default under the bond order.

The County’s revenue bonds payable at June 30, 2022 are comprised of the following individual issues:

<u>Serviced by the County's Southeast Water District:</u>	
\$262,000 bonds issued March 23, 2010, interest at 4%; due serially to 2049	\$ 222,000
\$1,624,000 bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,335,000</u>
Total	<u>\$ 1,557,000</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Annual debt service requirements to maturity for the southeast water district’s revenue bonds are as follows:

<u>Year Ending June 30</u>	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 37,000	\$ 52,267
2024	38,000	51,028
2025	39,000	49,755
2026	40,000	48,450
2027	41,000	47,113
2028-2032	229,000	213,865
2033-2037	271,000	172,775
2038-2042	319,000	124,240
2043-2047	376,000	66,920
2048-2049	167,000	8,483
Total	<u>\$ 1,557,000</u>	<u>\$ 834,895</u>

The County has been in compliance with the covenants as to service charges in Section 5.01 of the bond order, authorizing the issuance of the Water Revenue Bond Series 2010 A and B since its adoption in 2010. Section 5.01 of the Bond Order requires the debt service coverage ratio to be no less than 110%.

The debt service coverage ratio calculation for the year ended June 30, 2022 is as follows:

Operating revenues	\$ 1,116,471
Operating expenses	<u>850,000</u>
Operating income*	266,471
Non-operating revenues (expenses)**	<u>(104,771)</u>
Income available for debt service	<u>\$ 161,700</u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 88,435</u>
Debt service coverage ratio	183%

* Per revenue covenants, this does not include depreciation of \$106,339.

** Per revenue covenants, this does not include revenue bond interest of \$53,435.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

d. Other Long-Term Obligations

The County has executed various other long-term obligations including Quality School Construction Bonds, certificates of participation, private placement loans, and state revolving loans for the purpose of property acquisition and construction.

As authorized by state law G.S. 160A-20 and 153A-158.1, the County has financed a portion of these property acquisitions for use by the Chatham County Board of Education. The installment purchases were issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with the Chatham County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease term is the same as that of the installment purchase obligation. Due to the economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education.

Other long-term debt payables by the County at June 30, 2022 are comprised of the following individual issues:

Governmental Activities:

Direct Placements:

\$21,940,000 loan with United States Department of Agriculture (USDA); Total loan amount includes three separate loans with USDA; Due in annual installments with interest at 3.125%; maturing in 2053 collateralized by real estate

\$ 19,050,023

\$7,120,000 refunding private placement loan with PNC Bank. Original loan with Capital Bank for the construction of a joint County and Central Carolina Community College (CCCC) library and CCCC classroom facility on the CCCC campus in Pittsboro and CCCC classroom facilities in Siler City. Due in annual principal payments and semi-annual interest payments with interest at 2.160%, maturing in 2029, collateralized by real estate

4,770,000

\$18,151,334 loan with Banc of America; Proceeds to be used for the upgrade and enhancement of the County's emergency communications/radio system, including construction of several communication towers. Due in annual principal payment and semi-annual interest payments with interest at 1.566%, maturing in 2030, collateralized by equipment.

14,520,840

Qualified School Construction Bonds (QSCB) in the amount of \$4,396,129 issued on July 23, 2010: due serially to 2025 with interest at 6.11%; collateralized by real estate including a school building; the QSCB permits a subsidy to the County at 5.34%. Due to federal government sequestration the amount of interest credit received has been reduced by 8.7%.

1,172,301

Total direct placements

39,513,164

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Other Long-Term Obligations:

Limited Obligation Bonds Series 2012 in the amount of \$6,717,498 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2029. Proceeds used for renovations to a County office building and renovations to an existing high school facility; collateralized by the real estate	2,791,363
Limited Obligation Bonds Series 2021A in the amount of \$31,585,000 issued in August 2021 for the construction of a new emergency operations center and a central services facility and warehouse for the county school system; due in annual payments with interest at 3.00% to 5.00%; maturing in 2041; collateralized by the real estate	31,585,000
Limited Obligation Bonds Series 2021B (refunding) in the amount of \$9,455,000 issued in August 2021 for the construction of a new detention facility; due in annual payments with interest at 0.28% to 1.88% maturing in 2032; collateralized by the real estate	9,345,000
Limited Obligation Bonds Series 2014 in the amount of \$45,445,000 issued in November 2014 for the construction of a new agriculture center, the Margaret Pollard Middle School and a joint county-school garage; due in semi-annual payments with interest at 3.00% to 5.00%; maturing in 2033; collateralized by real estate	29,605,000
Limited Obligation Bonds Series 2015 (refunding) in the amount of \$21,655,000 issued in July 2015; interest at 2.00% to 5.00%; due serially to 2035. Proceeds used for the construction of an elementary school, additions to and renovation of an existing high school addition and renovation of the Department of Social Services Building, construction of roads, water lines and sewer lines for the County Business Campus, other miscellaneous school capital projects; collateralized by real estate	12,865,000
Limited Obligation Bonds Series 2018 in the amount of \$111,730,000 issued in July 2018 for the construction of a new high school, a new elementary school and a Health Science Community College Facility; interest at 3.00% to 5.00% due serially to 2038; collateralized by real estate	<u>105,520,000</u>
Total other long-term obligations	<u>191,711,363</u>
Total governmental activities	<u>\$ 231,224,527</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Business-Type Activities:

Direct Borrowings:

\$6,229,235 State revolving loan with North Carolina Department of Environment and Natural Resources; due in annual installments with an interest rate of 2.305%:
maturing in 2026

1,245,847
1,245,847

Other Long-Term Obligations:

\$12,077,502 Refunding limited obligation bonds, Series 2012 issued April 5, 2012; interest at 1.00% to 5.00 %; due serially to 2029

5,018,637

Total business-type activities

\$ 6,264,484

Total other long-term obligations

\$ 237,489,011

Annual debt service requirements to maturity for the County's other long-term obligation bonds, certificates of participation, and loans are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 16,110,390	\$ 7,945,833	\$ 1,037,590	\$ 232,779
2024	16,059,566	7,377,850	1,060,081	195,910
2025	16,032,681	6,808,877	1,088,997	157,756
2026	16,061,172	6,235,936	1,117,914	118,156
2027	15,716,974	5,660,074	835,369	77,111
2028-2032	67,988,341	19,731,957	1,124,533	40,965
2033-2037	50,918,029	7,684,532	-	-
2038-2042	23,447,612	1,017,519	-	-
2043-2047	3,676,972	-	-	-
2048-2052	4,288,546	-	-	-
2053-2057	924,244	-	-	-
Total	<u>\$ 231,224,527</u>	<u>\$ 62,462,578</u>	<u>\$ 6,264,484</u>	<u>\$ 822,677</u>

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

e. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2022:

	Balance			Balance	Current
	June 30, 2021	Additions	Retirements	June 30, 2022	Portion
Governmental Activities:					
Other long-term obligations	\$ 170,867,722	\$ 41,040,000	\$ 20,196,359	\$ 191,711,363	\$ 12,883,872
Direct placement installment purchase	42,743,369	-	3,230,205	39,513,164	3,226,518
Premium on long-term obligations	8,239,853	7,072,505	2,731,619	12,580,739	3,085,243
Leases	-	615,122	147,727	467,395	138,149
Net pension liability - LGERS	12,547,544	-	7,271,167	5,276,377	-
Total pension liability - LEOSSA	3,488,326	-	65,305	3,423,021	-
Total OPEB liability	10,927,573	1,910,466	-	12,838,039	-
Compensated absences	2,106,422	3,656,108	3,710,504	2,052,026	2,052,026
Total governmental activities	<u>\$ 250,920,809</u>	<u>\$ 54,294,201</u>	<u>\$ 37,352,886</u>	<u>\$ 267,862,124</u>	<u>\$ 21,385,808</u>
Business-Type Activities:					
Solid Waste and Recycling:					
Leases	\$ -	\$ 135	\$ 108	\$ 27	\$ 27
Net pension liability - LGERS	326,766	-	189,357	137,409	-
Total OPEB liability	284,579	49,752	-	334,331	-
Compensated absences	49,057	67,195	71,635	44,617	44,617
Total solid waste management	<u>660,402</u>	<u>117,082</u>	<u>261,100</u>	<u>516,384</u>	<u>44,644</u>
Southeast Water District:					
General obligation bonds	2,749,000	-	56,000	2,693,000	58,000
Direct placement revenue bonds	1,592,000	-	35,000	1,557,000	37,000
Total southeast water district	<u>4,341,000</u>	<u>-</u>	<u>91,000</u>	<u>4,250,000</u>	<u>95,000</u>
Utility:					
Other long-term obligations	5,722,278	-	703,641	5,018,637	726,128
Direct borrowings	1,566,225	-	320,378	1,245,847	311,462
Leases	-	236	189	47	47
Net pension liability - LGERS	572,849	-	331,960	240,889	-
Total OPEB liability	498,890	87,221	-	586,111	-
Compensated absences	93,428	131,775	140,184	85,019	85,019
Total utility	<u>8,453,670</u>	<u>219,232</u>	<u>1,496,352</u>	<u>7,176,550</u>	<u>1,122,656</u>
Total business-type activities	<u>\$ 13,455,072</u>	<u>\$ 336,314</u>	<u>\$ 1,848,452</u>	<u>\$ 11,942,934</u>	<u>\$ 1,262,300</u>

At June 30, 2022, Chatham County had a legal debt margin of \$883,473,000.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

In August 2021, the County issued \$31,585,000 in limited obligation bonds and \$9,455,000 in refunding limited obligation bonds and defeased the 2013 series limited obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt on the old bonds. Accordingly, the trust assets and the liability for the defeased debt are not included in the County's financial statements. This amount is amortized over the life of the refunded debt. The refinancing was undertaken as part of a larger borrowing to reduce total debt payments over the next 20 years and resulted in a savings of approximately \$462,686. On June 30, 2022, \$9,760,000 of limited obligation bonds is considered defeased.

The County's outstanding notes from direct placements related to governmental activities of \$39,513,164 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment. Net pension liability, total pension liability, and net other post-employment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences for governmental activities typically have been liquidated in the General Fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, only \$63,162,805 relates to assets to which the County holds title.

ABC Board

The ABC Board had long-term net pension liability as of June 30, 2022 of \$76,066.

The ABC Board had long-term notes payable as of June 30, 2022 of \$1,470,749.

The ABC Board had long-term lease liabilities as of June 30, 2022 of \$1,586,001.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

C. Interfund Balances and Activity

Transfers to/from other funds during the year ended June 30, 2022, consist of the following:

<u>Fund Type</u>	<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Major Governmental	General	\$ 1,641,445	\$ -	
Nonmajor Governmental	Impact Fees	-	1,641,445	Fund debt on planned capital
Major Governmental	General	13,111,522	-	
Major Governmental	Capital Improvement Project Reserve	-	13,111,522	Fund debt on planned capital
Major Governmental	General	67,733	-	Reimburse General Fund for
Nonmajor Governmental	ARPA Funds	-	67,733	ARPA Expenses Incurred
Major Governmental	General	-	7,854,471	
Nonmajor Governmental	Capital Reserve	7,854,471	-	Fund pay-go capital projects
Major Governmental	General	-	16,205,659	
Major Governmental	Capital Improvement Project Reserve	16,205,659	-	Fund debt on planned capital
Nonmajor Governmental	Capital Reserve	-	423,826	Fund pay-go facilities projects:
Nonmajor Governmental	Facilities Improvements	423,826	-	Animal Shelter
Nonmajor Governmental	Capital Reserve	-	236,329	Fund cost of a new tax software
Nonmajor Governmental	Tax Software Project	236,329	-	project
Nonmajor Governmental	Capital Reserve	-	531,401	Fund pay-go school capital
Nonmajor Governmental	School Construction Project	531,401	-	projects
Nonmajor Governmental	Radio System Upgrade Project	-	557,718	Fund grant revenue from Radio
Nonmajor Governmental	E-911 Grant	557,718	-	Project
Total governmental transfers		<u>40,630,104</u>	<u>40,630,104</u>	
<u>Fund Type</u>	<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Major Enterprise	Utility Capital Reserve	\$ -	\$ 849,502	Fund water project:
Major Enterprise	Utility Capital Projects	849,502	-	Western Intake Project
Total enterprise transfers		<u>849,502</u>	<u>849,502</u>	
Grand total		<u>\$ 41,479,606</u>	<u>\$ 41,479,606</u>	

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

D. Fund Balance

Chatham County has a revenue spending policy that provides a policy for programs with multiple revenue sources. The finance officers will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-county funds, county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the County.

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

Total fund balance - General Fund	\$ 56,724,946
Less:	
Restricted:	
Stabilization by state statute	11,042,979
Committed:	
LEO Special Separation Allowance	949,612
Revaluation	347,077
Housing trust	587,958
Recreation	322,851
Land preservation	322,851
Assigned:	
Subsequent year's expenditures	8,937,201
County fund balance policy minimum	<u>27,358,891</u>
Remaining fund balance	<u>\$ 6,855,526</u>

Chatham County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 20% of the previous annual operating budget.

III. Related Organization

Chatham County Housing Authority

The County's officials appoint the board members of the Chatham County Housing Authority. The County's accountability for this organization does not extend beyond making these appointments. There were no appropriations to the Chatham County Housing Authority for the year ended June 30, 2022.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

IV. Joint Ventures

a. Cardinal Innovations Healthcare Solutions Area Authority

The County, in conjunction with Alamance, Cabarrus, Caswell, Davidson, Franklin, Granville, Halifax, Orange, Person, Rowan, Stanly, Union, Vance, and Warren Counties participates in a joint venture to operate Cardinal Innovations Healthcare Solutions Area Authority as a Managed Care Organization. The County appoints three members to the OPC Community Operations Oversight Board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Authority; therefore, no equity interest has been reflected in the financial statements at June 30, 2022. The County appropriated \$314,165 to the Authority to supplement its activities for the year ended June 30, 2022.

Complete financial statements for Cardinal Innovations Healthcare Solutions Area Authority may be obtained from their administrative offices at 201 Sage Road, Suite 300, Chapel Hill, NC 27514.

b. Central Carolina Community College

The County, in conjunction with the State of North Carolina, Lee County, Harnett County, and Lee County Board of Education, participates in a joint venture to operate Central Carolina Community College (Community College). Each of the participants appoints members to the sixteen-member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition, the County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,251,857 to the Community College for operating purposes during the fiscal year ended June 30, 2022. The participating governments do not have an equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2022.

Complete financial statements for Central Carolina Community College may be obtained from the Community College's administrative offices at 1105 Kelly Drive, Sanford, North Carolina 27330.

c. Chatham County Economic Development Corporation

The County, in conjunction with the Towns of Pittsboro, Siler City and Goldston, participates in a joint venture to operate the Chatham County Economic Development Corporation (Corporation). The Corporation is a joint venture established to facilitate economic expansion within the County. The County has an ongoing financial responsibility for the Corporation because the Corporation's continued existence depends on the participating governments' continued funding. The County contributed \$447,569 to the Corporation during the fiscal year ended June 30, 2022. None of the participating governments has any equity interest in the Corporation, so no equity interest has been reflected in the financial statements at June 30, 2022.

Complete financial statements for the Chatham County Economic Development Corporation may be obtained from the Corporation's administrative offices at 964 East Street, Pittsboro, North Carolina 27312.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

V. Jointly Governed Organization

The County, in conjunction with four other counties and twenty municipalities, established the Triangle J Council of Governments (Council). The participating governments established the Council to coordinate certain funding received from federal and state agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$159,106 to the Council during the fiscal year ended June 30, 2022.

VI. Summary Disclosure of Significant Commitments and Contingencies

Federal and State-Assisted Programs

The County 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.

VII. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("local abatement funds")
- 5% to a County Incentive Fund

The County received \$111,766 as part of this settlement in fiscal year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows a wide array of strategies to address the impact of the opioid epidemic.

CHATHAM COUNTY, NORTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2022

VIII. Reimbursement for Pandemic-Related Expenditures

On September 20, 2021, the Board of Commissioners adopted a resolution and budget ordinance to authorize the receipt of and budgetary authority for \$14,464,924 in American Rescue Plan funds. The County received \$7,232,462 on January 13, 2022 and the remaining \$7,232,462 will be received in fiscal year 2023. The funds will be transferred to the appropriate funds once the intended use is known and the funds are needed to cover applicable costs.

VIV. Change in Accounting Principle

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

- Schedule of Proportionate Share of the Net Pension Liability (Asset) for the Local Governmental Employees' Retirement System
- Schedule of County Contributions - Local Governmental Employees' Retirement System
- Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) – Register of Deeds' Supplemental Pension Fund
- Schedule of County Contributions - Register of Deeds' Supplemental Pension Fund
- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Employee Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total OPEB Liability and Related Ratios - Healthcare Benefits Plan
- Schedule of County Contributions – Healthcare Benefit Plan

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
County's proportion of the net pension liability (asset) %	0.369%	0.376%	0.369%	0.369%	0.367%
County's proportionate share of the net pension liability (asset) \$	\$ 5,654,675	\$ 13,447,159	\$ 10,090,211	\$ 8,759,161	\$ 5,607,813
County's covered payroll	\$ 25,815,562	\$ 25,097,535	\$ 24,085,796	\$ 22,889,672	\$ 22,413,231
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	21.904%	53.580%	41.893%	38.267%	25.020%
Plan fiduciary net position as a percentage of the total pension liability **	95.510%	88.610%	90.860%	91.630%	94.180%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

** This will be the same percentage for all participant employers in the LGERS plan

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY (ASSET)
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.366%	0.341%	0.332%	0.321%
County's proportionate share of the net pension liability (asset) \$	\$ 7,760,106	\$ 1,534,786	\$ (1,960,376)	\$ 3,868,077
County's covered payroll	\$ 20,498,220	\$ 20,508,359	\$ 19,459,465	\$ 18,620,663
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	37.857%	7.484%	-10.074%	20.773%
Plan fiduciary net position as a percentage of the total pension liability **	91.470%	98.090%	102.640%	94.350%

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY CONTRIBUTIONS
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS *

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,076,931	\$ 2,662,144	\$ 2,289,955	\$ 1,912,737	\$ 1,763,243
Contributions in relation to the contractually required contribution	<u>3,076,931</u>	<u>2,662,144</u>	<u>2,289,955</u>	<u>1,912,737</u>	<u>1,763,243</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 26,804,771	\$ 25,815,562	\$ 25,097,535	\$ 24,085,796	\$ 22,889,672
Contributions as a percentage of covered payroll	11.479%	10.312%	9.124%	7.941%	7.703%

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY CONTRIBUTIONS
LOCAL GOVERNMENTAL EMPLOYEES' RETIREMENT SYSTEM
LAST NINE FISCAL YEARS *

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,675,171	\$ 1,401,182	\$ 1,465,177	\$ 1,326,337
Contributions in relation to the contractually required contribution	<u>1,675,171</u>	<u>1,401,182</u>	<u>1,465,177</u>	<u>1,326,337</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 22,413,231	\$ 20,498,220	\$ 20,508,359	\$ 19,459,465
Contributions as a percentage of covered payroll	7.474%	6.836%	7.140%	7.110%

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND LAST NINE YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net pension liability (asset) %	1.139%	0.841%	0.726%	0.878%	0.876%
County's proportionate share of the net pension liability (asset) \$	\$ (218,878)	\$ (192,692)	\$ (143,297)	\$ (145,431)	\$ (149,543)
Plan fiduciary net position as a percentage of the total pension liability	156.53%	173.62%	164.11%	153.31%	153.77%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND LAST NINE YEARS*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.820%	0.840%	0.828%	0.800%
County's proportionate share of the net pension liability (asset) \$	\$ (153,131)	\$ (194,731)	\$ (187,622)	\$ (170,953)
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF THE COUNTY CONTRIBUTIONS
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
LAST NINE FISCAL YEARS ***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 9,456	\$ 13,672	\$ 8,051	\$ 6,899	\$ 7,514
Contributions in relation to the contractually required contribution	<u>9,456</u>	<u>13,672</u>	<u>8,051</u>	<u>6,899</u>	<u>7,514</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 87,142	\$ 84,468	\$ 83,375	\$ 80,946	\$ 78,589
Contributions as a percentage of covered payroll	10.851%	16.186%	9.656%	8.523%	9.561%

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF THE COUNTY CONTRIBUTIONS
REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
LAST NINE FISCAL YEARS ***

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,612	\$ 7,299	\$ 6,116	\$ 6,758
Contributions in relation to the contractually required contribution	<u>7,612</u>	<u>7,299</u>	<u>6,116</u>	<u>6,758</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 79,152	\$ 73,773	\$ 67,399	\$ 67,396
Contributions as a percentage of covered payroll	9.617%	9.894%	9.074%	10.027%

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SIX FISCAL YEARS ***

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 3,488,326	\$ 2,216,411	\$ 2,102,099
Service cost	239,356	163,282	143,014
Interest on the total pension liability	66,188	70,574	74,805
Differences between expected and actual experience in the measurement of the total pension liability	(136,756)	161,407	(92,897)
Changes of assumptions or other inputs	(116,255)	979,751	83,421
Benefit payments	<u>(117,838)</u>	<u>(103,099)</u>	<u>(94,031)</u>
Ending balance of the total pension liability	<u>\$ 3,423,021</u>	<u>\$ 3,488,326</u>	<u>\$ 2,216,411</u>

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

*The amounts presented for each fiscal year were determined as of the prior December 31.

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SIX FISCAL YEARS *

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 2,049,455	\$ 1,804,635	\$ 1,716,137
Service cost	153,127	128,004	134,235
Interest on the total pension liability	63,277	68,070	60,310
Differences between expected and actual experience in the measurement of the total pension liability	32,315	(22,711)	-
Changes of assumptions or other inputs	(102,044)	153,782	(52,457)
Benefit payments	<u>(94,031)</u>	<u>(82,325)</u>	<u>(53,590)</u>
Ending balance of the total pension liability	<u>\$ 2,102,099</u>	<u>\$ 2,049,455</u>	<u>\$ 1,804,635</u>

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SIX FISCAL YEARS***

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 3,423,021	\$ 3,488,326	\$ 2,216,411
Covered-employee payroll**	5,223,248	5,224,374	4,854,871
Total pension liability as a percentage of covered-employee payroll	65.53%	66.77%	45.65%

Notes to the Schedule:

Chatham County has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 73 to pay related benefits.

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

** Valuation Payroll

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A
PERCENTAGE OF COVERED-EMPLOYEE PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST SIX FISCAL YEARS***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635
Covered-employee payroll**	4,875,211	4,749,118	4,818,486
Total pension liability as a percentage of covered-employee payroll	43.12%	43.15%	37.45%

CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
HEALTHCARE BENEFITS PLAN
LAST FIVE FISCAL YEARS*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:					
Service cost	\$ 865,417	\$ 582,904	\$ 533,397	\$ 440,217	\$ 480,948
Interest	269,013	353,245	325,835	232,649	196,636
Changes of benefit terms	-	(1,275,334)	-	-	-
Differences between expected and actual experience	511,429	836,314	223,024	1,035,430	(10,437)
Changes of assumptions	1,213,844	1,891,571	450,204	463,615	(476,815)
Benefit payments	<u>(812,264)</u>	<u>(371,676)</u>	<u>(425,294)</u>	<u>(238,211)</u>	<u>(138,851)</u>
Net change in total OPEB liability	2,047,439	2,017,024	1,107,166	1,933,700	51,481
Total OPEB liability - beginning	<u>11,711,042</u>	<u>9,694,018</u>	<u>8,586,852</u>	<u>6,653,152</u>	<u>6,601,671</u>
Total OPEB liability - ending	<u>\$ 13,758,481</u>	<u>\$ 11,711,042</u>	<u>\$ 9,694,018</u>	<u>\$ 8,586,852</u>	<u>\$ 6,653,152</u>
Covered-employee payroll	\$ 27,440,950	\$ 27,440,950	\$ 22,136,241	\$ 22,136,241	\$ 20,549,678
Total OPEB liability as a percentage of covered-employee payroll	50.14%	42.68%	43.79%	38.79%	32.38%

Notes to Schedule:

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Rate</u>
2019	3.89%
2020	3.50%
2021	2.21%
2022	2.16%

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

* Information for this schedule is not presented retroactively.

Ten years of information will be presented as additional years of information becomes available.

There are no assets accumulated in a trust that meets the criteria for GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB fund.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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MAJOR GOVERNMENTAL FUNDS

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GENERAL FUND

The consolidated General Fund consist of five funds -General Fund, Revaluation Fund, Coal Ash Fund, Housing Trust Fund and Law Enforcement Special Separation Allowance Fund

General Fund - The General Fund accounts for resources traditionally associated with government that is not required to be accounted for in other funds.

Revaluation Fund - The Tax Revaluation Fund accounts for funds accumulated by the County to fund cost associated with the revaluation of county real and personal property. The County is on a four year revaluation cycle.

Coal Ash Fund - The Coal Ash Fund accounts for the funds received from Duke Energy to compensate the County for the siting of a coal ash structural fill facility within the County. Funds will be used for various projects including monitoring the facility for any environmental impacts.

Housing Trust Fund - The Housing Trust Fund accounts for funds accumulated by the County to support affordable housing projects.

Law Enforcement Special Separation Allowance Fund - The Law Enforcement Separation Allowance accounts for funds accumulated by the County to fund cost associated with law enforcement officer's special separation allowance obligations.

CAPITAL IMPROVEMENT PROJECT RESERVE

The Capital Improvement Reserve Fund accounts for the accumulation of funds to pay debt service and other expenses for major construction projects.

FACILITIES IMPROVEMENTS

The Facilities Improvement Project Fund accounts for the financing and construction of additions to County facilities.

SCHOOL CONSTRUCTION PROJECT FUND

The School Construction Project Fund accounts for the construction of new school facilities and additions to existing facilities.

AMERICAN RESCUE PLAN FUND

The American Rescue Plan Fund accounts for the infusion of funds to meet pandemic response needs of the community and rebuild a stronger, more equitable economy as the Country recovers.

CAPITAL RESERVE FUND

The Capital Reserve Fund accounts for the accumulation of funds for large capital purchases.

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CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND CONSOLIDATED
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Revaluation Fund	Coal Ash Fund	Housing Trust Fund	Law Enforcement Separation Allowance Fund	Eliminations	Total General Fund
Revenues:							
Ad valorem taxes	\$ 92,588,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,588,704
Local option sales taxes	25,697,393	-	-	-	-	-	25,697,393
Other taxes	1,952,454	-	-	-	-	-	1,952,454
Unrestricted intergovernmental revenues	5,136,221	-	-	-	-	-	5,136,221
Restricted intergovernmental revenues	9,454,983	-	-	-	-	-	9,454,983
Permits and fees	2,843,212	-	-	-	-	-	2,843,212
Sales and services	3,289,878	-	-	-	-	-	3,289,878
Interest earned on investments	(4,694,876)	-	17,845	1,143	3,675	-	(4,672,213)
Other general revenues	2,073,546	-	-	-	175,000	(175,000)	2,073,546
Total revenues	138,341,515	-	17,845	1,143	178,675	(175,000)	138,364,178
Expenditures:							
General government	13,297,226	54,375	-	-	-	-	13,351,601
Public safety	22,532,811	-	-	-	115,488	(175,000)	22,473,299
Economic and physical development	4,204,734	-	48,534	257,221	-	-	4,510,489
Human services	18,226,025	-	-	-	-	-	18,226,025
Cultural and recreation	2,761,470	-	-	-	-	-	2,761,470
Intergovernmental:							
Education	41,677,527	-	-	-	-	-	41,677,527
Debt service:							
Principal repayments	14,629,294	-	-	-	-	-	14,629,294
Interest	9,078,765	-	-	-	-	-	9,078,765
Total expenditures	126,407,852	54,375	48,534	257,221	115,488	(175,000)	126,708,470
Revenues over (under) expenditures	11,933,663	(54,375)	(30,689)	(256,078)	63,187	-	11,655,708
Other Financing Sources (Uses):							
Transfers in	14,820,700	400,000	-	701,674	-	(1,101,674)	14,820,700
Transfers out	(25,161,804)	-	-	-	-	1,101,674	(24,060,130)
Total transfers	(10,341,104)	400,000	-	701,674	-	-	(9,239,430)
Refunding bonds issued	9,455,000	-	-	-	-	-	9,455,000
Lease liability issued	91,311	-	-	-	-	-	91,311
Payment to refunding agent	(9,418,328)	-	-	-	-	-	(9,418,328)
Net debt issued	127,983	-	-	-	-	-	127,983
Total other financing sources (uses)	(10,213,121)	400,000	-	701,674	-	-	(9,111,447)
Net change in fund balances	1,720,542	345,625	(30,689)	445,596	63,187	-	2,544,261
Fund Balances:							
Fund balance, beginning	48,312,841	1,452	4,836,015	142,796	887,581	-	54,180,685
Fund balance, ending	\$ 50,033,383	\$ 347,077	\$ 4,805,326	\$ 588,392	\$ 950,768	\$ -	\$ 56,724,946

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Current year taxes:				
Real/personal	\$ 84,347,899	\$ 85,063,468	\$ 715,569	\$ 74,309,861
DMV - Motor vehicles	6,176,919	7,002,425	825,506	6,773,308
Total current year taxes	90,524,818	92,065,893	1,541,075	81,083,169
Prior year taxes	665,500	486,141	(179,359)	759,237
Penalties, interest, other	37,000	36,670	(330)	131,813
Total ad valorem taxes	<u>91,227,318</u>	<u>92,588,704</u>	<u>1,361,386</u>	<u>81,974,219</u>
Local Option Sales Tax:				
Article 39 - 1 percent	7,000,000	8,790,018	1,790,018	7,046,450
Article 40 - 1/2 percent	5,700,000	6,864,570	1,164,570	5,660,709
Article 42 - 1/2 percent	4,500,000	5,432,343	932,343	4,442,210
Article 44 - 1/2 percent	1,366,848	1,606,125	239,277	1,367,048
Article 46 - 1/2 percent	2,800,000	3,004,337	204,337	1,860,403
Total local option sales tax	<u>21,366,848</u>	<u>25,697,393</u>	<u>4,330,545</u>	<u>20,376,820</u>
Other Taxes:				
Deed stamp excise tax	1,200,000	1,741,407	541,407	1,277,624
Occupancy tax	122,862	185,639	62,777	131,594
Other	20,000	25,408	5,408	24,583
Total other taxes and licenses	<u>1,342,862</u>	<u>1,952,454</u>	<u>609,592</u>	<u>1,433,801</u>
Intergovernmental:				
Unrestricted intergovernmental:				
Payments in lieu of taxes	100,000	114,163	14,163	111,442
Beer and wine excise tax	237,000	239,513	2,513	246,646
ABC profit distribution	150,000	256,107	106,107	192,654
Medicaid hold harmless	4,300,000	4,518,138	218,138	3,745,984
Other	8,300	8,300	-	8,816
Total unrestricted	<u>4,795,300</u>	<u>5,136,221</u>	<u>340,921</u>	<u>4,305,542</u>
Restricted intergovernmental:				
State and federal grants	10,429,308	8,806,367	(1,622,941)	7,842,011
Other	745,082	648,616	(96,466)	506,439
Total restricted	<u>11,174,390</u>	<u>9,454,983</u>	<u>(1,719,407)</u>	<u>8,348,450</u>
Total intergovernmental	<u>15,969,690</u>	<u>14,591,204</u>	<u>(1,378,486)</u>	<u>12,653,992</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Permits and Fees:				
Inspections fees	1,600,000	2,247,647	647,647	1,750,307
Register of Deeds fees	500,000	541,455	41,455	604,994
Other	44,600	54,110	9,510	88,280
Total permits and fees	<u>2,144,600</u>	<u>2,843,212</u>	<u>698,612</u>	<u>2,443,581</u>
Sales and Services:				
Charges to other funds	403,351	451,066	47,715	371,385
Environmental services	548,481	592,595	44,114	480,675
Fire inspections	50,000	62,262	12,262	41,207
Health	1,167,349	1,517,365	350,016	1,618,517
Library	9,000	8,427	(573)	1,959
Planning	90,000	207,003	117,003	111,063
Recreation fees	105,860	104,289	(1,571)	54,442
Sheriff	104,022	113,008	8,986	94,865
Tax	200,000	198,729	(1,271)	203,348
Other	30,000	35,134	5,134	50,077
Total sales and services	<u>2,708,063</u>	<u>3,289,878</u>	<u>581,815</u>	<u>3,027,538</u>
Investment Earnings:				
Interest on investments	150,000	241,437	91,437	273,350
Market value investment adjustment	-	(4,936,313)	(4,936,313)	(1,149,841)
Total investment earnings	<u>150,000</u>	<u>(4,694,876)</u>	<u>(4,844,876)</u>	<u>(876,491)</u>
Other General Revenues:				
Rent	291,245	196,051	(95,194)	257,589
Contributions and donations	769,026	1,465,514	696,488	717,885
Sale of surplus property	-	101,294	101,294	106,471
Miscellaneous	153,400	310,687	157,287	53,821
Total other general revenues	<u>1,213,671</u>	<u>2,073,546</u>	<u>859,875</u>	<u>1,135,766</u>
Total revenues	<u>136,123,052</u>	<u>138,341,515</u>	<u>2,218,463</u>	<u>122,169,226</u>
Expenditures:				
General Government:				
Governing Board:				
Salaries and benefits	327,404	307,671	19,733	296,114
Other operating expenditures	128,287	97,992	30,295	95,365
Total	<u>455,691</u>	<u>405,663</u>	<u>50,028</u>	<u>391,479</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
County Manager:				
Salaries and benefits	1,512,729	1,502,159	10,570	1,402,248
Other operating expenditures	102,187	84,189	17,998	52,847
Total	<u>1,614,916</u>	<u>1,586,348</u>	<u>28,568</u>	<u>1,455,095</u>
Finance:				
Salaries and benefits	883,748	838,597	45,151	828,840
Other operating expenditures	329,112	352,148	(23,036)	290,724
Total	<u>1,212,860</u>	<u>1,190,745</u>	<u>22,115</u>	<u>1,119,564</u>
Tax:				
Salaries and benefits	1,266,550	1,241,996	24,554	1,183,881
Other operating expenditures	536,641	374,379	162,262	372,215
Capital outlay	51,598	-	51,598	-
Total	<u>1,854,789</u>	<u>1,616,375</u>	<u>238,414</u>	<u>1,556,096</u>
County Attorney:				
Salaries and benefits	70,590	67,936	2,654	66,683
Other operating expenses	335,884	201,010	134,874	199,858
Total	<u>406,474</u>	<u>268,946</u>	<u>137,528</u>	<u>266,541</u>
Information Services:				
Salaries and benefits	1,318,541	1,276,286	42,255	1,144,804
Other operating expenditures	879,010	847,692	31,318	708,721
Capital outlay	26,420	26,397	23	-
Total	<u>2,223,971</u>	<u>2,150,375</u>	<u>73,596</u>	<u>1,853,525</u>
Elections:				
Salaries and benefits	501,439	436,238	65,201	566,584
Other operating expenses	196,086	116,750	79,336	304,876
Capital outlay	-	-	-	4,075
Total	<u>697,525</u>	<u>552,988</u>	<u>144,537</u>	<u>875,535</u>
General Services:				
Salaries and benefits	-	2,907	(2,907)	7,587
Other operating expenses	2,240,502	882,067	1,358,435	601,367
Capital outlay	-	-	-	55,317
Total	<u>2,240,502</u>	<u>884,974</u>	<u>1,355,528</u>	<u>664,271</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Register of Deeds:				
Salaries and benefits	514,945	498,185	16,760	452,118
Other operating expenses	402,689	137,632	265,057	130,483
Total	917,634	635,817	281,817	582,601
Facilities Management:				
Salaries and benefits	1,180,173	1,165,525	14,648	1,097,537
Other operating expenditures	2,320,806	2,246,802	74,004	1,878,690
Capital outlay	244,363	167,954	76,409	49,520
Total	3,745,342	3,580,281	165,061	3,025,747
Agriculture and Conference Center:				
Salaries and benefits	276,440	225,605	50,835	212,817
Other operating expenditures	106,819	45,304	61,515	29,928
Capital outlay	-	72,468	(72,468)	36,848
Total	383,259	343,377	39,882	279,593
Court Facilities:				
Other operating expenditures	169,039	81,337	87,702	162,291
Total	169,039	81,337	87,702	162,291
Total general government	15,922,002	13,297,226	2,624,776	12,232,338
Public Safety:				
Sheriff:				
Salaries and benefits	12,710,757	11,368,847	1,341,910	10,847,282
Other operating expenditures	2,826,044	2,116,523	709,521	2,230,174
Capital outlay	684,265	280,057	404,208	330,908
Total sheriff	16,221,066	13,765,427	2,455,639	13,408,364
Law Enforcement Special Separation	175,000	175,000	-	155,000
Emergency Management:				
Salaries and benefits	362,164	355,815	6,349	331,399
Other operating expenditures	4,000,926	3,624,264	376,662	3,453,632
Capital outlay	43,071	23,520	19,551	4,196
Total	4,406,161	4,003,599	402,562	3,789,227

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Emergency Communications:				
Salaries and benefits	1,951,659	1,860,355	91,304	1,717,738
Other operating expenses	303,106	276,427	26,679	173,333
Total	2,254,765	2,136,782	117,983	1,891,071
Building Inspections:				
Salaries and benefits	983,848	917,235	66,613	719,544
Other operating expenditures	94,732	71,553	23,179	49,779
Capital outlay	111,418	80,639	30,779	23,998
Total	1,189,998	1,069,427	120,571	793,321
Fire Inspections:				
Salaries and benefits	314,330	320,000	(5,670)	303,887
Other operating expenses	38,878	32,987	5,891	25,377
Capital outlay	9,638	9,638	-	67,974
Total	362,846	362,625	221	397,238
Court-Related Programs:				
Salaries and benefits	637,679	615,250	22,429	593,687
Operating expenses	499,190	404,701	94,489	476,493
Total	1,136,869	1,019,951	116,918	1,070,180
Total public safety	25,746,705	22,532,811	3,213,894	21,504,401
Economic and Physical Development:				
Planning:				
Salaries and employee benefits	801,442	794,734	6,708	774,136
Other operating expenditures	752,595	194,938	557,657	28,824
Total	1,554,037	989,672	564,365	802,960
Central Permitting:				
Salaries and employee benefits	422,672	412,077	10,595	358,477
Other operating expenses	99,463	92,722	6,741	126,181
Capital outlay	171,897	71,897	100,000	-
Total	694,032	576,696	117,336	484,658
Sedimentation and Erosion Control:				
Salaries and benefits	461,548	413,180	48,368	356,081
Operating expenses	92,667	80,980	11,687	10,798
Total	554,215	494,160	60,055	366,879

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022		Variance Over/Under	2021
	Final Budget	Actual		Actual
Cooperative Extension:				
Salaries and benefits	1,989	1,960	29	1,989
Other operating expenditures	732,083	410,435	321,648	395,550
Capital outlay	-	-	-	69,850
Total	<u>734,072</u>	<u>412,395</u>	<u>321,677</u>	<u>467,389</u>
Soil and Water Conservation:				
Salaries and employee benefits	219,190	208,845	10,345	219,607
Other operating expenditures	29,817	22,996	6,821	15,993
Capital outlay	-	-	-	23,495
Total	<u>249,007</u>	<u>231,841</u>	<u>17,166</u>	<u>259,095</u>
Economic Development:				
Other operating expenditures	<u>1,397,709</u>	<u>1,381,777</u>	<u>15,932</u>	<u>1,101,285</u>
Total	<u>1,397,709</u>	<u>1,381,777</u>	<u>15,932</u>	<u>1,101,285</u>
Pittsboro/Siler City Convention & Visitors Bureau:				
Salaries and employee benefits	128,132	113,536	14,596	115,542
Other operating expenses	4,730	4,657	73	26,419
Total	<u>132,862</u>	<u>118,193</u>	<u>14,669</u>	<u>141,961</u>
Total economic/physical development	<u>5,315,934</u>	<u>4,204,734</u>	<u>1,111,200</u>	<u>3,624,227</u>
Human Services:				
Health:				
Salaries and benefits	5,512,408	4,728,211	784,197	4,574,468
Other operating expenditures	3,067,437	1,079,241	1,988,196	966,646
Capital outlay	25,258	-	25,258	29,800
Total	<u>8,605,103</u>	<u>5,807,452</u>	<u>2,797,651</u>	<u>5,570,914</u>
Social Services:				
Administration:				
Salaries and benefits	7,139,754	6,950,038	189,716	6,545,886
Other operating expenditures	920,262	726,237	194,025	686,230
Total	<u>8,060,016</u>	<u>7,676,275</u>	<u>383,741</u>	<u>7,232,116</u>
Public Assistance:				
Assistance programs	<u>3,451,149</u>	<u>2,113,599</u>	<u>1,337,550</u>	<u>1,843,096</u>
Total social services	<u>11,511,165</u>	<u>9,789,874</u>	<u>1,721,291</u>	<u>9,075,212</u>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Mental Health:				
Salaries and benefits	112,945	112,165	780	-
Mental health appropriation	628,100	490,135	137,965	421,361
Total	741,045	602,300	138,745	421,361
Council on Aging:				
Salaries and benefits	223,867	225,378	(1,511)	218,745
Other operating expenditures	1,186,307	1,183,453	2,854	1,184,112
Total	1,410,174	1,408,831	1,343	1,402,857
Appropriations to Non-Profit Agencies:				
Chatham Trades	206,000	206,000	-	206,000
Chatham Transit	93,657	86,543	7,114	211,569
Other non-profit agencies	331,147	325,025	6,122	461,031
Total	630,804	617,568	13,236	878,600
Total human services	22,898,291	18,226,025	4,672,266	17,348,944
Cultural and Recreational:				
Library:				
Salaries and benefits	1,154,661	1,150,457	4,204	1,032,700
Other operating expenditures	675,830	353,206	322,624	321,578
Capital outlay	3,796	3,796	-	20,808
Total	1,834,287	1,507,459	326,828	1,375,086
Recreation:				
Salaries and benefits	758,715	745,055	13,660	591,481
Other operating expenditures	587,203	508,956	78,247	424,463
Capital outlay	26,144	-	26,144	70,895
Total	1,372,062	1,254,011	118,051	1,086,839
Total cultural and recreational	3,206,349	2,761,470	444,879	2,461,925
Education:				
Public Schools:				
Appropriation	38,111,170	38,111,170	-	37,915,310
Capital outlay	2,317,500	2,314,500	3,000	-
Total	40,428,670	40,425,670	3,000	37,915,310

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Community College:				
Appropriation	1,417,249	1,251,857	165,392	1,196,190
Total	1,417,249	1,251,857	165,392	1,196,190
Total education	41,845,919	41,677,527	168,392	39,111,500
Debt Service:				
Principal:				
Public schools - principal	8,319,244	8,319,243	1	2,845,637
Community college - principal	1,333,166	1,333,166	-	603,439
General building projects - principal	4,302,061	4,412,061	(110,000)	4,289,211
Business campus - principal	417,098	417,098	-	416,872
Lease principal	147,726	147,726	-	-
Total	14,519,295	14,629,294	(109,999)	8,155,159
Interest and Fees:				
Public schools - interest	5,880,982	5,982,306	(101,324)	5,841,957
Community college - interest	668,659	682,177	(13,518)	696,596
General building projects - interest	2,285,042	2,217,026	68,016	2,021,607
Business campus - interest	191,508	191,508	-	212,357
Lease interest	5,747	5,748	(1)	-
Total	9,031,938	9,078,765	(46,827)	8,772,517
Total debt service	23,551,233	23,708,059	(156,826)	16,927,676
Total expenditures	138,486,433	126,407,852	12,078,581	113,211,011
Revenues over (under) expenditures	(2,363,381)	11,933,663	14,297,044	8,958,215
Other Financing Sources (Uses):				
Transfers In:				
Special revenue funds:				
CARES Act	-	-	-	1,318,321
ARPA	-	67,733	67,733	-
Impact fee	3,788,100	1,641,445	(2,146,655)	1,005,024
Capital projects funds:				
CIP Debt Reserve	17,499,659	13,111,522	(4,388,137)	10,398,562
Total transfers in	21,287,759	14,820,700	(6,467,059)	12,721,907

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Transfers Out:				
General Fund:				
Revaluation	(400,000)	(400,000)	-	(572,000)
Housing Trust	(1,101,674)	(701,674)	400,000	(250,000)
Special revenue funds:				
Emergency telephone system	-	-	-	(469)
Capital Projects:				
CIP Debt Reserve	(15,533,509)	(16,205,659)	(672,150)	(12,823,888)
Capital reserve	(7,854,471)	(7,854,471)	-	(2,433,314)
Total transfers out	<u>(24,889,654)</u>	<u>(25,161,804)</u>	<u>(272,150)</u>	<u>(16,079,671)</u>
Total transfers in (out)	<u>(3,601,895)</u>	<u>(10,341,104)</u>	<u>(6,739,209)</u>	<u>(3,357,764)</u>
Debt proceeds:				
Refunding bonds issued	9,453,978	9,455,000	1,022	-
Lease liability issued	-	91,311	91,311	-
Payment to refunding agent	(9,418,328)	(9,418,328)	-	-
Total proceeds	<u>35,650</u>	<u>127,983</u>	<u>92,333</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,566,245)</u>	<u>(10,213,121)</u>	<u>(6,646,876)</u>	<u>(3,357,764)</u>
Net change in fund balance	(5,929,626)	1,720,542	7,650,168	5,600,451
Appropriated fund balance	<u>5,929,626</u>	<u>-</u>	<u>(5,929,626)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,720,542</u>	<u>\$ 1,720,542</u>	<u>5,600,451</u>
Fund Balance:				
Fund balance, beginning		48,312,841		42,712,390
Fund balance, ending		<u>\$ 50,033,383</u>		<u>\$ 48,312,841</u>

CHATHAM COUNTY, NORTH CAROLINA

REVALUATION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Expenditures:				
General government	\$ 400,000	\$ 54,375	\$ 345,625	\$ 572,000
Revenues over (under) expenditures	(400,000)	(54,375)	345,625	(572,000)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
General Fund	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>572,000</u>
Net change in fund balance	<u>\$ -</u>	345,625	<u>\$ 345,625</u>	-
Fund Balance:				
Fund balance, beginning		<u>1,452</u>		<u>1,452</u>
Fund balance, ending		<u>\$ 347,077</u>		<u>\$ 1,452</u>

CHATHAM COUNTY, NORTH CAROLINA

COAL ASH

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 10,000	\$ 17,845	\$ 7,845	\$ 25,572
Expenditures:				
General government	1,510,000	-	1,510,000	-
Economic and physical development	1,500,000	48,534	1,451,466	47,706
Cultural and recreational	1,000,000	-	1,000,000	-
Total expenditures	4,010,000	48,534	3,961,466	47,706
Revenues over (under) expenditures	(4,000,000)	(30,689)	3,969,311	(22,134)
Appropriated fund balance	4,000,000	-	(4,000,000)	-
Net change in fund balance	\$ -	(30,689)	\$ (30,689)	(22,134)
Fund Balance:				
Fund balance, beginning		4,836,015		4,858,149
Fund balance, ending		\$ 4,805,326		\$ 4,836,015

CHATHAM COUNTY, NORTH CAROLINA

HOUSING TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 1,143	\$ 1,143	\$ 90
Expenditures:				
Economic and physical development	801,674	257,221	544,453	195,500
Revenues over (under) expenditures	(801,674)	(256,078)	545,596	(195,410)
Other Financing Sources (Uses):				
Transfers from (to) other funds				
General Fund	701,674	701,674	-	250,000
Appropriated fund balance	100,000	-	(100,000)	-
Net change in fund balance	\$ -	445,596	\$ 445,596	54,590
Fund Balance:				
Fund balance, beginning		142,796		88,206
Fund balance, ending		\$ 588,392		\$ 142,796

CHATHAM COUNTY, NORTH CAROLINA

LAW ENFORCEMENT SEPARATION ALLOWANCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 2,000	\$ 3,675	\$ 1,675	\$ 4,026
Other general revenues	175,000	175,000	-	155,000
Total revenues	<u>177,000</u>	<u>178,675</u>	<u>1,675</u>	<u>159,026</u>
Expenditures:				
Public safety	<u>177,000</u>	<u>115,488</u>	<u>61,512</u>	<u>107,296</u>
Net change in fund balance	<u>\$ -</u>	<u>63,187</u>	<u>\$ 63,187</u>	<u>51,730</u>
Fund Balance:				
Fund balance, beginning		<u>887,581</u>		<u>835,851</u>
Fund balance, ending		<u>\$ 950,768</u>		<u>\$ 887,581</u>

CHATHAM COUNTY, NORTH CAROLINA

**MAJOR - CAPITAL IMPROVEMENT PROJECT RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
Lottery proceeds	\$ 150,000	\$ 579,010	\$ 429,010	\$ 1,340,675
Investment earnings	125,000	143,244	18,244	165,753
Total revenues	<u>275,000</u>	<u>722,254</u>	<u>447,254</u>	<u>1,506,428</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer from other funds				
General Fund	15,533,509	16,205,659	672,150	12,823,888
Capital Reserve	-	-	-	500,000
Total transfers from other funds	<u>15,533,509</u>	<u>16,205,659</u>	<u>672,150</u>	<u>13,323,888</u>
Transfer (to) other funds:				
General Fund	(17,312,584)	(13,111,522)	4,201,062	(10,398,562)
School Construction Project	(517,742)	-	517,742	(330,325)
Facilities Improvement	(500,000)	-	500,000	(2,661,223)
Total transfers (to) other funds	<u>(18,330,326)</u>	<u>(13,111,522)</u>	<u>5,218,804</u>	<u>(13,390,110)</u>
Net transfers	<u>(2,796,817)</u>	<u>3,094,137</u>	<u>5,890,954</u>	<u>(66,222)</u>
Total other financing sources (uses)	<u>(2,796,817)</u>	<u>3,094,137</u>	<u>5,890,954</u>	<u>(66,222)</u>
Appropriated fund balance	<u>2,521,817</u>	-	<u>(2,521,817)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>3,816,391</u>	<u>\$ 3,816,391</u>	<u>1,440,206</u>
Fund Balance:				
Fund balance, beginning		<u>38,337,963</u>		<u>36,897,757</u>
Fund balance, ending		<u>\$ 42,154,354</u>		<u>\$ 38,337,963</u>

CHATHAM COUNTY, NORTH CAROLINA

**MAJOR - FACILITIES IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022**

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental					
State grants	\$ 2,464,314	\$ -	\$ -	\$ -	\$ (2,464,314)
Investment earnings	-	6,313	57,349	63,662	63,662
Total revenues	<u>2,464,314</u>	<u>6,313</u>	<u>57,349</u>	<u>63,662</u>	<u>(2,400,652)</u>
Expenditures:					
General government:					
Improvements	375,000	-	-	-	375,000
Annex renovations	<u>4,063,002</u>	<u>2,337,783</u>	<u>606,999</u>	<u>2,944,782</u>	<u>1,118,220</u>
Total general government	<u>4,438,002</u>	<u>2,337,783</u>	<u>606,999</u>	<u>2,944,782</u>	<u>1,493,220</u>
Public safety:					
Emergency Communication improvements	17,690,093	9,286,478	3,356,223	12,642,701	5,047,392
Emergency Operations Center	24,233,330	5,189,902	9,919,781	15,109,683	9,123,647
EMS base	1,679,360	69,036	3,500	72,536	1,606,824
Animal shelter	<u>6,445,282</u>	<u>5,898,326</u>	<u>423,826</u>	<u>6,322,152</u>	<u>123,130</u>
Total public safety	<u>50,048,065</u>	<u>20,443,742</u>	<u>13,703,330</u>	<u>34,147,072</u>	<u>15,900,993</u>
Total County Facility Construction	<u>54,486,067</u>	<u>22,781,525</u>	<u>14,310,329</u>	<u>37,091,854</u>	<u>17,394,213</u>
Other:					
Education:					
Health Sciences Building	12,298,608	10,834,555	-	10,834,555	1,464,053
CCCC - Trail	<u>298,750</u>	<u>165,519</u>	<u>-</u>	<u>165,519</u>	<u>133,231</u>
Total education	<u>12,597,358</u>	<u>11,000,074</u>	<u>-</u>	<u>11,000,074</u>	<u>1,597,284</u>
Total expenditures	<u>67,083,425</u>	<u>33,781,599</u>	<u>14,310,329</u>	<u>48,091,928</u>	<u>18,991,497</u>
Revenues over (under) expenditures	<u>(64,619,111)</u>	<u>(33,775,286)</u>	<u>(14,252,980)</u>	<u>(48,028,266)</u>	<u>16,590,845</u>
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	2,952,990	2,952,991	-	2,952,991	1
Capital Reserve	13,724,865	6,132,881	423,826	6,556,707	(7,168,158)
Capital Improvement Project Reserve	<u>1,961,890</u>	<u>7,151,791</u>	<u>-</u>	<u>7,151,791</u>	<u>5,189,901</u>
Total transfers from other funds	<u>18,639,745</u>	<u>16,237,663</u>	<u>423,826</u>	<u>16,661,489</u>	<u>(1,978,256)</u>
Transfers (to) other funds:					
Capital Improvement Project Reserve	<u>(1,961,890)</u>	<u>(1,961,889)</u>	<u>-</u>	<u>(1,961,889)</u>	<u>1</u>
Total transfers from (to) other funds	<u>16,677,855</u>	<u>14,275,774</u>	<u>423,826</u>	<u>14,699,600</u>	<u>(1,978,255)</u>
Issuance of long-term debt (net):					
Limited obligation bonds	46,831,244	13,407,600	18,939,326	32,346,926	(14,484,318)
Other debt proceeds	1,110,012	18,151,334	-	18,151,334	17,041,322
Premium on limited obligation bond	-	<u>1,644,163</u>	<u>4,334,031</u>	<u>5,978,194</u>	<u>5,978,194</u>
Total proceeds	<u>47,941,256</u>	<u>33,203,097</u>	<u>23,273,357</u>	<u>56,476,454</u>	<u>8,535,198</u>
Total other financing sources (uses)	<u>64,619,111</u>	<u>47,478,871</u>	<u>23,697,183</u>	<u>71,176,054</u>	<u>6,556,943</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 13,703,585</u>	<u>\$ 9,444,203</u>	<u>\$ 23,147,788</u>	<u>\$ 23,147,788</u>

CHATHAM COUNTY, NORTH CAROLINA

MAJOR - SCHOOL CONSTRUCTION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental					
State grants	\$ 829,592	\$ 829,593	\$ -	\$ 829,593	\$ 1
Investment earnings	3,500,000	3,915,509	792	3,916,301	416,301
Other general revenues:	638,060	638,060	-	638,060	-
Total other general revenues	638,060	638,060	-	638,060	-
Total revenues	4,967,652	5,383,162	792	5,383,954	416,302
Expenditures:					
Education:					
Construction:					
Sea Forth High School	82,203,839	71,070,854	10,140,385	81,211,239	992,600
Chatham Grove Elementary School	32,507,081	32,298,495	134,681	32,433,176	73,905
Central Services Facility	16,463,880	800,536	8,864,067	9,664,603	6,799,277
Total construction	131,174,800	104,169,885	19,139,133	123,309,018	7,865,782
Facility improvements					
Locker renovations	1,323,520	766,370	531,401	1,297,771	25,749
Mobile classrooms	1,331,695	224,292	-	224,292	1,107,403
Paving	189,002	-	-	-	189,002
Indoor bleachers	272,250	-	-	-	272,250
Track resurfacing	474,480	59,459	-	59,459	415,021
HVAC	234,605	-	-	-	234,605
Roof replacements	6,461,354	6,261,392	-	6,261,392	199,962
Total facility improvements	10,286,906	7,311,513	531,401	7,842,914	2,443,992
Total expenditures	141,461,706	111,481,398	19,670,534	131,151,932	10,309,774
Revenues over (under) expenditures	(136,494,054)	(106,098,236)	(19,669,742)	(125,767,978)	10,726,076
Other Financing Sources (Uses):					
Transfers from (to) other funds:					
Transfer from other funds:					
CIP Debt Reserve	6,699,535	7,500,072	-	7,500,072	800,537
Capital Reserve	6,710,765	3,735,372	531,401	4,266,773	(2,443,992)
General Fund	1,780,422	1,780,422	-	1,780,422	-
Total	15,190,722	13,015,866	531,401	13,547,267	(1,643,455)
Transfer to other funds:					
CIP Debt Reserve	(6,699,535)	(6,699,535)	-	(6,699,535)	-
Net transfers	8,491,187	6,316,331	531,401	6,847,732	(1,643,455)

CHATHAM COUNTY, NORTH CAROLINA

MAJOR - SCHOOL CONSTRUCTION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	Project Budget	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
Proceeds from borrowing:					
Limited obligation bonds issued	114,786,280	98,322,400	12,645,674	110,968,074	(3,818,206)
Premium on borrowing	12,058,928	12,058,928	2,738,474	14,797,402	2,738,474
Installment	1,157,659	1,157,659	-	1,157,659	-
Total debt obligations issued	<u>128,002,867</u>	<u>111,538,987</u>	<u>15,384,148</u>	<u>126,923,135</u>	<u>(1,079,732)</u>
Total other financing sources (uses)	<u>136,494,054</u>	<u>117,855,318</u>	<u>15,915,549</u>	<u>133,770,867</u>	<u>(2,723,187)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 11,757,082</u>	<u>\$ (3,754,193)</u>	<u>\$ 8,002,889</u>	<u>\$ 8,002,889</u>

CHATHAM COUNTY, NORTH CAROLINA

MAJOR - AMERICAN RESCUE PLAN
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2022

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Revenues:					
Restricted intergovernmental	\$ 14,464,924	\$ -	\$ 68,616	\$ 68,616	\$ (14,396,308)
Expenditures:					
Public safety	14,397,191	-	883	883	14,396,308
Revenues over (under) expenditures	67,733	-	67,733	67,733	-
Other Financing Sources (Uses):					
Transfer (to) other funds:					
General Fund	(67,733)	-	(67,733)	(67,733)	-
Net change in fund balance	\$ -	\$ -	\$ -	\$ -	\$ -

CHATHAM COUNTY, NORTH CAROLINA

**MAJOR - CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 45,000	\$ 41,394	\$ (3,606)	\$ 78,959
Other Financing Sources (Uses):				
Transfers from other funds:				
General Fund	2,926,828	7,854,471	4,927,643	2,433,314
Transfers to other funds:				
Enterprise Fund	-	-	-	(152,460)
Capital Projects:				
Tech/Improvement Project	(1,000,000)	(236,329)	763,671	(44,101)
Facilities Improvement	(3,000,000)	(423,826)	2,576,174	(5,468,298)
CIP Debt Reserve	-	-	-	(500,000)
School Construction Project	(1,471,828)	(531,401)	940,427	(28,797)
Total transfers to other funds	(5,471,828)	(1,191,556)	4,280,272	(6,193,656)
Total transfers to (from) other funds	(2,545,000)	6,662,915	9,207,915	(3,760,342)
Appropriated fund balance	2,500,000	-	(2,500,000)	-
Net change in fund balance	\$ -	6,704,309	\$ 6,704,309	(3,681,383)
Fund Balance:				
Fund balance, beginning		12,238,766		15,920,149
Fund balance, ending		\$ 18,943,075		\$ 12,238,766

NONMAJOR GOVERNMENTAL FUNDS

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CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash, cash equivalents, and investments	\$ 11,150,330	\$ 212,752	\$ 11,363,082
Cash - restricted	111,766	-	111,766
Property taxes receivable, net of allowance	146,032	-	146,032
Due from other governmental agencies	130,351	-	130,351
Other receivables	15,891	154	16,045
Total assets	<u>\$ 11,554,370</u>	<u>\$ 212,906</u>	<u>\$ 11,767,276</u>
Liabilities:			
Accounts payable and accrued liabilities	\$ 10,084	\$ 60,285	\$ 70,369
Unearned revenues	111,766	-	111,766
Total liabilities	<u>121,850</u>	<u>60,285</u>	<u>182,135</u>
Deferred Inflows of Resources:			
Prepaid taxes	26,083	-	26,083
Taxes receivable	146,032	-	146,032
Total deferred inflows of resources	<u>172,115</u>	<u>-</u>	<u>172,115</u>
Fund Balances:			
Restricted:			
Stabilization by state statute	146,242	154	146,396
Courthouse clock	71,526	-	71,526
Emergency telephone	400,898	-	400,898
Human Services	63,582	-	63,582
Fire protection	509,529	-	509,529
Law enforcement	422,904	-	422,904
Economic and physical development	15,083	-	15,083
Assigned:			
Education	7,753,391	-	7,753,391
Public safety	-	127,467	127,467
Cultural and recreation	1,877,398	25,000	1,902,398
Unassigned	(148)	-	(148)
Total fund balances	<u>11,260,405</u>	<u>152,621</u>	<u>11,413,026</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,554,370</u>	<u>\$ 212,906</u>	<u>\$ 11,767,276</u>

CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2022**

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem taxes	\$ 12,480,117	\$ -	\$ 12,480,117
Restricted intergovernmental	4,213,667	-	4,213,667
Permits and fees	3,509,929	-	3,509,929
Investment earnings	42,942	466	43,408
Other general revenues	290	-	290
Total revenues	<u>20,246,945</u>	<u>466</u>	<u>20,247,411</u>
Expenditures:			
General government	-	236,329	236,329
Public safety	15,451,658	-	15,451,658
Human services	180,619	-	180,619
Cultural and recreational	1,852	-	1,852
Education	381,175	-	381,175
Total expenditures	<u>16,015,304</u>	<u>236,329</u>	<u>16,251,633</u>
Revenues over (under) expenditures	<u>4,231,641</u>	<u>(235,863)</u>	<u>3,995,778</u>
Other Financing Sources (Uses):			
Transfers from other funds	-	236,329	236,329
Transfers (to) other funds	(1,641,445)	-	(1,641,445)
Total	<u>(1,641,445)</u>	<u>236,329</u>	<u>(1,405,116)</u>
Net change in fund balances	2,590,196	466	2,590,662
Fund Balances:			
Fund balances, beginning	<u>8,670,209</u>	<u>152,155</u>	<u>8,822,364</u>
Fund balances, ending	<u>\$ 11,260,405</u>	<u>\$ 152,621</u>	<u>\$ 11,413,026</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of special revenue sources that are legally restricted to expenditures for specific purposes.

Individual Fund Descriptions:

- **Emergency Telephone System Fund** – Accounts for the activities of a County-wide emergency telephone service funded by telephone company line charges.
- **Forfeited Property** – Accounts for revenues received from federal and state law enforcement agencies as a result of property confiscations through court convictions of criminal activities. These funds must be used by the County for law enforcement purposes.
- **Recreation – Payment in Lieu** – Accounts for an additional fee charged to developers of new subdivision lots (except family subdivisions) within the County. Recreation fees are used to offset the cost of recreational facilities within the district that the subdivision is located.
- **Bynum Canoe Access/Easement Monitoring** – Accounts for the funds received from Triangle Land Conservancy to aid in the maintenance and upkeep of the Haw River canoe access and fund received from Mid-Atlantic Mitigation, LLC at the request of the Soil and Water Conservation District for easement monitoring.
- **Impact Fees** - Accounts for an additional fee charged on all building permits issued for the construction of new dwellings. Impact fees collected are to be used to offset a portion of the cost of new school construction
- **Courthouse Clock** – Accounts for monies held for maintenance of the courthouse clock.
- **Library Foundation** – Accounts for the money received to aid in financing library capital and other expenses.
- **Representative Payee** – This fund accounts for the monies of indigents for which the county Department of Social Services acts as an agent.
- **Fines and Forfeitures** – This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Chatham County Board of Education.
- **Opioid Settlement** – This fund accounts for funds received from a nationwide settlement related to multiple opioid lawsuits.
- **Special Fire Districts** – Accounts for the property tax revenues received and distributed to the fire districts within the County.

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Emergency Telephone System Fund	Forfeited Property	Impact Fee	Recreation Payment In Lieu	Bynum Canoe Access/ Easement Monitoring	Courthouse Clock
Assets:						
Cash, cash equivalents, and investments	\$ 405,527	\$ 427,337	\$ 7,732,716	\$ 1,864,291	\$ 15,083	\$ 71,526
Cash - restricted	-	-	-	-	-	-
Property taxes receivable, net	-	-	-	-	-	-
Due from other governmental agencies	46,649	-	-	-	-	-
Other receivables	1,130	509	11,147	2,249	18	87
Total assets	<u>\$ 453,306</u>	<u>\$ 427,846</u>	<u>\$ 7,743,863</u>	<u>\$ 1,866,540</u>	<u>\$ 15,101</u>	<u>\$ 71,613</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ 4,629	\$ 4,433	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>4,629</u>	<u>4,433</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:						
Prepaid taxes	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	47,779	509	11,147	2,249	18	87
Courthouse clock	-	-	-	-	-	71,526
Emergency telephone	400,898	-	-	-	-	-
Economic and physical development	-	-	-	-	15,083	-
Health services	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-
Law enforcement	-	422,904	-	-	-	-
Assigned:						
Education	-	-	7,732,716	-	-	-
Cultural and recreation	-	-	-	1,864,291	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>448,677</u>	<u>423,413</u>	<u>7,743,863</u>	<u>1,866,540</u>	<u>15,101</u>	<u>71,613</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 453,306</u>	<u>\$ 427,846</u>	<u>\$ 7,743,863</u>	<u>\$ 1,866,540</u>	<u>\$ 15,101</u>	<u>\$ 71,613</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Representative Payee</u>	<u>Fines and Forfeitures</u>	<u>Opioid Settlement</u>	<u>Total</u>
Assets:						
Cash, cash equivalents, and investments	\$ 13,107	\$ 536,486	\$ 63,582	\$ 20,675	\$ -	\$ 11,150,330
Cash - restricted	-	-	-	-	111,766	111,766
Property taxes receivable, net	-	146,032	-	-	-	146,032
Due from other governmental agencies	-	83,702	-	-	-	130,351
Other receivables	16	587	-	-	148	15,891
Total assets	<u>\$ 13,123</u>	<u>\$ 766,807</u>	<u>\$ 63,582</u>	<u>\$ 20,675</u>	<u>\$ 111,914</u>	<u>\$ 11,554,370</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 874	\$ -	\$ -	\$ 148	\$ 10,084
Unearned revenue	-	-	-	-	111,766	111,766
Total liabilities	<u>-</u>	<u>874</u>	<u>-</u>	<u>-</u>	<u>111,914</u>	<u>121,850</u>
Deferred Inflows of Resources:						
Prepaid taxes	-	26,083	-	-	-	26,083
Taxes receivable	-	146,032	-	-	-	146,032
Total deferred inflows of resources	<u>-</u>	<u>172,115</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>172,115</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	16	84,289	-	-	148	146,242
Courthouse clock	-	-	-	-	-	71,526
Emergency telephone	-	-	-	-	-	400,898
Economic and physical development	-	-	-	-	-	15,083
Health services	-	-	63,582	-	-	63,582
Fire protection	-	509,529	-	-	-	509,529
Law enforcement	-	-	-	-	-	422,904
Assigned:						
Education	-	-	-	20,675	-	7,753,391
Cultural and recreation	13,107	-	-	-	-	1,877,398
Unassigned	-	-	-	-	(148)	(148)
Total fund balances	<u>13,123</u>	<u>593,818</u>	<u>63,582</u>	<u>20,675</u>	<u>-</u>	<u>11,260,405</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,123</u>	<u>\$ 766,807</u>	<u>\$ 63,582</u>	<u>\$ 20,675</u>	<u>\$ 111,914</u>	<u>\$ 11,554,370</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Emergency Telephone System Fund	Forfeited Property	Impact Fee	Recreation Payment In Lieu	Bynum Canoe Access/ Easement Monitoring	Courthouse Clock
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	3,400,165	226,279	-	-	-	-
Permits and fees	-	-	3,187,625	322,304	-	-
Investment earnings	2,142	1,207	30,411	6,535	56	262
Other general revenues	-	290	-	-	-	-
Total revenues	<u>3,402,307</u>	<u>227,776</u>	<u>3,218,036</u>	<u>328,839</u>	<u>56</u>	<u>262</u>
Expenditures:						
Public safety	3,265,216	25,483	-	-	-	-
Human services	-	-	-	-	-	-
Cultural and recreational	-	-	-	-	1,852	-
Education	-	-	-	-	-	-
Total expenditures	<u>3,265,216</u>	<u>25,483</u>	<u>-</u>	<u>-</u>	<u>1,852</u>	<u>-</u>
Revenues over (under) expenditures	137,091	202,293	3,218,036	328,839	(1,796)	262
Other Financing Sources (Uses):						
Transfers (to) other funds	-	-	(1,641,445)	-	-	-
Net change in fund balances	137,091	202,293	1,576,591	328,839	(1,796)	262
Fund Balances:						
Fund balances, beginning	<u>311,586</u>	<u>221,120</u>	<u>6,167,272</u>	<u>1,537,701</u>	<u>16,897</u>	<u>71,351</u>
Fund balances, ending	<u>\$ 448,677</u>	<u>\$ 423,413</u>	<u>\$ 7,743,863</u>	<u>\$ 1,866,540</u>	<u>\$ 15,101</u>	<u>\$ 71,613</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

	Library Foundation	Special Fire Districts	Representative Payee	Fines and Forfeitures	Opioid Settlement	Total
Revenues:						
Ad valorem taxes	\$ -	\$ 12,480,117	\$ -	\$ -	\$ -	\$ 12,480,117
Restricted intergovernmental	-	-	185,373	401,850	-	4,213,667
Permits and fees	-	-	-	-	-	3,509,929
Investment earnings	48	2,281	-	-	-	42,942
Other general revenues	-	-	-	-	-	290
Total revenues	<u>48</u>	<u>12,482,398</u>	<u>185,373</u>	<u>401,850</u>	<u>-</u>	<u>20,246,945</u>
Expenditures:						
Public safety	-	12,160,959	-	-	-	15,451,658
Human services	-	-	180,619	-	-	180,619
Cultural and recreational	-	-	-	-	-	1,852
Education	-	-	-	381,175	-	381,175
Total expenditures	<u>-</u>	<u>12,160,959</u>	<u>180,619</u>	<u>381,175</u>	<u>-</u>	<u>16,015,304</u>
Revenues over (under) expenditures	48	321,439	4,754	20,675	-	4,231,641
Other Financing Sources (Uses):						
Transfers (to) other funds	-	-	-	-	-	(1,641,445)
Net change in fund balances	48	321,439	4,754	20,675	-	2,590,196
Fund Balances:						
Fund balances, beginning	<u>13,075</u>	<u>272,379</u>	<u>58,828</u>	<u>-</u>	<u>-</u>	<u>8,670,209</u>
Fund balances, ending	<u>\$ 13,123</u>	<u>\$ 593,818</u>	<u>\$ 63,582</u>	<u>\$ 20,675</u>	<u>\$ -</u>	<u>\$ 11,260,405</u>

CHATHAM COUNTY, NORTH CAROLINA

**EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental:				
E-911 Telephone Grant	\$ 2,897,326	\$ 2,840,374	\$ (56,952)	\$ -
Service fee collections	559,790	559,791	1	535,274
Investment earnings	1,000	2,142	1,142	1,505
Total revenues	<u>3,458,116</u>	<u>3,402,307</u>	<u>(55,809)</u>	<u>536,779</u>
Expenditures:				
Public safety:	<u>3,689,741</u>	<u>3,265,216</u>	<u>424,525</u>	<u>671,024</u>
Revenues over (under) expenditures	<u>(231,625)</u>	<u>137,091</u>	<u>368,716</u>	<u>(134,245)</u>
Other Financing Sources (Uses):				
Transfers from (to) other funds:				
Transfer from other funds:*				
General Fund	-	-	-	469
Appropriated fund balance	<u>231,625</u>	<u>-</u>	<u>(231,625)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>137,091</u>	<u>\$ 137,091</u>	<u>(133,776)</u>
Fund Balance:				
Fund balance, beginning		<u>311,586</u>		<u>445,362</u>
Fund balance, ending		<u>\$ 448,677</u>		<u>\$ 311,586</u>

* The County did not transfer funds into the Emergency Telephone System Fund from the General Fund to reimburse the fund for expenses deemed to be ineligible by the E911 Board in the current year. The County transferred \$469 for fiscal year 2021.

CHATHAM COUNTY, NORTH CAROLINA

FORFEITED PROPERTY/CONTROLLED SUBSTANCE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022		2021	
	Final Budget	Actual	Variance Over/Under	Actual
Controlled Substance:				
Revenues:				
Restricted intergovernmental:				
Controlled substance tax	\$ -	\$ 8,813	\$ 8,813	\$ 12,173
Investment earnings	-	302	302	508
Other general revenues	-	290	290	360
Total revenues	-	9,405	9,405	13,041
Expenditures:				
Public safety:				
Operating expenditures	80,000	2,584	77,416	2,012
Revenues over (under) expenditures	(80,000)	6,821	86,821	11,029
Appropriated fund balance	80,000	-	(80,000)	-
Net change in fund balance	\$ -	6,821	\$ 6,821	11,029
Fund Balance:				
Fund balance, beginning		98,713		87,684
Fund balance, ending		\$ 105,534		\$ 98,713
Drug Forfeiture:				
Revenues:				
Restricted intergovernmental:				
Drug forfeiture	\$ -	\$ 217,466	\$ 217,466	\$ 8,206
Investment earnings	1,000	905	(95)	620
Total revenues	1,000	218,371	217,371	8,826
Expenditures:				
Public safety:				
Operating expenditures	91,000	22,899	68,101	9,701
Capital outlay	-	-	-	30,298
Total expenditures	91,000	22,899	68,101	39,999
Revenues over (under) expenditures	(90,000)	195,472	285,472	(31,173)
Appropriated fund balance	90,000	-	(90,000)	-
Net change in fund balance	\$ -	195,472	\$ 195,472	(31,173)
Fund Balance:				
Fund balance, beginning		122,407		153,580
Fund balance, ending		\$ 317,879		\$ 122,407
Total fund balance - controlled substance/drug forfeiture		\$ 423,413		\$ 221,120

CHATHAM COUNTY, NORTH CAROLINA

RECREATION - PAYMENT IN LIEU
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 158,000	\$ 322,304	\$ 164,304	\$ 148,826
Investment earnings	3,000	6,535	3,535	8,981
Total revenues	<u>161,000</u>	<u>328,839</u>	<u>167,839</u>	<u>157,807</u>
Expenditures:				
Cultural and recreational	<u>511,000</u>	-	511,000	-
Revenues over (under) expenditures	<u>(350,000)</u>	<u>328,839</u>	<u>678,839</u>	<u>157,807</u>
Other Financing Sources (Uses):				
Transfer to other funds:				
County-Wide Park project	-	-	-	(235,380)
Appropriated fund balance	<u>350,000</u>	-	(350,000)	-
Net change in fund balance	<u>\$ -</u>	<u>328,839</u>	<u>\$ 328,839</u>	<u>(77,573)</u>
Fund Balance:				
Fund balance, beginning		<u>1,537,701</u>		<u>1,615,274</u>
Fund balance, ending		<u>\$ 1,866,540</u>		<u>\$ 1,537,701</u>

CHATHAM COUNTY, NORTH CAROLINA

**BYNUM CANOE ACCESS/EASEMENT MONITORING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 75	\$ 56	\$ (19)	\$ 104
Expenditures:				
Cultural and recreational	8,575	1,852	6,723	4,190
Revenues over (under) expenditures	(8,500)	(1,796)	6,704	(4,086)
Appropriated fund balance	8,500	-	(8,500)	-
Net change in fund balance	<u>\$ -</u>	(1,796)	<u>\$ (1,796)</u>	(4,086)
Fund Balance:				
Fund balance, beginning		16,897		20,983
Fund balance, ending		<u>\$ 15,101</u>		<u>\$ 16,897</u>

CHATHAM COUNTY, NORTH CAROLINA

IMPACT FEES

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Permits and fees	\$ 2,151,300	\$ 3,187,625	\$ 1,036,325	\$ 3,447,100
Investment earnings	10,000	30,411	20,411	19,516
Total revenues	<u>2,161,300</u>	<u>3,218,036</u>	<u>1,056,736</u>	<u>3,466,616</u>
Expenditures:				
Education	<u>673,200</u>	<u>-</u>	<u>673,200</u>	<u>-</u>
Revenues over (under) expenditures	<u>1,488,100</u>	<u>3,218,036</u>	<u>1,729,936</u>	<u>3,466,616</u>
Other Financing Sources (Uses):				
Transfer to other funds:				
General Fund	<u>(3,788,100)</u>	<u>(1,641,445)</u>	<u>2,146,655</u>	<u>(1,005,024)</u>
Appropriated fund balance	<u>2,300,000</u>	<u>-</u>	<u>(2,300,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,576,591</u>	<u>\$ 1,576,591</u>	<u>2,461,592</u>
Fund Balance:				
Fund balance, beginning		<u>6,167,272</u>		<u>3,705,680</u>
Fund balance, ending		<u>\$ 7,743,863</u>		<u>\$ 6,167,272</u>

CHATHAM COUNTY, NORTH CAROLINA

**COURTHOUSE CLOCK
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 262	\$ 262	\$ 371
Expenditures:				
General government	65,000	-	65,000	-
Revenues over (under) expenditures	(65,000)	262	65,262	371
Appropriated fund balance	65,000	-	(65,000)	-
Net change in fund balance	<u>\$ -</u>	262	<u>\$ 262</u>	371
Fund Balance:				
Fund balance, beginning		71,351		70,980
Fund balance, ending		<u>\$ 71,613</u>		<u>\$ 71,351</u>

CHATHAM COUNTY, NORTH CAROLINA

LIBRARY FOUNDATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ 50	\$ 48	\$ (2)	\$ 68
Expenditures:				
Cultural and recreational	10,700	-	10,700	-
Revenues over (under) expenditures	(10,650)	48	10,698	68
Appropriated fund balance	10,650	-	(10,650)	-
Net change in fund balance	<u>\$ -</u>	48	<u>\$ 48</u>	68
Fund Balance:				
Fund balance, beginning		<u>13,075</u>		<u>13,007</u>
Fund balance, ending		<u>\$ 13,123</u>		<u>\$ 13,075</u>

CHATHAM COUNTY, NORTH CAROLINA

REPRESENTATIVE PAYEE
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 250,000	\$ 185,373	\$ (64,627)	\$ 174,958
Expenditures:				
Human services	250,000	180,619	69,381	172,439
Net change in fund balance	\$ -	4,754	\$ 4,754	2,519
Fund Balance:				
Fund balances, beginning as previously reported		58,828		-
Prior period restatement - change in accounting principle		-		56,309
Fund balances, beginning as previously reported		58,828		56,309
Fund balances, ending		\$ 63,582		\$ 58,828

CHATHAM COUNTY, NORTH CAROLINA

FINES AND FORFIETURES
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted intergovernmental	\$ 480,000	\$ 401,850	\$ (78,150)	\$ 185,121
Expenditures:				
Education	480,000	381,175	98,825	185,121
Net change in fund balance	\$ -	20,675	\$ 20,675	\$ -
Fund Balance:				
Fund balances, beginning		-		
Fund balances, ending		\$ 20,675		

CHATHAM COUNTY, NORTH CAROLINA

OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Restricted intergovernmental	\$ 2,907,865	\$ -	\$ (2,907,865)	\$ -
Expenditures:				
Human Services	2,907,865	-	2,907,865	-
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	-
Fund Balance:				
Fund balance, beginning		-		-
Fund balance, ending		<u>\$ -</u>		<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2022

	<u>Combined</u>	<u>Bell's Annex</u>	<u>Bennett</u>	<u>Bonlee</u>	<u>Central Chatham</u>	<u>Circle City</u>	<u>Goldston</u>
Assets:							
Cash, cash equivalents, and investments	\$ 536,486	\$ 325	\$ 19,069	\$ 18,607	\$ 41,819	\$ 46,845	\$ 19,513
Property taxes receivable, net	146,032	334	3,176	7,189	15,408	29,112	7,991
Due from other governments	83,702	919	2,529	2,338	4,634	10,188	3,037
Other receivables	587	-	19	19	47	50	23
Total assets	<u>\$ 766,807</u>	<u>\$ 1,578</u>	<u>\$ 24,793</u>	<u>\$ 28,153</u>	<u>\$ 61,908</u>	<u>\$ 86,195</u>	<u>\$ 30,564</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 874	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources:							
Property taxes receivable	146,032	334	3,176	7,189	15,408	29,112	7,991
Prepaid taxes	26,083	49	7	164	2,707	5,012	158
Total deferred inflows of resources	<u>172,115</u>	<u>383</u>	<u>3,183</u>	<u>7,353</u>	<u>18,115</u>	<u>34,124</u>	<u>8,149</u>
Fund Balances:							
Restricted:							
Stabilization by state statute	84,289	919	2,548	2,357	4,681	10,238	3,060
Fire protection	509,529	276	19,062	18,443	39,112	41,833	19,355
Total fund balances	<u>593,818</u>	<u>1,195</u>	<u>21,610</u>	<u>20,800</u>	<u>43,793</u>	<u>52,071</u>	<u>22,415</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 766,807</u>	<u>\$ 1,578</u>	<u>\$ 24,793</u>	<u>\$ 28,153</u>	<u>\$ 61,908</u>	<u>\$ 86,195</u>	<u>\$ 30,564</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
COMBINING BALANCE SHEET
JUNE 30, 2022

	<u>Hope</u>	<u>Moncure</u>	<u>North Chatham</u>	<u>Parkwood</u>	<u>Staley</u>	<u>Northview</u>
Assets:						
Cash, cash equivalents, and investments	\$ 22,217	\$ 18,207	\$ 300,711	\$ 45,566	\$ 682	\$ 2,925
Property taxes receivable, net	12,450	32,849	33,349	2,038	1,352	784
Due from other governments	4,836	5,493	46,696	2,048	702	282
Other receivables	21	17	335	53	-	3
Total assets	<u>\$ 39,524</u>	<u>\$ 56,566</u>	<u>\$ 381,091</u>	<u>\$ 49,705</u>	<u>\$ 2,736</u>	<u>\$ 3,994</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 874	\$ -	\$ -	\$ -	\$ -
Deferred Inflows of Resources:						
Property taxes receivable	12,450	32,849	33,349	2,038	1,352	784
Prepaid taxes	922	1,650	14,864	-	-	550
Total deferred inflows of resources	<u>13,372</u>	<u>34,499</u>	<u>48,213</u>	<u>2,038</u>	<u>1,352</u>	<u>1,334</u>
Fund Balances:						
Restricted:						
Stabilization by state statute	4,857	5,510	47,031	2,101	702	285
Fire protection	21,295	15,683	285,847	45,566	682	2,375
Total fund balances	<u>26,152</u>	<u>21,193</u>	<u>332,878</u>	<u>47,667</u>	<u>1,384</u>	<u>2,660</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 39,524</u>	<u>\$ 56,566</u>	<u>\$ 381,091</u>	<u>\$ 49,705</u>	<u>\$ 2,736</u>	<u>\$ 3,994</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Combined Special Fire Districts</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 11,995,598	\$ 12,480,117	\$ 484,519
Investment earnings	-	2,281	2,281
Total revenues	<u>11,995,598</u>	<u>12,482,398</u>	<u>486,800</u>
Expenditures:			
Public safety:			
Fire protection contracts	12,048,274	12,045,245	3,029
Commissions	<u>126,696</u>	<u>115,714</u>	<u>10,982</u>
Total expenditures	<u>12,174,970</u>	<u>12,160,959</u>	<u>14,011</u>
Revenues over (under) expenditures	<u>(179,372)</u>	<u>321,439</u>	<u>500,811</u>
Appropriated fund balance	<u>179,372</u>	<u>-</u>	<u>(179,372)</u>
Net change in fund balance	<u>\$ -</u>	<u>321,439</u>	<u>\$ 321,439</u>
Fund Balances:			
Fund balance, beginning		<u>272,379</u>	
Fund balance, ending		<u>\$ 593,818</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Bells Annex Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 189,993	\$ 189,390	\$ (603)
Investment earnings	-	22	22
Total revenues	<u>189,993</u>	<u>189,412</u>	<u>(581)</u>
Expenditures:			
Public safety:			
Fire protection contracts	191,400	191,400	-
Commissions	2,021	1,759	262
Total expenditures	<u>193,421</u>	<u>193,159</u>	<u>262</u>
Revenues over (under) expenditures	<u>(3,428)</u>	<u>(3,747)</u>	<u>(319)</u>
Appropriated fund balance	<u>3,428</u>	-	<u>(3,428)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,747)</u>	<u>\$ (3,747)</u>
Fund Balances:			
Fund balance, beginning		<u>4,942</u>	
Fund balance, ending		<u>\$ 1,195</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Bennett Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 169,190	\$ 188,556	\$ 19,366
Investment earnings	-	63	63
Total revenues	<u>169,190</u>	<u>188,619</u>	<u>19,429</u>
Expenditures:			
Public safety:			
Fire protection contracts	177,639	177,639	-
Commissions	1,901	1,639	262
Total expenditures	<u>179,540</u>	<u>179,278</u>	<u>262</u>
Revenues over (under) expenditures	<u>(10,350)</u>	<u>9,341</u>	<u>19,691</u>
Appropriated fund balance	<u>10,350</u>	<u>-</u>	<u>(10,350)</u>
Net change in fund balance	<u>\$ -</u>	<u>9,341</u>	<u>\$ 9,341</u>
Fund Balances:			
Fund balance, beginning		<u>12,269</u>	
Fund balance, ending		<u>\$ 21,610</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Bonlee Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 255,263	\$ 273,428	\$ 18,165
Investment earnings	-	69	69
Total revenues	<u>255,263</u>	<u>273,497</u>	<u>18,234</u>
Expenditures:			
Public safety:			
Fire protection contracts	263,658	263,658	-
Commissions	<u>2,784</u>	<u>2,465</u>	<u>319</u>
Total expenditures	<u>266,442</u>	<u>266,123</u>	<u>319</u>
Revenues over (under) expenditures	<u>(11,179)</u>	<u>7,374</u>	<u>18,553</u>
Appropriated fund balance	<u>11,179</u>	<u>-</u>	<u>(11,179)</u>
Net change in fund balance	<u>\$ -</u>	<u>7,374</u>	<u>\$ 7,374</u>
Fund Balances:			
Fund balance, beginning		<u>13,426</u>	
Fund balance, ending		<u>\$ 20,800</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Central Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 458,389	\$ 494,933	\$ 36,544
Investment earnings	-	151	151
Total revenues	<u>458,389</u>	<u>495,084</u>	<u>36,695</u>
Expenditures:			
Public safety:			
Fire protection contracts	479,089	479,089	-
Commissions	5,093	4,358	735
Total expenditures	<u>484,182</u>	<u>483,447</u>	<u>735</u>
Revenues over (under) expenditures	<u>(25,793)</u>	<u>11,637</u>	<u>37,430</u>
Appropriated fund balance	<u>25,793</u>	-	<u>(25,793)</u>
Net change in fund balance	<u>\$ -</u>	11,637	<u>\$ 11,637</u>
Fund Balances:			
Fund balance, beginning		<u>32,156</u>	
Fund balance, ending		<u>\$ 43,793</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Circle City Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 1,638,394	\$ 1,679,547	\$ 41,153
Investment earnings	-	243	243
Total revenues	<u>1,638,394</u>	<u>1,679,790</u>	<u>41,396</u>
Expenditures:			
Public safety:			
Fire protection contracts	1,620,974	1,620,974	-
Commissions	16,929	15,568	1,361
Total expenditures	<u>1,637,903</u>	<u>1,636,542</u>	<u>1,361</u>
Revenues over (under) expenditures	<u>491</u>	<u>43,248</u>	<u>42,757</u>
Appropriated fund balance	<u>(491)</u>	<u>-</u>	<u>491</u>
Net change in fund balance	<u>\$ -</u>	<u>43,248</u>	<u>\$ 43,248</u>
Fund Balances:			
Fund balance, beginning		<u>8,823</u>	
Fund balance, ending		<u>\$ 52,071</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Goldston Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 290,438	\$ 309,331	\$ 18,893
Investment earnings	-	80	80
Total revenues	<u>290,438</u>	<u>309,411</u>	<u>18,973</u>
Expenditures:			
Public safety:			
Fire protection contracts	305,797	305,797	-
Commissions	<u>3,217</u>	<u>2,746</u>	<u>471</u>
Total expenditures	<u>309,014</u>	<u>308,543</u>	<u>471</u>
Revenues over (under) expenditures	<u>(18,576)</u>	<u>868</u>	<u>19,444</u>
Appropriated fund balance	<u>18,576</u>	<u>-</u>	<u>(18,576)</u>
Net change in fund balance	<u>\$ -</u>	<u>868</u>	<u>\$ 868</u>
Fund Balances:			
Fund balance, beginning		<u>21,547</u>	
Fund balance, ending		<u>\$ 22,415</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	Hope Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 553,769	\$ 574,998	\$ 21,229
Investment earnings	-	102	102
Total revenues	<u>553,769</u>	<u>575,100</u>	<u>21,331</u>
Expenditures:			
Public safety:			
Fire protection contracts	561,956	561,956	-
Commissions	<u>5,995</u>	<u>5,181</u>	<u>814</u>
Total expenditures	<u>567,951</u>	<u>567,137</u>	<u>814</u>
Revenues over (under) expenditures	<u>(14,182)</u>	<u>7,963</u>	<u>22,145</u>
Appropriated fund balance	<u>14,182</u>	<u>-</u>	<u>(14,182)</u>
Net change in fund balance	<u>\$ -</u>	<u>7,963</u>	<u>\$ 7,963</u>
Fund Balances:			
Fund balance, beginning		<u>18,189</u>	
Fund balance, ending		<u>\$ 26,152</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Moncure Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 1,022,379	\$ 1,034,067	\$ 11,688
Investment earnings	-	147	147
Total revenues	<u>1,022,379</u>	<u>1,034,214</u>	<u>11,835</u>
Expenditures:			
Public safety:			
Fire protection contracts	1,039,582	1,036,553	3,029
Commissions	10,616	9,815	801
Total expenditures	<u>1,050,198</u>	<u>1,046,368</u>	<u>3,830</u>
Revenues over (under) expenditures	<u>(27,819)</u>	<u>(12,154)</u>	<u>15,665</u>
Appropriated fund balance	<u>27,819</u>	-	<u>(27,819)</u>
Net change in fund balance	<u>\$ -</u>	<u>(12,154)</u>	<u>\$ (12,154)</u>
Fund Balances:			
Fund balance, beginning		<u>33,347</u>	
Fund balance, ending		<u>\$ 21,193</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>North Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 6,960,636	\$ 7,244,284	\$ 283,648
Investment earnings	-	1,241	1,241
Total revenues	<u>6,960,636</u>	<u>7,245,525</u>	<u>284,889</u>
Expenditures:			
Public safety:			
Fire protection contracts	6,954,271	6,954,271	-
Commissions	<u>73,324</u>	<u>67,579</u>	<u>5,745</u>
Total expenditures	<u>7,027,595</u>	<u>7,021,850</u>	<u>5,745</u>
Revenues over (under) expenditures	<u>(66,959)</u>	<u>223,675</u>	<u>290,634</u>
Appropriated fund balance	<u>66,959</u>	-	<u>(66,959)</u>
Net change in fund balance	<u>\$ -</u>	223,675	<u>\$ 223,675</u>
Fund Balances:			
Fund balance, beginning		<u>109,203</u>	
Fund balance, ending		<u>\$ 332,878</u>	

CHATHAM COUNTY, NORTH CAROLINA

**SPECIAL FIRE DISTRICTS
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022**

	Parkwood Fire District		
	Final Budget	Actual	Variance Over/Under
Revenues:			
Ad valorem taxes	\$ 362,541	\$ 393,873	\$ 31,332
Investment earnings	-	146	146
Total revenues	<u>362,541</u>	<u>394,019</u>	<u>31,478</u>
Expenditures:			
Public safety:			
Fire protection contracts	358,741	358,741	-
Commissions	3,800	3,728	72
Total expenditures	<u>362,541</u>	<u>362,469</u>	<u>72</u>
Revenues over (under) expenditures	<u>-</u>	<u>31,550</u>	<u>31,550</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>31,550</u>	<u>\$ 31,550</u>
Fund Balances:			
Fund balance, beginning		<u>16,117</u>	
Fund balance, ending		<u>\$ 47,667</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

Staley Fire District

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 59,540	\$ 60,230	\$ 690
Investment earnings	-	7	7
Total revenues	<u>59,540</u>	<u>60,237</u>	<u>697</u>
Expenditures:			
Public safety:			
Fire protection contracts	58,465	58,465	-
Commissions	636	530	106
Total expenditures	<u>59,101</u>	<u>58,995</u>	<u>106</u>
Revenues over (under) expenditures	<u>439</u>	<u>1,242</u>	<u>803</u>
Appropriated fund balance	<u>(439)</u>	<u>-</u>	<u>439</u>
Net change in fund balance	<u>\$ -</u>	<u>1,242</u>	<u>\$ 1,242</u>
Fund Balances:			
Fund balance, beginning		<u>142</u>	
Fund balance, ending		<u>\$ 1,384</u>	

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2022

Northview Fire District

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
Revenues:			
Ad valorem taxes	\$ 35,066	\$ 37,480	\$ 2,414
Investment earnings	-	10	10
Total revenues	<u>35,066</u>	<u>37,490</u>	<u>2,424</u>
Expenditures:			
Public safety:			
Fire protection contracts	36,702	36,702	-
Commissions	380	346	34
Total expenditures	<u>37,082</u>	<u>37,048</u>	<u>34</u>
Revenues over (under) expenditures	<u>(2,016)</u>	<u>442</u>	<u>2,458</u>
Appropriated fund balance	<u>2,016</u>	<u>-</u>	<u>(2,016)</u>
Net change in fund balance	<u>\$ -</u>	<u>442</u>	<u>\$ 442</u>
Fund Balances:			
Fund balance, beginning		<u>2,218</u>	
Fund balance, ending		<u>\$ 2,660</u>	

NONMAJOR CAPITAL PROJECT FUNDS

The Capital Projects Funds are used to account for the acquisition and construction of major capital and capital facilities other than those financed by the proprietary funds and trust funds.

Individual Fund Descriptions:

- **County-Wide Park Projects** – Accounts for the financing and construction of parks for the recreational use of residents of the County.
- **Tech/System Improvement Project Computer System** – Accounts for the funds used to purchase financial software for the County and to fund upgrades to the County's computer systems.
- **Emergency Vehicle Replacement Capital Reserve Project** – Accounts for the accumulation of funds to assist local rescue squads with the purchase of emergency vehicles.

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CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

	Emergency Vehicle Replacement Capital Reserve Project	Tech/System Improvements Projects	County-wide Park Projects	Total
Assets:				
Cash, cash equivalents, and investments	\$ 127,467	\$ 60,285	\$ 25,000	\$ 212,752
Other receivables	154	-	-	154
Total assets	<u>\$ 127,621</u>	<u>\$ 60,285</u>	<u>\$ 25,000</u>	<u>\$ 212,906</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	<u>\$ -</u>	<u>\$ 60,285</u>	<u>\$ -</u>	<u>\$ 60,285</u>
Fund Balances:				
Restricted:				
Stabilization by state statute	154	-	-	154
Assigned:				
Public safety	127,467	-	-	127,467
Recreation	-	-	25,000	25,000
Total fund balances	<u>127,621</u>	<u>-</u>	<u>25,000</u>	<u>152,621</u>
Total liabilities and fund balances	<u>\$ 127,621</u>	<u>\$ 60,285</u>	<u>\$ 25,000</u>	<u>\$ 212,906</u>

CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2022

	Emergency Vehicle Replacement Capital Reserve Project	Tech/System Improvements Projects	County-wide Park Projects	Total
Revenues:				
Investment earnings	\$ 466	\$ -	\$ -	\$ 466
Expenditures:				
General government	-	236,329	-	236,329
Revenues over (under) expenditures	466	(236,329)	-	(235,863)
Other Financing Sources (Uses):				
Transfers:				
Transfers from other funds	-	236,329	-	236,329
Net change in fund balances	466	-	-	466
Fund Balances:				
Fund balances, beginning	127,155	-	25,000	152,155
Fund balances, ending	\$ 127,621	\$ -	\$ 25,000	\$ 152,621

CHATHAM COUNTY, NORTH CAROLINA

**EMERGENCY VEHICLE REPLACEMENT CAPITAL PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>2022</u>			<u>2021</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Revenues:				
Investment earnings	\$ -	\$ 466	\$ 466	\$ 661
Expenditures:				
Public safety	50,000	-	50,000	-
Revenues over (under) expenditures	(50,000)	466	50,466	661
Appropriated fund balance	50,000	-	(50,000)	-
Net change in fund balance	\$ -	466	\$ 466	661
Fund Balance:				
Fund balance, beginning		127,155		126,494
Fund balance, ending		<u>\$ 127,621</u>		<u>\$ 127,155</u>

CHATHAM COUNTY, NORTH CAROLINA

TECH/SYSTEM IMPROVEMENTS PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR
 ENDED JUNE 30, 2022

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
Expenditures:					
General government	\$ 467,247	\$ -	\$ 236,329	\$ 236,329	\$ 230,918
Revenues over (under) expenditures	(467,247)	-	(236,329)	(236,329)	230,918
Other Financing Sources (Uses):					
Transfers from other funds:					
Capital Reserve	467,247	-	236,329	236,329	(230,918)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

COUNTY-WIDE PARK PROJECTS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR
 ENDED JUNE 30, 2022

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental:					
State grants	\$ 533,375	\$ 150,000	\$ -	\$ 150,000	\$ (383,375)
Expenditures:					
Cultural and recreational:					
Briar Chapel	7,811,411	1,478,519	-	1,478,519	6,332,892
Haw River Trail	125,000	-	-	-	125,000
Total expenditures	7,936,411	1,478,519	-	1,478,519	6,457,892
Revenues over (under) expenditures	(7,403,036)	(1,328,519)	-	(1,328,519)	6,074,517
Other Financing Sources (Uses):					
Transfers from other funds:					
General Fund	25,000	25,000	-	25,000	-
Recreation in lieu	7,378,036	1,328,519	-	1,328,519	(6,049,517)
Total other financing sources (uses)	7,403,036	1,353,519	-	1,353,519	(6,049,517)
Net change in fund balance	\$ -	\$ 25,000	\$ -	\$ 25,000	\$ 25,000

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ENTERPRISE FUNDS

The Enterprise Funds are used to account for County operations that are financed and operated in a manner similar to private business enterprises. The costs of providing services to the general public on a continuing basis are financed primarily through user charges.

Individual Fund Descriptions:

- **Utility Operating Fund** – Accounts for the water and sewer operations of the County.
- **Utility Capital Reserve Fund** – Accounts for funds accumulated to fund future capital projects.
- **Utility Equipment Reserve Fund** – Accounts for funds accumulated to fund future capital outlay purchases for utility operations.
- **Utility Capital Projects Fund** – Accounts for various capital projects within the Utility Fund.
- **Southeast Water District Fund** – Accounts for the operations of the water district covering the Southeastern portion of the County.
- **Solid Waste and Recycling Operating Fund** – Accounts for the operations of the County's collection and disposal of solid waste.
- **Solid Waste and Recycling Capital Reserve Fund** –Accounts for funds accumulated to fund future capital projects.

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CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Water sales	\$ 6,786,279	\$ 10,481,578	\$ 3,695,299	\$ 7,004,868
Sewer charges	21,500	13,186	(8,314)	15,145
Total charges for services	6,807,779	10,494,764	3,686,985	7,020,013
Other operating revenues	-	109,357	109,357	-
Total operating revenues	6,807,779	10,604,121	3,796,342	7,020,013
Non-operating revenues:				
Investment earnings	58,000	36,142	(21,858)	49,636
Sale of capital asset	-	46,678	46,678	4,200
Other non-operating revenues	-	1,702	1,702	1,654
Total revenues	6,865,779	10,688,643	3,822,864	7,075,503
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	1,846,624	1,787,947	58,677	1,722,677
Repairs and maintenance	1,319,168	664,492	654,676	629,620
Other operating expenditures	4,192,774	3,219,012	973,762	2,569,004
Total	7,358,566	5,671,451	1,687,115	4,921,301
Capital outlay	-	-	-	312,352
Debt service:				
Principal	1,024,016	1,024,019	(3)	1,004,737
Lease principal	-	189	(189)	-
Interest	301,151	301,315	(164)	333,003
Total expenditures	8,683,733	6,996,974	1,686,759	6,571,393
Revenues over (under) expenditures	(1,817,954)	3,691,669	5,509,623	504,110
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Utility equipment reserve	333,500	-	(333,500)	-
Total other financing sources (uses)	333,500	-	(333,500)	-

CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR
THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Fund balance appropriated	1,484,454	-	(1,484,454)	-
Revenues and other financing sources				
(under) expenditures and other financing uses	\$ -	3,691,669	\$ 3,691,669	\$ 504,110

Reconciliation from Budgetary Basis to Full Accrual:

Revenue:

Utility capital reserve	410,454
Utility equipment reserve	1,769

Reconciling items:

Debt principal	1,024,019
Lease liability payments	189
Depreciation and amortization	(1,270,571)
Right to use asset capitalized	236
Lease liability issued	(236)
Decrease (increase) in compensated absences	8,409
(Decrease) in deferred outflows of resources - pensions	49,665
Decrease in net pension liability	331,960
(Increase) in deferred inflows of resources - pensions	(351,799)
Increase in deferred outflows of resources - OPEB	61,776
(Increase) in net OPEB liability	(87,221)
(Increase) in deferred inflows of resources - OPEB	2,463

Change in net position	\$ 3,872,782
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CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL RESERVE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022		2021	
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services	\$ 1,100,000	\$ 344,386	\$ (755,614)	\$ 373,346
Investment earnings	75,000	66,068	(8,932)	92,371
Total revenues	1,175,000	410,454	(764,546)	465,717
Revenues over (under) expenditures	1,175,000	410,454	(764,546)	465,717
Other Financing Sources (Uses):				
Intrafund transfers from (to):				
Utility capital project	(3,625,000)	(849,502)	2,775,498	(147,988)
Fund balance appropriated	2,450,000	-	(2,450,000)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ (439,048)	\$ (439,048)	\$ 317,729

CHATHAM COUNTY, NORTH CAROLINA

UTILITY EQUIPMENT RESERVE
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 2,000	\$ 1,769	\$ (231)	\$ 2,510
Expenditures:				
Future capital	257,549	-	257,549	-
Revenues over (under) expenditures	(255,549)	1,769	257,318	2,510
Appropriated fund balance	255,549	-	(255,549)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 1,769	\$ 1,769	\$ 2,510

CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL PROJECTS
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE FISCAL YEAR
 ENDED JUNE 30, 2022

	Project Authorization	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Revenues:					
Intergovernmental:					
Grant - Department of Transportation	\$ -	\$ 399,882	\$ -	\$ 399,882	\$ 399,882
Investment earnings	-	28,056	-	28,056	28,056
Total revenues	-	427,938	-	427,938	427,938
Expenditures:					
Construction					
Haywood	129,700	30,192	-	30,192	99,508
Western Intake	6,055,361	145,738	849,502	995,240	5,060,121
Business Campus	8,622,289	8,593,110	-	8,593,110	29,179
Total expenditures	14,807,350	8,769,040	849,502	9,618,542	5,188,808
Revenues over (under) expenditures	(14,807,350)	(8,341,102)	(849,502)	(9,190,604)	5,616,746
Other Financing Sources (Uses):					
Transfers (to) from other funds					
General Fund	257,695	257,695	-	257,695	-
Capital Reserve	1,000,000	205,071	-	205,071	(794,929)
Capital Improvement Project Reserve	7,364,594	7,364,593	-	7,364,593	(1)
Intrafund transfers:					
Utility Capital Reserve	6,185,061	513,743	849,502	1,363,245	(4,821,816)
Total other financing sources (uses)	14,807,350	8,341,102	849,502	9,190,604	(5,616,746)
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -	\$ -

CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT
 SCHEDULE OF REVENUES AND EXPENDITURES
 BUDGET AND ACTUAL (NON-GAAP)
 FOR THE YEAR ENDED JUNE 30, 2022
 WITH COMPARATIVE ACTUAL AMOUNTS FOR
 THE FISCAL YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services	\$ 1,068,500	\$ 1,117,231	\$ 48,731	\$ 810,231
Non-operating revenues:				
Investment earnings	4,000	4,429	429	4,230
Total revenues	<u>1,072,500</u>	<u>1,121,660</u>	<u>49,160</u>	<u>814,461</u>
Expenditures:				
Operating expenditures	850,000	850,000	-	468,850
Debt service:				
Principal	91,000	91,000	-	87,000
Interest	<u>163,395</u>	<u>163,395</u>	-	<u>166,117</u>
Total expenditures	<u>1,104,395</u>	<u>1,104,395</u>	-	<u>721,967</u>
Revenues over (under) expenditures	<u>(31,895)</u>	<u>17,265</u>	<u>49,160</u>	<u>92,494</u>
Fund balance appropriated	<u>31,895</u>	<u>-</u>	<u>(31,895)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>17,265</u>	<u>\$ 17,265</u>	<u>\$ 92,494</u>

This schedule is included to show budgetary compliance.

Reconciliation from Budgetary Basis to Full Accrual:

Reconciling items:	
Debt principal	91,000
Depreciation	<u>(106,338)</u>
Change in net position	<u>\$ 1,927</u>

CHATHAM COUNTY, NORTH CAROLINA

SOLID WASTE AND RECYCLING OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating revenues:				
Charges for services:				
Collection center fees	\$ 3,561,375	\$ 3,697,655	\$ 136,280	\$ 3,607,880
Total operating revenues	<u>3,561,375</u>	<u>3,697,655</u>	<u>136,280</u>	<u>3,607,880</u>
Non-operating revenues:				
Investment earnings	-	20,959	20,959	24,824
Sale of capital assets	-	48,893	48,893	450
Grant revenue	10,417	39,859	29,442	-
Other non-operating revenue:				
Scrap tire disposal tax	97,000	128,091	31,091	109,415
White goods disposal tax	35,000	40,438	5,438	40,157
Solid waste disposal tax	50,000	60,548	10,548	56,163
Electronics disposal tax	5,800	9,549	3,749	125
Other non-operating revenues	-	100	100	91
Total non-operating revenues	<u>198,217</u>	<u>348,437</u>	<u>150,220</u>	<u>231,225</u>
Total revenues	<u>3,759,592</u>	<u>4,046,092</u>	<u>286,500</u>	<u>3,839,105</u>
Expenditures:				
Operating expenditures:				
Salaries and employee benefits	924,003	849,644	74,359	809,062
Repairs and maintenance	397,038	377,032	20,006	157,947
Other operating expenditures	<u>2,262,742</u>	<u>2,031,069</u>	<u>231,673</u>	<u>1,941,010</u>
Total operating expenditures	<u>3,583,783</u>	<u>3,257,745</u>	<u>326,038</u>	<u>2,908,019</u>
Capital outlay	283,000	267,988	15,012	257,562
Debt service	-	108	(108)	-
Total expenditures	<u>3,866,783</u>	<u>3,525,841</u>	<u>340,942</u>	<u>3,165,581</u>
Revenues over (under) expenditures	<u>(107,191)</u>	<u>520,251</u>	<u>627,442</u>	<u>673,524</u>
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Waste management capital reserve	<u>(40,595)</u>	-	<u>40,595</u>	-
Total other financing sources (uses)	<u>(40,595)</u>	-	<u>40,595</u>	-
Fund balance appropriated	<u>147,786</u>	-	<u>(147,786)</u>	-

CHATHAM COUNTY, NORTH CAROLINA

SOLID WASTE AND RECYCLING OPERATING FUND
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues and other financing sources				
(under) expenditures and other financing uses	\$ -	520,251	\$ 520,251	\$ 673,524
Reconciliation from Budgetary Basis to Full Accrual:				
Solid waste & recycling reserve		4,675		
Reconciling items:				
Capital outlay		267,988		
Depreciation and amortization		(220,350)		
Lease liability payments		108		
Right to use asset capitalized		135		
Lease liability issued		(135)		
Decrease (increase) in compensated absences		4,440		
(Decrease) in deferred outflows of resources - pensions		28,329		
Decrease in net pension liability		189,357		
Decrease in deferred inflows of resources - pensions		(200,675)		
Increase in deferred outflows of resources - OPEB		35,238		
(Increase) in net OPEB liability		(49,752)		
Decrease in deferred inflows of resources - OPEB		1,404		
Change in net position		\$ 581,013		

CHATHAM COUNTY, NORTH CAROLINA

**SOLID WASTE AND RECYCLING CAPITAL RESERVE
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021**

	2022			2021
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ 3,500	\$ 4,675	\$ 1,175	\$ 7,410
Expenditures:				
Future capital	-	-	-	-
Revenues over (under) expenditures	3,500	4,675	1,175	7,410
Other Financing Sources (Uses):				
Intrafund transfers from (to) other funds:				
Solid Waste capital project	(750,000)	-	750,000	-
Total other financing sources (uses)	(750,000)	-	750,000	-
Appropriated fund balance	746,500	-	(746,500)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 4,675	\$ 4,675	\$ 7,410

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INTERNAL SERVICE FUND

The Self-Insurance Internal Service Fund is used to account for health, dental and workers' compensation insurance premiums received and claims paid under the County's self-insured health, dental and workers' compensation benefits plan.

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CHATHAM COUNTY, NORTH CAROLINA

SELF-INSURANCE INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN NET POSITION - FINANCIAL PLAN AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2021

	2022			2021
	Financial Plan	Actual	Variance Over/Under	Actual
Revenues:				
Charges for services:				
Health insurance	\$ 7,443,240	\$ 7,640,577	\$ 197,337	\$ 7,144,091
Dental insurance	354,315	382,028	27,713	356,330
Total charges for services	7,797,555	8,022,605	225,050	7,500,421
Investment earnings	20,000	36,645	16,645	42,059
Total revenues	7,817,555	8,059,250	241,695	7,542,480
Expenditures:				
Benefits paid:				
Health insurance	6,513,240	5,176,104	1,337,136	5,603,860
Dental insurance	314,315	281,728	32,587	273,814
Workers' compensation	100,000	15,824	84,176	11,437
Administrative costs:				
Health insurance	950,000	996,536	(46,536)	841,916
Dental insurance	40,000	42,107	(2,107)	36,169
Total expenditures	7,917,555	6,512,299	1,405,256	6,767,196
Revenues over (under) expenditures	(100,000)	1,546,951	1,646,951	775,284
Appropriated fund balance	100,000	-	(100,000)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	1,546,951	\$ 1,546,951	775,284
Net Position:				
Net position, beginning		8,901,523		8,126,239
Net position, ending		\$ 10,448,474		\$ 8,901,523

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CUSTODIAL FUNDS

Custodial Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments and/or other funds.

Individual Fund Descriptions:

- **Chatham County Municipal Tax Fund** – This fund accounts for property taxes collected and remitted to municipalities located within the County.
- **Gulf- Goldston Sanitary District Fund** – This fund accounts for the property taxes collected for a special tax district located within the County.
- **Jail Inmate Pay Fund** – This fund accounts for monies of County detention inmates for which the County serves as an agent. Balances remaining are returned to the individuals when they are released from the facility.

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CHATHAM COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022

	<u>Municipal Tax Fund</u>	<u>Gulf-Goldston Sanitary District Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Assets:				
Cash and cash equivalents	\$ 13,052	\$ 561	\$ 32,136	\$ 45,749
Taxes receivable for other governments, net	82,292	7,075	-	89,367
Other receivables	-	1	-	1
Due from other governments	<u>108,492</u>	<u>1,024</u>	<u>-</u>	<u>109,516</u>
Total assets	<u>203,836</u>	<u>8,661</u>	<u>32,136</u>	<u>244,633</u>
Liabilities:				
Due to other governments	<u>98,132</u>	<u>1,586</u>	<u>10,922</u>	<u>110,640</u>
Net Position:				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 105,704</u>	<u>\$ 7,075</u>	<u>\$ 21,214</u>	<u>\$ 133,993</u>

CHATHAM COUNTY, NORTH CAROLINA

CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Municipal Tax Fund</u>	<u>Gulf-Goldston Sanitary District Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
Additions:				
Ad valorem taxes for other governments	\$ 10,738,787	\$ 146,933	\$ -	\$ 10,885,719
Collections on behalf of inmates	-	-	293,795	293,795
Total assets	<u>10,738,787</u>	<u>146,933</u>	<u>293,795</u>	<u>11,179,514</u>
Deductions:				
Tax distributions to other governments	10,743,881	146,968	-	10,890,849
Payments on behalf of inmates	-	-	298,938	298,938
Total liabilities	<u>10,743,881</u>	<u>146,968</u>	<u>298,938</u>	<u>11,189,787</u>
Net increase (decrease) in fiduciary net position	(5,095)	(35)	(5,143)	(10,273)
Net position, beginning	<u>110,799</u>	<u>7,110</u>	<u>26,357</u>	<u>144,266</u>
Net position, ending	<u>\$ 105,704</u>	<u>\$ 7,075</u>	<u>\$ 21,214</u>	<u>\$ 133,993</u>

OTHER SUPPLEMENTAL SCHEDULES

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CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2022

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2021</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$ -	\$ 92,805,265	\$ (92,065,893)	\$ 739,372
2020-2021	517,832	665	(324,010)	194,487
2019-2020	247,819	22,288	(107,743)	162,364
2018-2019	159,847	-	(38,873)	120,974
2017-2018	129,650	-	(27,816)	101,834
2016-2017	56,665	-	(15,869)	40,796
2015-2016	43,451	-	(10,195)	33,256
2014-2015	53,688	-	(9,812)	43,876
2013-2014	54,122	-	(5,623)	48,499
2012-2013	54,181	-	(4,995)	49,186
Prior Years	82,112	-	(65,829)	16,283
Total	<u>\$ 1,399,367</u>	<u>\$ 92,828,218</u>	<u>\$ (92,676,658)</u>	<u>1,550,927</u>
Plus: FY 2022-2023 Ad valorem taxes receivable				34,968
Less: Allowance for uncollectible ad valorem taxes receivable				<u>(530,393)</u>
Ad valorem taxes receivable (net)				<u>\$ 1,055,502</u>
Reconcilement with Revenues:				
Ad valorem taxes - General Fund				\$ 92,588,704
Reconciling items:				
Interest collected and penalties				(130,029)
Releases and other credits				<u>217,983</u>
Total collections and credits				<u>\$ 92,676,658</u>

CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2022

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 13,880,909,693	\$ 0.6650	\$ 92,333,416	\$ 85,307,991	\$ 7,025,425
Penalties	-		130,231	130,231	-
Total	<u>13,880,909,693</u>		<u>92,463,647</u>	<u>85,438,222</u>	<u>7,025,425</u>
Discoveries:					
Current year	14,076,911	0.6650	93,612	93,612	-
Prior years	<u>83,435,302</u>		<u>546,397</u>	<u>546,397</u>	<u>-</u>
Total	<u>97,512,213</u>		<u>640,009</u>	<u>640,009</u>	<u>-</u>
Releases:					
Current year	(36,424,497)	0.6650	(244,280)	(244,280)	-
Prior years	<u>(8,279,458)</u>		<u>(54,111)</u>	<u>(54,111)</u>	<u>-</u>
Total	<u>(44,703,955)</u>		<u>(298,391)</u>	<u>(298,391)</u>	<u>-</u>
Total property valuation	<u>\$ 13,933,717,951</u>				
Net Levy			92,805,265	85,779,840	7,025,425
Uncollected taxes at June 30, 2022			<u>739,372</u>	<u>716,372</u>	<u>23,000</u>
Current Year's Taxes Collected			<u>\$ 92,065,893</u>	<u>\$ 85,063,468</u>	<u>\$ 7,002,425</u>
Current Levy Collection Percentage			<u>99.20%</u>	<u>99.16%</u>	<u>99.67%</u>

CHATHAM COUNTY, NORTH CAROLINA

**ANALYSIS OF CURRENT YEAR LEVY
COUNTY-WIDE LEVY
FOR THE YEAR ENDED JUNE 30, 2022**

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio (1)	100%
Real Property	\$11,991,296,886
Personal Property	1,715,162,449
Public Service Companies (2)	<u>227,258,616</u>
Total Assessed Valuation	<u>\$ 13,933,717,951</u>
Tax Rate per \$100	<u>\$ 0.6650</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 92,805,265</u>

In addition to the County-wide rate, the following lists the levy by the County on behalf of fire protection districts for the fiscal year ended June 30, 2022

Fire Protection Districts	<u>\$ 11,661,818</u>
---------------------------	----------------------

- (1) Percentage of appraised value has been established by statute.
- (2) Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.
- (3) The levy includes penalties.

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STATISTICAL SECTION

This part of Chatham County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends: Page 178

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity: Page 183

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity: Page 187

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information: Page 191

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

Operating Information: Page 194

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive report for the relevant year.

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Schedule 1
Chatham County
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets										
Restricted	\$ 34,705,133	\$ 35,625,472	\$ 33,807,327	\$ 20,381,972	\$ 34,736,678	\$ 37,007,498	\$ 40,039,979	\$ 48,017,373	\$ 59,387,963	\$ 66,655,633
Unrestricted	20,001,062	12,422,065	6,321,345	8,712,333	8,311,358	8,045,521	9,521,662	10,674,439	11,675,181	12,937,461
	<u>19,590,379</u>	<u>(6,211,010)</u>	<u>13,294,826</u>	<u>39,657,533</u>	<u>37,622,231</u>	<u>40,059,289</u>	<u>14,025,920</u>	<u>(36,251,679)</u>	<u>(41,778,747)</u>	<u>(34,878,262)</u>
Total governmental activities net position	<u>\$ 74,296,574</u>	<u>\$ 41,836,527</u>	<u>\$ 53,423,498</u>	<u>\$ 68,751,838</u>	<u>\$ 80,670,267</u>	<u>\$ 85,112,308</u>	<u>\$ 63,587,561</u>	<u>\$ 22,440,133</u>	<u>\$ 29,284,397</u>	<u>\$ 44,714,832</u>
Business-type activities										
Net investment in capital assets										
Unrestricted	\$ 33,240,609	\$ 36,926,405	\$ 37,674,038	\$ 37,987,189	\$ 38,577,997	\$ 38,652,392	\$ 39,544,939	\$ 39,097,006	\$ 39,413,275	\$ 40,043,138
	<u>25,628,489</u>	<u>23,248,519</u>	<u>24,774,601</u>	<u>26,793,503</u>	<u>25,424,039</u>	<u>26,919,599</u>	<u>28,555,025</u>	<u>32,227,656</u>	<u>33,695,786</u>	<u>37,521,645</u>
Total business-type activities	<u>\$ 58,869,098</u>	<u>\$ 60,174,924</u>	<u>\$ 62,448,639</u>	<u>\$ 64,780,692</u>	<u>\$ 64,002,036</u>	<u>\$ 65,571,991</u>	<u>\$ 68,099,964</u>	<u>\$ 71,324,662</u>	<u>\$ 73,109,061</u>	<u>\$ 77,564,783</u>
Primary government										
Net investment in capital assets										
Restricted	\$ 67,945,742	\$ 72,551,877	\$ 71,481,365	\$ 58,369,161	\$ 73,314,675	\$ 75,659,890	\$ 79,584,918	\$ 87,114,379	\$ 98,801,238	\$ 106,698,771
Unrestricted	20,001,062	12,422,065	6,321,345	8,712,333	8,311,358	8,045,521	9,521,662	10,674,439	11,675,181	12,937,461
	<u>45,218,868</u>	<u>17,037,509</u>	<u>38,069,427</u>	<u>66,451,036</u>	<u>63,046,270</u>	<u>66,978,888</u>	<u>42,580,945</u>	<u>(4,024,023)</u>	<u>(8,082,961)</u>	<u>2,643,383</u>
Total primary government net position	<u>\$ 133,165,672</u>	<u>\$ 102,011,451</u>	<u>\$ 115,872,137</u>	<u>\$ 133,532,530</u>	<u>\$ 144,672,303</u>	<u>\$ 150,684,299</u>	<u>\$ 131,687,525</u>	<u>\$ 93,764,795</u>	<u>\$ 102,393,458</u>	<u>\$ 122,279,615</u>

Schedule 2
Chatham County
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
General government	\$ 10,439,515	\$ 11,802,931	\$ 12,366,637	\$ 12,408,260	\$ 13,494,733	\$ 15,068,952	\$ 16,700,851	\$ 18,808,175	\$ 20,333,676	\$ 19,643,709
Public safety	20,060,250	21,029,450	21,020,275	25,111,163	26,541,301	28,373,014	29,544,421	31,763,693	33,486,720	35,212,455
Economic and physical development	1,980,219	2,803,531	1,850,614	2,256,179	2,377,889	3,193,937	3,033,823	5,600,580	3,104,470	3,819,632
Human Services	15,530,646	15,071,151	14,699,063	15,554,918	15,927,642	15,105,429	14,441,440	16,141,257	16,201,415	16,347,627
Cultural and recreation	1,842,358	1,804,748	1,755,623	2,253,547	2,287,418	2,578,431	2,638,700	2,720,029	2,510,393	2,839,882
Education	32,680,272	71,104,550	29,069,935	31,802,557	34,443,820	39,950,462	72,291,352	89,234,803	51,950,817	58,997,617
Interest on long term debt	4,219,127	5,167,547	5,104,152	5,345,658	4,714,468	4,473,431	8,793,382	8,724,610	8,722,868	8,812,203
Total governmental activities expenses	86,752,387	128,783,908	85,866,299	94,732,282	99,787,271	108,743,656	147,443,969	172,993,147	136,310,359	145,673,125
Business-type activities:										
Utility	5,008,867	5,209,241	5,353,260	6,101,974	8,986,398	6,612,241	7,070,801	6,377,301	6,646,640	7,228,084
Southeast Water District	798,953	743,520	637,255	490,657	636,376	637,880	665,634	708,197	741,306	1,119,733
Solid Waste Management	2,906,654	2,991,862	2,796,993	2,711,885	3,117,342	3,079,844	3,487,136	3,305,691	3,184,821	3,469,754
Total business-type activities expenses	8,714,474	8,944,623	8,787,508	9,304,516	12,740,116	10,329,965	11,223,571	10,391,189	10,572,767	11,817,571
Total primary government expenses	\$ 95,466,861	\$ 137,728,531	\$ 94,653,807	\$ 104,036,798	\$ 112,527,387	\$ 119,073,621	\$ 158,667,540	\$ 183,384,336	\$ 146,883,126	\$ 157,490,696
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,350,060	\$ 1,268,706	\$ 1,075,186	\$ 1,330,019	\$ 2,042,443	\$ 1,141,356	\$ 1,414,303	\$ 1,233,640	\$ 2,098,074	\$ 2,743,935
Public safety	1,151,403	1,274,668	1,179,357	1,515,852	1,540,605	1,945,557	1,509,098	2,381,653	2,000,914	2,505,295
Economic and physical development	197,730	310,837	247,520	401,448	345,467	584,700	446,578	632,541	593,457	774,984
Human Services	1,186,509	1,271,112	780,664	1,353,713	1,358,206	2,059,613	1,282,723	1,877,728	1,640,619	1,506,466
Cultural and recreation	454,496	384,243	450,328	431,225	443,285	534,520	277,460	637,520	205,227	435,020
Education	2,154,828	2,480,400	2,853,900	2,793,300	3,104,600	3,163,900	2,941,100	2,460,275	3,447,100	3,187,625
Operating grants and contributions:										
General government	92,730	326,456	694,923	6,831,278	1,663,292	4,774,069	3,071,043	616,476	4,120,199	\$ 1,367,375
Public safety	1,337,957	1,463,474	1,351,988	1,375,650	1,438,673	1,538,987	1,983,928	2,083,819	1,934,536	5,268,777
Economic and physical development	1,629,610	677,944	748,634	27,870	353,238	181,254	346,421	337,746	253,629	488,217
Human Services	7,489,253	6,973,557	7,420,434	7,328,809	7,561,735	5,584,293	6,822,116	6,275,999	6,925,884	7,664,387
Cultural and recreation	212,462	211,619	203,622	187,144	235,652	233,411	415,346	306,409	286,993	937,181
Education	558,850	623,328	-	-	2,861,940	-	-	-	829,593	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	17,815,888	17,266,344	17,006,556	23,576,308	22,949,136	21,741,660	20,510,116	18,843,806	24,336,225	26,879,262
Business-type activities:										
Utility:										
Charges for services	6,390,263	6,635,206	7,346,592	7,638,429	7,632,185	7,664,182	8,828,589	8,539,138	7,284,002	10,839,150
Operating grants and contributions	1,189	6,601	7,420	458	27,651	61,016	37	109,396	111,011	111,059
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Southeast Water District:										
Charges for services	582,425	632,761	601,417	667,814	670,485	701,728	771,243	720,518	810,231	1,117,231
Waste Management:										
Charges for services	2,971,742	2,956,250	2,985,544	2,964,407	3,064,260	3,083,918	3,213,435	3,480,837	3,607,880	3,697,655
Operating grants and contributions	136,801	150,470	175,935	199,383	244,591	242,329	194,458	201,449	205,951	278,585
Total business-type activities program revenues	10,082,420	10,381,288	11,116,908	11,470,491	11,639,172	11,753,173	13,007,762	13,051,338	12,019,075	16,043,680
Total primary government program revenues	\$ 27,898,308	\$ 27,647,632	\$ 28,123,464	\$ 35,046,799	\$ 34,588,308	\$ 33,494,833	\$ 33,517,878	\$ 31,895,144	\$ 36,355,300	\$ 42,922,942

Schedule 2
Chatham County
Changes in Net Position
Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense)/Revenue										
Governmental activities	\$ (68,936,499)	\$ (111,517,564)	\$ (68,859,743)	\$ (71,155,974)	\$ (76,838,135)	\$ (87,001,996)	\$ (126,933,853)	\$ (154,149,341)	\$ (111,974,134)	\$ (118,793,863)
Business-type activities	1,367,946	1,436,665	2,329,400	2,165,975	(1,100,944)	1,423,208	1,784,191	2,660,149	1,446,308	4,226,109
Total primary government net (expense)/revenue	<u>\$ (67,568,553)</u>	<u>\$ (110,080,899)</u>	<u>\$ (66,530,343)</u>	<u>\$ (68,989,999)</u>	<u>\$ (77,939,079)</u>	<u>\$ (85,578,788)</u>	<u>\$ (125,149,662)</u>	<u>\$ (151,489,192)</u>	<u>\$ (110,527,826)</u>	<u>\$ (114,567,754)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes levied for general purpose	63,637,790	65,632,697	66,026,045	68,398,363	72,729,177	76,064,823	80,046,695	88,297,695	92,598,853	105,131,904
Local option sales tax	8,523,462	9,193,703	10,130,996	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600	20,376,820	25,697,393
Other taxes and licenses	776,265	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335	1,433,801	1,952,454
Grants and contributions not restricted to specific programs	1,998,194	2,399,117	2,538,745	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710	4,305,542	5,136,221
Unrestricted investment earnings	166,260	286,999	351,729	729,182	594,374	1,080,152	5,892,009	3,475,231	(179,005)	(4,349,381)
Miscellaneous	345,098	407,173	2,055,854	1,702,446	41,761	-	562,984	365,966	378,538	655,707
Extraordinary item - Insurance recovery	830,517	250,000	-	-	-	-	-	-	-	-
Extraordinary item - Sales of property	-	-	552,036	-	-	-	-	-	-	-
Transfers	(12,000)	242,305	-	-	-	(12,455)	(26,532)	(13,624)	(152,460)	-
Total governmental activities	<u>76,265,586</u>	<u>79,057,517</u>	<u>82,648,506</u>	<u>85,944,966</u>	<u>90,282,915</u>	<u>95,090,908</u>	<u>105,409,106</u>	<u>113,001,913</u>	<u>118,762,089</u>	<u>134,224,298</u>
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	52,092	91,466	106,554	172,806	225,518	373,675	663,679	545,789	180,981	134,042
Miscellaneous	22,485	20,000	-	(6,728)	96,770	-	53,571	5,136	4,650	95,571
Transfers	12,000	(242,305)	-	-	-	12,455	26,532	13,624	152,460	-
Total business-type activities	<u>86,577</u>	<u>(130,839)</u>	<u>106,554</u>	<u>166,078</u>	<u>322,288</u>	<u>386,130</u>	<u>743,782</u>	<u>564,549</u>	<u>338,091</u>	<u>229,613</u>
Total primary government	<u>\$ 76,352,163</u>	<u>\$ 78,926,678</u>	<u>\$ 82,755,060</u>	<u>\$ 86,111,044</u>	<u>\$ 90,605,203</u>	<u>\$ 95,477,038</u>	<u>\$ 106,152,888</u>	<u>\$ 113,566,462</u>	<u>\$ 119,100,180</u>	<u>\$ 134,453,911</u>
Change in Net Position										
Governmental activities	\$ 7,329,087	\$ (32,460,047)	\$ 13,788,763	\$ 14,788,992	\$ 13,444,780	\$ 8,088,912	\$ (21,524,747)	\$ (41,147,428)	\$ 6,787,955	\$ 15,430,435
Business-type activities	1,454,523	1,305,826	2,435,954	2,332,053	(778,656)	1,809,338	2,527,973	3,224,698	1,784,399	4,455,722
Total primary government	<u>\$ 8,783,610</u>	<u>\$ (31,154,221)</u>	<u>\$ 16,224,717</u>	<u>\$ 17,121,045</u>	<u>\$ 12,666,124</u>	<u>\$ 9,898,250</u>	<u>\$ (18,996,774)</u>	<u>\$ (37,922,730)</u>	<u>\$ 8,572,354</u>	<u>\$ 19,886,157</u>

Schedule 3
Chatham County
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted:										
Stabilization by State Statute	\$ 3,902,936	\$ 4,872,993	\$ 4,743,155	\$ 6,492,437	\$ 5,943,692	\$ 6,143,553	\$ 7,083,495	\$ 8,738,525	\$ 10,058,054	\$ 11,042,979
Future Register of Deeds technology enhancements	271,108	294,320	320,759	348,617	380,812	334,815	353,346	371,615	385,064	-
Total restricted	<u>4,174,044</u>	<u>5,167,313</u>	<u>5,063,914</u>	<u>6,841,054</u>	<u>6,324,504</u>	<u>6,478,368</u>	<u>7,436,841</u>	<u>9,110,140</u>	<u>10,443,118</u>	<u>11,042,979</u>
Committed:										
LEO Special Separation Allowance	-	-	-	625,093	682,719	725,817	770,904	835,851	886,902	949,612
Tax Revaluation	-	-	-	-	-	-	175,889	1,452	1,452	347,077
Housing Trust	-	-	-	-	-	-	58,000	87,824	465,647	587,958
Recreation	-	-	-	-	-	-	-	-	322,851	322,851
Land Preservation	-	-	-	-	-	-	-	-	322,851	322,851
Assigned:										
Subsequent year's expenditures	4,537,988	3,081,207	5,611,109	5,934,834	5,498,830	7,963,031	7,426,342	8,777,832	7,069,857	8,937,201
Unassigned	20,175,793	22,205,716	25,120,834	29,552,687	29,949,912	30,009,357	32,590,870	29,682,949	34,668,007	34,214,417
Total General Fund	<u>\$28,887,825</u>	<u>\$30,454,236</u>	<u>\$35,795,857</u>	<u>\$42,953,668</u>	<u>\$42,455,965</u>	<u>\$45,176,573</u>	<u>\$48,458,846</u>	<u>\$48,496,048</u>	<u>\$54,180,685</u>	<u>\$56,724,946</u>
All Other Governmental Funds										
Restricted:										
Stabilization by State Statute	\$ 1,145,226	\$ 719,969	\$ 250,390	\$ 862,218	\$ 306,449	\$ 277,986	\$ 848,829	\$ 485,887	\$ 275,447	\$ 208,328
Special Revenue Funds	418,546	1,013,504	1,007,041	1,009,061	1,478,266	1,103,554	1,063,183	910,536	829,306	1,483,522
Capital Projects Funds	14,263,246	5,540,939	16,573,978	5,219,772	-	-	83,667,558	-	-	26,732,626
Total restricted	<u>15,827,018</u>	<u>7,274,412</u>	<u>17,831,409</u>	<u>7,091,051</u>	<u>1,784,715</u>	<u>1,381,540</u>	<u>85,579,570</u>	<u>1,396,423</u>	<u>1,104,753</u>	<u>28,424,476</u>
Committed:										
Capital Projects Funds	29,183,376	27,303,285	31,435,343	31,191,521	30,745,436	28,800,096	40,491,773	85,624,310	61,857,512	46,568,898
Assigned:										
Subsequent year's expenditures	3,989,032	2,751,832	1,821,204	1,410,554	4,143,097	2,471,579	8,500,000	8,500,000	2,550,000	-
General Government	-	2,244,430	2,278,120	3,070,391	6,212,454	7,724,181	3,211,559	7,496,646	10,150,296	18,928,269
Public Safety	-	-	-	-	-	-	-	-	77,038	127,467
Education	2,501,286	2,450,191	2,834,270	3,153,282	5,411,375	5,411,375	4,935,246	3,684,648	7,546,011	7,753,391
Cultural and Recreation	94,544	328,521	265,821	854,215	888,412	1,034,265	1,107,644	1,623,620	1,574,150	1,902,398
Total assigned	6,584,862	7,774,974	7,199,415	8,488,442	16,655,338	16,641,400	17,754,449	21,304,914	21,897,495	28,711,525
Unassigned	(65,467)	(5,131)	(3,251)	-	(41,792)	678,517	(1,303,624)	(1,965,122)	-	(43,767)
Total all other governmental funds	<u>\$51,529,789</u>	<u>\$42,347,540</u>	<u>\$56,462,916</u>	<u>\$46,771,014</u>	<u>\$49,143,697</u>	<u>\$47,501,553</u>	<u>\$142,522,168</u>	<u>\$106,360,525</u>	<u>\$84,859,760</u>	<u>\$103,661,132</u>

Schedule 4
Chatham County
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues										
Ad Valorem Taxes	\$ 63,789,388	\$ 66,313,838	\$ 66,075,764	\$ 68,549,496	\$ 72,959,709	\$ 76,305,714	\$ 80,009,131	\$ 87,951,167	\$ 92,919,447	\$ 105,068,821
Local Option Sales Tax	8,523,462	9,193,703	10,130,996	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600	20,376,820	25,697,393
Other Taxes	776,265	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335	1,433,801	1,952,454
Unrestricted Intergovernmental	1,998,194	2,399,117	2,538,745	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710	4,305,542	5,136,221
Restricted Intergovernmental	9,921,914	9,802,315	9,447,109	9,700,751	10,100,364	7,655,321	9,721,283	8,814,437	13,778,971	14,316,276
Permits and fees	3,753,304	4,247,490	4,921,308	4,837,313	5,225,772	5,339,411	4,809,229	5,137,358	6,039,507	6,353,141
Sales and Services	2,681,657	2,682,066	2,517,720	2,784,386	2,651,568	2,955,862	2,566,085	2,720,045	3,027,538	3,289,878
Interest	153,463	263,907	330,535	701,287	544,039	993,253	5,695,974	3,283,421	(221,064)	(4,386,026)
Other General Revenues	2,560,252	1,152,252	2,226,760	7,750,455	3,703,186	4,641,363	3,462,461	1,148,368	1,136,126	2,073,836
Total Revenues	<u>94,157,899</u>	<u>96,700,211</u>	<u>99,182,038</u>	<u>109,438,663</u>	<u>112,102,241</u>	<u>115,849,312</u>	<u>125,198,113</u>	<u>129,931,441</u>	<u>142,796,688</u>	<u>159,501,994</u>
Expenditures										
General Government	7,108,896	8,215,662	7,968,083	8,382,535	9,267,834	10,522,593	10,879,465	12,005,856	12,584,383	14,194,929
Public Safety	20,161,438	21,320,729	22,692,563	25,648,707	26,314,889	28,149,202	29,577,293	31,332,211	33,337,668	52,244,292
Economic and Physical Development	2,343,630	3,196,635	2,123,541	2,897,118	2,863,508	3,625,299	3,722,539	6,105,035	3,774,088	4,510,489
Human Services	16,697,736	16,388,489	16,824,797	17,262,615	17,098,738	16,375,220	15,753,098	16,841,508	17,491,583	18,406,644
Culture and Recreation	1,839,156	1,831,710	1,890,492	2,248,969	2,200,890	2,251,988	2,530,123	2,539,509	2,374,412	2,763,322
Education	32,318,872	29,310,870	29,543,117	32,614,364	35,629,338	41,135,980	73,186,700	92,422,726	54,682,436	61,729,236
Capital Outlay	12,508,508	14,273,016	9,237,064	13,011,854	5,319,680	1,412,977	1,860,947	8,086,606	17,344,419	-
Debt Service:										
Principal Retirement	5,070,455	5,309,907	6,032,104	5,530,753	6,780,522	6,770,581	6,777,733	6,210,196	8,155,159	14,629,294
Interest and fees	3,833,802	4,711,336	5,047,258	5,105,953	4,751,862	4,514,553	8,013,886	8,719,945	8,772,517	9,078,765
Total Expenditures	<u>101,882,493</u>	<u>104,558,354</u>	<u>101,359,019</u>	<u>112,702,868</u>	<u>110,227,261</u>	<u>114,758,393</u>	<u>152,301,784</u>	<u>184,263,592</u>	<u>158,516,665</u>	<u>177,556,971</u>
Excess of revenues Over (Under) Expenditures	(7,724,594)	(7,858,143)	(2,176,981)	(3,264,205)	1,874,980	1,090,919	(27,103,671)	(54,332,151)	(15,719,977)	(18,054,977)
Other financing sources (uses):										
Transfers from (to) other funds	(12,000)	242,305	-	-	-	(12,455)	(26,532)	(13,624)	(152,460)	-
Proceeds from borrowings	-	-	-	-	-	-	-	25,271,334	-	-
Debt obligations issued	21,001,158	-	45,445,000	21,655,000	-	-	111,730,000	-	-	31,585,000
Discount on debt obligations issued	-	-	-	(100,932)	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	9,455,000
Lease liability issued	-	-	-	-	-	-	-	-	-	706,433
Premium on limited obligation bonds issued	1,172,009	-	6,548,984	2,281,528	-	-	13,703,091	-	-	7,072,505
Payment to refunding bond agent	-	-	(30,360,006)	(23,644,830)	-	-	-	(7,050,000)	-	(9,418,328)
Total other financing sources (uses)	<u>22,161,167</u>	<u>242,305</u>	<u>21,633,978</u>	<u>190,766</u>	<u>-</u>	<u>(12,455)</u>	<u>125,406,559</u>	<u>18,207,710</u>	<u>(152,460)</u>	<u>39,400,610</u>
Net change in fund balances	<u>\$ 14,436,573</u>	<u>\$ (7,615,838)</u>	<u>\$ 19,456,997</u>	<u>\$ (3,073,439)</u>	<u>\$ 1,874,980</u>	<u>\$ 1,078,464</u>	<u>\$ 98,302,888</u>	<u>\$ (36,124,441)</u>	<u>\$ (15,872,437)</u>	<u>\$ 21,345,633</u>
Debt service as a percentage of noncapital expenditures	9.96%	11.10%	12.03%	10.67%	10.99%	9.96%	9.83%	8.47%	11.99%	13.35%

**Schedule 5
Chatham County
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Fiscal Year	Real Property	Personal Property	Utilities	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value (2)
2013	\$ 7,762,384,556	\$ 1,101,205,185	\$ 247,205,251	\$ 9,110,794,992	0.6219	\$ 8,705,135,670
2014	7,911,664,627	1,255,924,366	208,776,076	9,376,365,069	1	9,006,209,844
2015	8,090,965,839	1,119,557,141	207,720,059	9,418,243,039	1	9,108,552,262
2016	8,375,333,581	1,139,160,858	223,438,841	9,737,933,280	1	9,719,466,294
2017	8,638,744,786	1,214,250,096	209,285,802	10,062,280,684	1	10,445,635,507
2018	9,213,087,671	1,262,629,247	210,741,503	10,686,458,421	1	10,775,898,378
2019	10,449,123,673	526,034,115	206,350,142	11,181,507,930	1	11,539,223,870
2020	9,958,925,737	1,439,726,019	213,802,027	11,612,453,783	1	12,353,674,237
2021	10,304,116,871	1,646,846,277	214,822,244	12,165,785,392	1	*
2022	11,991,296,886	1,715,162,449	227,258,616	13,933,717,951	1	*

* Information not available

Source: Chatham County Tax Assessor. Appraised by Chatham County Board of Equalization at 100% of estimated sound value.

Notes:

(1) Per \$100 of value.

(2) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year. The ratio for the most recent year is not yet available.

**Schedule 6
Chatham County
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

	Year Taxes Are Payable									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Chatham County	0.6219	0.6219	0.6219	0.6219	0.6338	0.6281	0.6281	0.6700	0.6700	0.6650
<u>Municipality Rates:</u>										
Town of Pittsboro	0.3673	0.4033	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333	0.4333
Town of Siler City	0.4500	0.4500	0.4800	0.4800	0.4800	0.5100	0.5100	0.5400	0.5400	0.5400
Town of Goldston	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.2200	0.2200
Town of Cary	0.3300	0.3500	0.3500	0.3700	0.3500	0.3500	0.3500	0.3500	0.3500	0.3450
<u>Fire Districts:</u>										
Bells Annex	0.0880	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080	0.1080	0.1080
Bennett	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.1100
Bonlee	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Central Chatham	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.1200	0.1200	0.1200
Circle City	0.1158	0.1158	0.1158	0.1225	0.1225	0.1225	0.1225	0.1225	0.1225	0.1265
Goldston	0.0800	0.0800	0.0800	0.0800	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Hope	0.0685	0.0685	0.0685	0.0685	0.0685	0.0685	0.0785	0.0785	0.0785	0.0825
Moncure	0.1104	0.1104	0.1104	0.1250	0.1250	0.1250	0.1250	0.1250	0.1375	0.1375
North Chatham	0.0880	0.0880	0.0880	0.1030	0.1030	0.1030	0.1030	0.1080	0.1080	0.1080
Parkwood	0.1000	0.1000	0.1000	0.1150	0.1050	0.0940	0.1000	0.1100	0.1100	0.1100
Staley	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Northview	0.0830	0.0830	0.0830	0.0830	0.0860	0.0860	0.0860	0.0860	0.0860	0.0860
<u>Sanitary District:</u>										
Gulf-Goldston	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500	0.1500

Note: Tax rates per \$100 of property valuation

Schedule 7
Chatham County
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2022			Fiscal Year 2013		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mountaire Farms of NC Inc	Poultry	\$ 161,658,234	1	1.25%			
Chatham Park Investors LLC	Real Estate	144,544,373	2	1.12%	\$ 90,288,916	3	0.99%
Carolina Meadows Inc.	Assisted Living	137,715,962	3	1.07%	59,334,888	5	0.65%
Duke Energy Progress	Public Utility - Electric	120,082,358	4	0.93%	147,780,975	2	1.62%
Galloway Ridge Inc.	Retirement Community	115,740,680	5	0.90%	89,985,007	4	0.99%
Arauco Panels USA	Mfg of Engineered Wood Products	91,924,541	6	0.71%	184,527,651	1	
Minnesota Mining & Manufacturing Co.	Mining	55,742,811	7	0.43%	41,883,043	7	0.46%
Sanctuary at Powell Place LLC	Residential	35,751,980	8	0.28%			
CSP Community Owner LLC	Residential	31,698,686	9	0.25%			
General Shale Brick Inc.	Brick	29,697,985	10	0.23%	44,414,292	6	0.49%
NNP Briar Chapel LLC	Real Estate				37,486,345	8	0.41%
Triangle Brick	Brick				21,021,266	10	0.23%
Public Service Co of NC	Public Utility - Natural Gas				23,286,339	9	0.26%
Totals		\$ <u>924,557,610</u>		<u>7.18%</u>	\$ <u>740,008,722</u>		<u>8.12%</u>

Source: Chatham County Tax Assessor

**Schedule 8
Chatham County
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Net)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	\$ 56,753,860	\$ 55,446,864	97.70%	\$ 1,257,810	\$ 56,704,674	99.91%
2014	58,419,050	57,553,931	98.52%	816,620	58,370,551	99.92%
2015	58,636,579	57,830,764	98.63%	761,939	58,592,703	99.93%
2016	60,613,213	59,840,287	98.72%	739,670	60,579,957	99.95%
2017	63,850,060	63,246,063	99.05%	563,201	63,809,264	99.94%
2018	67,206,357	66,417,903	98.83%	686,620	67,104,523	99.85%
2019	70,336,774	69,682,844	99.07%	401,108	70,083,952	99.64%
2020	77,865,650	77,029,214	98.93%	588,617	77,617,831	99.68%
2021	81,601,001	81,083,169	99.37%	324,010	81,407,179	99.76%
2022	92,805,265	92,065,893	99.20%	-	92,065,893	99.20%

Source: Chatham County Tax Department

**Schedule 9
Chatham County
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	COPS/LOBS & Installment Loans	Capital Leases	General Obligation Bonds	Revenue Bonds	LOBS & Installment Loans			
2013	\$ 4,635,000	\$ 116,619,394	\$ -	\$ 3,123,000	\$ 1,835,000	\$ 15,840,626	\$ 142,053,020	2,201	4.43%
2014	2,925,000	112,762,583	-	3,082,000	1,808,000	14,589,755	135,167,338	2,029	3.79%
2015	1,250,000	129,522,694	-	3,040,000	1,781,000	13,389,125	148,982,819	2,203	4.20%
2016	-	124,365,462	-	2,996,000	1,752,000	12,245,164	141,358,626	2,057	3.84%
2017	-	115,561,935	-	2,950,000	1,722,000	11,274,051	131,507,986	1,831	3.41%
2018	-	107,025,251	-	2,902,000	1,691,000	10,293,299	121,911,550	1,706	2.84%
2019	-	223,914,507	-	2,853,000	1,659,000	9,299,696	237,726,203	3,250	5.16%
2020	-	232,737,722	-	2,802,000	1,626,000	8,293,240	245,458,962	3,296	5.09%
2021	-	221,850,944	-	2,749,000	1,592,000	7,288,503	233,480,447	3,135	4.62%
2022	-	231,224,527	-	2,693,000	1,557,000	6,264,484	241,739,011	3,169	*

* Information not available

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Schedule 10
Chatham County
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years**

Fiscal Year	General Obligation Bonds	Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
2013	\$ 7,758,000	0.24%	0.09%	120
2014	6,007,000	0.17%	0.06%	90
2015	4,290,000	0.12%	0.05%	63
2016	2,996,000	0.08%	0.03%	44
2017	2,950,000	0.08%	0.03%	41
2018	2,902,000	0.07%	0.03%	41
2019	2,853,000	0.06%	0.03%	39
2020	2,802,000	0.06%	0.02%	38
2021	2,749,000	0.05%	0.02%	37
2022	2,693,000	*	0.02%	35

* Information not available

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See schedule 5 for property value data.

Schedule 11
Chatham County
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value of Property	\$9,110,795	\$9,376,365	\$9,418,243	\$9,737,933	\$10,062,281	\$10,686,458	\$11,181,508	\$11,612,454	\$12,165,785	\$13,933,718
Debt Limit, 8% of Assessed Value (Statutory Limitation)	728,864	750,109	753,459	779,035	804,982	854,917	894,521	928,996	973,263	1,114,697
Amount of Debt Applicable to Limit										
Gross debt	142,053	135,167	148,983	141,359	131,508	121,912	237,726	245,459	233,480	241,739
Less: Debt outstanding for water purposes	20,799	19,480	18,210	16,993	15,946	14,886	13,812	12,721	11,630	10,514
Total net debt applicable to limit	121,254	115,688	130,773	124,365	115,562	107,025	223,915	232,738	221,851	231,225
Legal Debt Margin	<u>\$ 607,609</u>	<u>\$ 634,422</u>	<u>\$ 622,687</u>	<u>\$ 654,669</u>	<u>\$ 689,421</u>	<u>\$ 747,891</u>	<u>\$ 670,606</u>	<u>\$ 696,259</u>	<u>\$ 751,412</u>	<u>\$ 883,473</u>
Total net debt applicable to the limit as a percentage of debt limit	16.64%	15.42%	17.36%	15.96%	14.36%	12.52%	25.03%	25.05%	22.79%	20.74%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit and represents the county's legal borrowing authority.

Schedule 12
 Chatham County
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Chatham County	\$ 231,224,527	100.00%	\$ 231,224,527
Other Debt:			
Town of Cary	<u>213,562,603</u>	3.09%	<u>6,599,084</u>
Total	<u><u>\$ 444,787,130</u></u>		<u><u>\$ 237,823,611</u></u>

Source: "Other debt" provided by Town of Cary.

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

**Schedule 13
Chatham County
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (C) (thousands of dollars)</u>	<u>Per Capita Personal Income (C)</u>	<u>Public School Enrollment (D)</u>	<u>Unemployment Rate (E)</u>
2013	64,553 B	\$ 3,204,182	\$ 49,084	8,065	6.30%
2014	66,618 B	3,563,765	53,336	8,193	4.50%
2015	67,620 B	3,544,330	51,593	8,330	5.20%
2016	68,725 B	3,676,829	51,839	8,436	4.40%
2017	71,815 B	3,853,597	53,342	8,636	3.60%
2018	71,472 A	4,297,392	60,127	8,735	3.60%
2019	73,139 A	4,610,745	63,041	8,799	4.00%
2020	74,470 A	4,826,158	64,807	8,977	5.80%
2021	74,470 A	5,057,385	66,766	8,588	3.60%
2022	76,285 A	*	*	8,767	3.40%

* Information not yet available.

Notes:

- (A) US Census Bureau. Estimates are as of beginning of fiscal year.
- (B) North Carolina Office of State Budget and Management
- (C) Bureau of Economic Analysis, US Department of Commerce. Figures are for the prior calendar year.
- (D) Chatham County Board of Education
- (E) NC Dept of Commerce, Labor and Economic Analysis

**Schedule 14
Chatham County
Principal Employers
Current Year and Nine Years Ago**

Employer	FY 2022		FY 2013	
	Employment Range (1)	Rank	Employment Range (2)	Rank
Chatham County Schools	1000+	1	1000+	1
Chatham County	500-999	2	250-499	2
Carolina Meadows Inc	250-499	3	100-249	3
Mountaire Farms of NC Inc.	250-499	4	100-249	8
Wal-Mart	250-499	5	250-499	7
Galloway Ridge Inc	250-499	6	250-499	5
NC Health	100-249	7		
NFI Interactive Logistics, Inc.	100-249	8		
Flakeboard America Limited (subsidiary of Arauco Panels USA LLC)	100-249	9		
Charter Furniture	100-249	10		
Arauco			250-499	6
Performance Fibers			250-499	4
Chatham Hospital			100-249	9
Fitch Creations			100-249	10

Sources:

- (1) NC Dept of Commerce, Labor and Economic Analysis (QE 03/31/22)
- (2) NC Dept of Commerce, Labor and Economic Analysis (QE 03/31/13)

Schedule 15
Chatham County
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	67	68	70	70	74	79	87	87	87	86
Public Safety	149	162	171	176	181	184	194	195	196	206
Economic and Physical Development	18	16	17	19	20	22	22	23	22	26
Human Services	151	152	154	147	148	156	163	152	156	150
Cultural and Recreation	24	23	22	20	22	27	28	27	27	29
Water	22	22	22	20	23	23	23	25	24	25
Waste Management	13	12	12	14	13	10	11	11	11	12
Total	444	455	468	466	481	501	528	520	523	534

Source: County Finance Department

Notes:

Vacant positions are not included in the above numbers.

This schedule represents number of persons employed as of June 30 of each year.

Full time personnel work 2,080 hours per year (less vacation and sick leave).

Schedule 16
Chatham County
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities:										
General Government:										
Land records recorded	17,608	12,707	12,717	12,800	14,617	14,113	12,673	14,713	20,014	17,725
Marriage licenses issued	281	286	343	330	304	322	292	308	434	359
New registered voters	5,421	2,530	3,046	4,949	5,511	3,934	4,833	8,114	6,397	4,328
Public Safety:										
Civil processes served	4,654	3,944	3,527	3,187	3,273	2,982	2,619	2,449	1,734	2,063
Applications for pistol permits	2,312	678	890	964	1,569	1,497	1,370	3,084	4,306	1,802
911 calls received	103,295	136,875	164,970	131,486	136,870	116,101	120,090	113,258	118,152	114,251
Fire inspections conducted	591	648	712	670	728	1,099	897	1,244	1,731	1,484
Economic and Physical Development:										
Zoning permits issued	1,158	1,558	1,805	1,819	2,094	1,986	1,945	2,124	1,978	2,853
Building permits issued (single-family dwellings)	396	636	674	756	870	713	632	581	818	797
Human Services:										
Total patients seen in health clinics	5,403	4,789	5,614	3,612	3,036	2,407	2,066	2,000	2,043	1,291
Children and families receiving Medicaid	6,151	7,012	5,777	5,017	5,606	5,679	5,874	5,693	6,089	7,133
Total child support collections	\$2,785,510	\$2,559,088	\$2,523,317	\$2,566,690	\$2,607,660	\$2,578,299	\$2,587,171	\$2,708,262	\$2,711,702	\$2,615,453
Cultural and Recreational:										
Library patron visits (3 branches)	191,003	189,074	178,820	180,771	181,494	171,177	177,403	118,890	5,822	57,829
Participants in youth sports	902	863	918	967	1,050	909	904	1,355	592	1,389
Education:										
Average daily membership	8,065	8,193	8,330	8,436	8,636	8,735	8,799	8,977	8,588	8,767
County appropriation per student (rounded)	\$4,130	\$4,276	\$4,019	\$4,175	\$4,252	\$4,386	\$4,890	\$4,991	\$5,561	\$ 6,359
Business-Type Activities:										
Water:										
Number of new connections	315	370	483	505	541	571	506	368	310	313
Gallons of water consumed (in thousands)	637,843	664,271	607,396	645,293	683,242	713,548	706,500	773,235	862,795	856,791
Waste Management:										
Tons of recyclables	4,154	4,249	4,627	4,910	2,691	3,015	3,160	3,209	3,582	1,291
Tons of waste managed	10,741	11,099	11,338	11,995	12,160	11,908	12,684	13,235	13,546	12,217

Sources: Various county departments; average daily membership provided by Chatham County Schools.

Schedule 17
 Chatham County
 Capital Asset Statistics by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety:										
Jail Capacity	51	51	110	110	110	110	110	110	110	110
Total Sheriff Vehicles	108	111	126	131	147	151	151	162	162	167
Cultural and Recreational:										
Park Acreage	437	437	437	437	437	437	437	437	437	437
Libraries (branches)	3	3	3	3	3	3	3	3	3	3
Business-Type:										
Water:										
Miles of Water Main	395	395	415	415	419	419	419	435	440	440
Number of Storage Tanks	9	9	9	9	9	9	9	9	9	8
Waste Management:										
Collection Centers	12	12	12	12	12	12	12	12	12	12

Sources: Various county departments and county asset records.

COMPLIANCE SECTION

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MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable of the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Chatham County, North Carolina (the "County"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 12, 2022. Our report includes a reference to other auditors who audited the financial statements of the Chatham County ABC Board as described in our report on Chatham County's financial statements. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable non-compliance associated with the Chatham County ABC Board.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 12, 2022

MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Chatham County, North Carolina's compliance, with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Chatham County's major federal programs for the year ended June 30, 2022. Chatham County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Chatham County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chatham County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Chatham County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility

that material non-compliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 12, 2022

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MARTIN STARNES & ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

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

Independent Auditor's Report

To the Board of Commissioners
Chatham County
Pittsboro, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Chatham County, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Chatham County's major state programs for the year ended June 30, 2022. Chatham County's major state programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings, Responses, and Questioned Costs.

In our opinion, Chatham County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Chatham County and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of Chatham County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, non-compliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material non-compliance with a type of compliance requirement of a state program will not

be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina
December 12, 2022

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CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditor’s Results

Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified? _____ Yes X None reported

Non-compliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(s) identified? _____ Yes X None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major federal programs:

<u>Program Name</u>	<u>AL#</u>
Medicaid Cluster	93.778
Community Facilities Loans and Grants	10.766
Child Support Enforcement	93.563
Aging Cluster	93.044, 93.045, 93.053

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes _____ No

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

None reported.

Section III – Federal Award Findings, Responses, and Questioned Costs

None reported.

Section IV – State Award Findings, Responses, and Questioned Costs

None reported.

CHATHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022**

No prior year findings.

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards:						
U.S. Dept. of Agriculture						
Food and Nutrition Service						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services						
Administration:						
Supplemental Nutrition Assistance Program Cluster						
Administration:						
State Administrative Matching Grants for the						
Supplemental Nutrition Assistance Program	10.561	185NC406S2514	\$ 409,667	\$ -	\$ -	\$ 409,667
Supplemental Nutrition Assistance Program-Fraud	10.561	185NC406S2514	26,601	-	-	26,601
Supplemental Nutrition Assistance Program-E&T	10.561	CHAT202DSS1	17,815	-	-	-
Supplemental Nutrition Assistance Program-E&T & Depend	10.561	CHAT202DSS2	10,349	-	-	10,349
Total Supplemental Nutrition Assistance Program Cluster			464,432	-	-	446,617
U.S. Dept. of Agriculture						
Rural Housing Service						
Community Facilities Loans and Grants Cluster						
NC-97-01 Loan	10.766		7,814,503	-	-	-
NC-97-02 Loan	10.766		7,814,503	-	-	-
NC-97-03 Loan	10.766		3,421,017	-	-	-
Total Community Facilities Loans and Grants Cluster			19,050,023	-	-	-
Total U.S. Dept. of Agriculture			19,514,455	-	-	446,617
U.S. Dept. of Justice						
Direct Program:						
Equitable Sharing Program	16.922	17-DEA-625415	217,466	-	-	-
Equitable Sharing Program	16.922	OCDEF-SENCM01221224	21,995	-	-	-
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2020-AR-BX-0021	169,977	-	-	-
Justice Systems Response to Families	16.021	15JOVW-21-GG-00225-JFFX	98,851	-	-	-
Bulletproof Vest Partnership Program	16.607	K51128326	6,528	-	-	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0626	19,311	-	-	-
Passed-through N.C. Dept. of Crime Control and Public Safety:						
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	73,678	-	-	-
Crime Victim Assistance	16.575	2017-VA-GX-0050; 2020-V2-GX-0057	282,178	-	-	-
Violence Against Women Formula Grants	16.588	2017-WF-AX-0040	18,902	-	-	-
Total U.S. Dept. of Justice			908,886	-	-	-
U.S. Department of Homeland Security						
Passed-through N.C. Dept. of Crime Control and Public Safety:						
Division of Emergency Management						
Emergency Management Performance Grants	97.042	EMA-2021-EP-00014	15,319	-	-	-
Emergency Management Performance Grants	97.042	EMPG-2021-EP-00015	67,075	-	-	-
Total U. S. Department of Homeland Security			82,395	-	-	-
U.S. Dept. of Health & Human Services						
Administration for Children and Families						
Passed-through N.C. Department of Health and Human Services:						
Division of Social Services:						
Social Services Block Grant-CPS TANF	93.667	G1701NCSOSR; G1801NCSOSR	372,304	-	-	-
Social Services Block Grant-State In Home Services	93.667	G1701NCSOSR; G1801NCSOSR	5,569	-	-	796
Social Services Block Grant-State In-Home Services over 60	93.667	G1701NCSOSR; G1801NCSOSR	10,488	-	-	1,498
Social Services Block Grant-Other Services and Training	93.667	G1701NCSOSR; G1801NCSOSR	240,245	-	-	80,081
Child Support Enforcement Section-IV-D Administration	93.563	1804NC4005	285,773	-	-	147,216
Child Support Enforcement Section-IV-D Offset Fees - ESC	93.563	1804NC4005	5	-	-	2
Child Support Enforcement Section-IV-D Offset Fees - Federal	93.563	1804NC4005	1,790	-	-	922
Total Division of Social Services			916,174	-	-	230,515
Low Income Home Energy Assistance:						
Crisis Intervention Program	93.568	G17B1NCLIEA; G18B1NCLIEA	176,097	-	-	-
Administration	93.568	G17B1NCLIEA; G18B1NCLIEA	32,609	-	-	-
Low Income Home Energy Assistance	93.568	G17B1NCLIEA; G18B1NCLIEA	283,432	-	-	-
Total Low-Income Home Energy Assistance			492,138	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Special	93.645	G1701NCCWSS; G1801NCCWSS	18,144	-	6,048	-
Total Stephanie Tubbs Jones Child Welfare Services Program:			18,144	-	6,048	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood						
Links	93.674	G1701NCI420; G1801NCI420	17,490	4,373	-	-
Links Transitional Funds	93.674	G1701NCI420; G1801NCI420	14,653	-	-	-
LINKS/CHAFEE/NR-LINKS	93.674	G1701NCI420; G1801NCI420	-	-	-	38,543
Total Division of Social Services			32,143	4,373	-	38,543
Special Children Adoption Fund Cluster (note 4):						
Temporary Assistance for Needy Families						
TANF	93.558	13A15151T219	5,990	-	-	-
Work First Administration	93.558	G1701NCTANF; G1801NCTANF	47,506	-	-	81,315
Work First Service	93.558	G1701NCTANF; G1801NCTANF	204,358	-	-	321,722
Total Special Children Adoption Fund Cluster			257,854	-	-	403,037
Foster Care, Adoption, and Guardianship Assistance Program Cluster (note 4):						
Division of Social Services:						
Adoption Assistance	93.659	1801NCADPT	95,752	-	-	95,751
Foster Care-Title IV-E Administration	93.658	1801NCFOST	259,958	50,964	-	111,717
Foster Care-Title IV-E Family	93.658	1801NCFOST	187,196	44,446	-	22,564
Foster Care Title IV-E Training	93.658	1801NCFOST	364,393	-	-	361,294
Total Foster Care, Adoption, and Guardianship Assistance Program Cluster			907,299	95,410	-	591,326
Subsidized Child Care						
Child Care Development Fund Cluster:						
Division of Social Services:						
Child Care Mandatory and matching Funds of the Child Care and Development Fund-Administration	93.596	G1702NCCCDF; G1802NCCCDF	91,815	-	-	-
Total Child Care Development Fund Cluster			91,815	-	-	-
Total Administration for Children and Families			2,715,567	99,783	6,048	1,263,421

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Centers for Medicare and Medicaid Service						
Passed-through the N.C. Department of Health and Human Services:						
Division of Health Benefits:						
Division of Social Services:						
Medicaid Cluster						
Administration:						
Medical Assistance Program:						
Adt Cr Hm Cs Mgt/Spec	93.778	XIX-MAP18	18,727	4,673	-	14,055
Medical Assistance	93.778	XIX-MAP18	81,359	-	-	81,358
Medical Assistance Administration	93.778	XIX-MAP18	1,518,422	-	-	512,308
Medical Transportation Administration	93.778	XIX-MAP18	59,686	-	-	59,686
State County Special Assistance	93.778	XIX-MAP18	33,964	-	-	11,386
Total Medical Cluster:			1,712,158	4,673	-	678,793
Division of Social Services:						
Administration:						
Children's Health Insurance Program-N.C. Health Choice	93.767	CHIP18	44,773	1,335	-	8,724
Total Division of Medical Assistance			44,773	1,335	-	8,724
Total Division of Medical Assistance			1,756,931	6,008	-	687,517
Centers for Disease Control and Prevention						
Passed-through the N.C. Dept. of Health and Human Services						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Emergency						
Public Health Emergency Preparedness	93.069	12642680EN; 12641680EQ	35,396	-	-	-
Project Grants and Coop Agreements for Tuberculosis Control Program						
Immunization Cooperative Agreements	93.116	146022DNF; 1460272CNF; 1460272ANF; 1460272ENF	50	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.268	1331631DEJ; 1331631AEJ	134,443	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.323	1175870AWT; 1175878AHH	544,288	-	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT)	93.898	1320310AD719; 1320310CD7	3,900	-	-	-
Health Department Response to Public Health or Healthcare Crises	93.391	11617955LZ	38,682	-	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH; 13114536PF	39,794	-	-	-
Sexually Transmitted Disease (STD) Prevention and Control Grants	93.977	1311462DNB19; 1311462ENB19; 1311462CNB19;	100	-	-	-
Total Centers for Disease Control and Prevention		1311462ANB; 1311462BNB	796,653	-	-	-
Health Resources and Services Administration						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Maternal and Child Health Services Block Grant to the States						
	93.994	13A15735AP19; 12715318AP19; 12715745AP19; 12715531AP19; 13A15740AP19; 13A15107AP19; 12715745AR; 13A15740AR	34,122	6,794	-	-
Total Health Resources and Services Administration			34,122	6,794	-	-
Office of Population Affairs						
Passed-through the N.C. Dept. of Health and Human Services:						
Office of Assistant Secretary for Health						
Family Planning Services	93.217	13A15900FP	43,306	-	-	-
Total Office of Assistant Secretary for Health			43,306	-	-	-
Administration for Community Living						
Division of Aging and Adult Services						
Passed through Triangle Regional Council:						
Special Programs for the Aging - Title III Part D						
Disease Prevention and Health Promotion Services	93.043	2018-J007-019	8,044	473	-	-
National Family Caregiver Support, Title III Part E	93.052	2018-J007-019	59,170	3,945	-	-
Social Services Block Grant	93.667	2018-J007-019	33,701	963	-	-
Aging Cluster:						
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-Access Services						
	93.044	2018-J007-019	18,419	7,408	-	-
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-In-Home Services						
	93.044	2018-J007-019	41,235	372,591	-	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Congregate Nutrition						
	93.045	2018-J007-019	53,461	3,145	-	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Home Delivered Meals						
	93.045	2018-J007-019	70,514	56,226	-	-
Nutrition Services Incentive Program	93.053	2018-J007-019	17,822	-	-	-
Total Aging Cluster			201,451	439,370	-	-
Total Administration for Community Living			302,366	444,751	-	-
Total U.S. Dept. of Health and Human Services			5,648,945	557,336	6,048	1,950,938
U.S. Dept. of the Treasury						
Direct Benefit Payments:						
Coronavirus State Local Fiscal Recovery Funds	21.027		68,616	-	-	-
Total U.S. Dept. of the Treasury			68,616	-	-	-
Total Federal Awards			26,223,296	557,336	6,048	2,397,555
State Awards:						
N.C. Dept. of Natural and Cultural Resources						
Division of State Library						
State Aid to Public Libraries						
		2018-STATEAID	-	101,496	-	-
Total N.C. Dept. of Cultural Resources			-	101,496	-	-
N.C. Department of Environmental Quality						
Waste Reduction Grant						
		GRANT-CW17223	-	4,000	-	-
Volkswagen Settlement Grant		061322-9900	-	10,000	-	-
Sustainability State Grant		061522-9900	-	63,235	-	-
Electronics Management		536961-2395	-	9,549	-	-
Agricultural Cost Share-Technical Assistance		CHAT170	-	26,920	-	-
Education Grant		CHAT2018SWCD	-	3,600	-	-
Total N.C. Dept. of Environmental and Natural Resources			-	117,304	-	-
N.C. Dept. of Health and Human Services						
Division of Social Services:						
Administration and Services						
AFDC-Program Integrity		2018AFDC	-	169	-	-
Energy Assistance Private Grants		2018LIEA	-	3,816	-	-
State Child Welfare/CPS		2018CPS	-	94,464	-	-
County Funded Programs		2018CFP	-	-	-	1,472,729
Senior Center General Purpose		2018-J007-019	-	21,383	-	-

CHATHAM COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Federal		Passed-through		Local Expenditures
			(Direct & Pass-through) Expenditures	State Expenditures	to Subrecipients	Expenditures	
Direct Benefit Payments:							
State Foster Home		2018SFH	-	53,023	-	-	48,906
State Foster Home Maximization		2018SFHM	-	10,348	-	-	10,348
F/C /Max Non IV-E		2018FCAR	-	1,944	-	-	-
IV-B EFT Chaf/Independent living		2022FCEFT	-	51,818	-	-	-
F/C At Risk Maximization		2018FCAR	-	2,789	-	-	988
Total Division of Social Services			-	239,754	-	-	1,532,971
Division of Public Health							
Other Receipts / State Supported Expenditures							
Food and Lodging Fees		115347528Z19	-	16,444	-	-	-
General Communicable Disease Control		117545100019	-	1,610	-	-	-
Breast and Cervical Cancer Program		132055990019; 1320335504	-	5,525	-	-	-
Child Health		127157450019	-	3,316	-	-	-
Family Planning		13A157350019	-	20,641	-	-	-
Maternal Health		13A157400019	-	13,213	-	-	-
HIV/STD State		13114536BN19;13114536RQ19; 13114536RR	-	980	-	-	-
Healthy Community Activities		126155030019; 12615503PF19; 13114536PF19	-	3,747	-	-	-
School Nurse Funding Initiative		133253580019	-	100,000	-	-	-
Tuberculosis		146045510019; 146045540019	-	9,688	-	-	-
Women's Health Service Fund		13A16018FR19; 13A16020FR	-	7,948	-	-	-
Total Division of Public Health			-	183,112	-	-	-
N.C. Dept. of Military and Veteran Affairs							
DMVA Community County Grants		DMVACNTYGRANT17	-	2,109	-	-	-
Total N.C. Dept. of Public Instruction			-	2,109	-	-	-
N.C. Dept. of Public Instruction							
Public School Building Capital Fund-Lottery Proceeds		CHATPSBCF	-	579,010	-	-	-
Total N.C. Dept. of Public Instruction			-	579,010	-	-	-
N.C. Dept. of Public Safety							
Juvenile Crime Prevention Program-Administration		536301-12409019	-	15,500	-	-	-
Juvenile Crime Prevention Program		536301-12409019	-	173,112	-	157,817	-
State Forfeiture Funds		USUB2018	-	8,813	-	-	-
NCDPS Distribution		20000057155	-	84,270	-	-	-
State Computer Grant		PROJ014435	-	23,701	-	-	-
Total N.C. Dept. of Public Safety			-	305,396	-	157,817	-
N.C. Dept. of Transportation							
Rural Operating Assistance Program (ROAP) Cluster			-	-	-	-	-
ROAP-Elderly and Disabled Transportation Assistance Program		DOT-16CL-36220.10.7.1	-	42,769	-	-	-
ROAP Rural General Public Program		DOT-16CL-36228.22.7.1	-	94,035	-	-	-
ROAP Work First Transitional - Employment		DOT-16CL-36236.11.6.1	-	16,895	-	-	-
Precon Engineering for CAM Site		DOT-18-48171	-	191,410	-	-	-
Total N.C. Dept. of Transportation			-	345,109	-	-	-
Total State awards			-	1,873,290	-	157,817	1,532,971
Total Federal and State awards			\$ 26,223,296	\$ 2,430,626	\$ 163,865	\$ 3,930,526	

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

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and state grant activity of the Chatham County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Chatham County, it is not intended to and does not present the financial position, changes in net position or cash flows of Chatham County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Foster Care and Adoption, Mental Health Intellectual Developmental Disabilities, and Special Children Adoption Fund.

Note 5: Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the state from federal and state moneys. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the state. These amounts disclose this additional aid to County recipients that do not appear in the basic financial statements because they are not revenues and expenditures of the County.

Program Title	AL #	Federal	State
Medicaid	93.778	65,950,148	24,448,493
CHIP	93.767	980,762	220,004
TANF-Special Children Adoption	93.558	47,585	-
TANF-Payments & Penalties	93.558	90,979	-
WIC	10.557	942,359	-
Adoption Assistance-IV-E Adopt Subsidy & Vendor	93.659	743,473	128,507
Promoting Safe & Stable Families	93.556	38,586	-
Child Welfare Services Adoption-Vendor Guard		-	211,676
State/County Special Assistance Program		-	203,041
Federal Jail Reimbursements		140	-

Note 6: Loans Outstanding

Chatham County had the following loan balances outstanding at June 30, 2022 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2022 consist of:

Program Title	AL #	Pass-through Grantor's Number	Amount Outstanding
Community Facilities Loans and Grants	10.766	-	19,050,023

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