

**CHATHAM COUNTY  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**



**CHATHAM COUNTY, NORTH CAROLINA**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2023**

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## **INTRODUCTORY SECTION**

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November 27, 2023

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, 2023.

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, have issued an unmodified opinion on the County's financial statements for the year ended June 30, 2023. 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 2022 population was estimated at 79,864. 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 17.1 percent of residents living in a municipality. The Town of Pittsboro with a population of 4,730 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. Over 25,000 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, health services are the largest industry. Major employers in this sector are Carolina Meadows, Galloway Ridge, The Laurels of Chatham, and Piedmont Health Services. Other large employers include manufacturers like Mountaire Farms, Charter Furniture, Brookwood Farms, Southern Veneer, and Arauco. Arauco is investing almost \$9 million and creating 26 new jobs at their plant in Moncure. Gaines Oil of Goldston is also expanding, planning to invest \$350,000 and create 14 new jobs. 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. Vacancies for industrial property remain low, with little inventory on the market.

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. 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. The groundbreaking ceremony for the site was held on July 28th, 2023, to much fanfare. Directly adjacent is the Triangle Innovation Point West, a brownfield site that is being redeveloped as a business park. A distribution center for FedEx is nearly completed at the TIP West site and will create approximately 300 jobs.

Chatham County's 2017 Comprehensive plan dictated that once a major tenant landed at the TIP site a small area plan would be initiated. The small area plan will provide a various scenarios to the community on what the future looks like for the Moncure area. Chatham County staff, and the consultant team have encouraged the public to be involved and their meetings have been very well attended. The EDC has been involved in this process as it is vital for the future development of the area.

At the intersection of US 64 and Highway 751, 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. In addition to the Coca-Cola building, the developers of Apex Gateway Park have planned four speculative buildings and have already broken ground on the first building. Due to the proximity to RTP, the developers are hoping to recruit life sciences industries to the park.

On September 9th, 2022, Wolfspeed, a silicon carbide manufacturing company headquartered in Durham, North Carolina, announced that it will establish a new facility in Siler City. The facility will produce a silicon carbide product, often referred to as chips, for use in electric vehicles, 4G and 5G mobile development, and other industrial and commercial uses. The North Carolina-based company purchased land at Chatham-Siler City Advanced Manufacturing Site in Siler City and will create 1,800 jobs at an average salary of \$77,753. The company plans to invest \$5 billion in the project in Siler City over the next five years. Construction on the site is already underway.

Due to the size of the Wolfsped project, and other residential developments, Siler City is looking for options for additional sewer capacity. The EDC is working closely with the Town of Siler City and other developers to ensure capacity is available for future growth. Once a solution is found for additional sewer, Siler City will be in a prime position for significant development.

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 units 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 grand opening was held at Mosaic for a new apartment complex that will add 165 rental housing units to the local market. Additional new businesses now open at Mosaic include 79 West, a coworking space, urgent care, restaurants, and various construction and engineering offices. The offerings at Mosaic also include condos. Progress is happening across the street at Northwood Landing, where a Lowes Foods grocery store will anchor the commercial development. Other Chatham Park projects underway or completed include a water reclamation facility, a solar farm, site work for additional residential development and infrastructure expansion. Penguin Place, a three-acre multi-tenant center, is fully leased with retail and office tenants.

Chatham County continues to foster expansion and retention of its existing industries through pursuit of external funding for building renovations, workforce development incentives, and capital investment subsidies. Examples of successful projects include Arauco's \$28.5 million expansion and addition of 26 new employees, as well as Gaines Oil's \$350,000 investment in an administrative office expansion, adding 14 new full-time positions to their Goldston headquarters. Both projects were funded through the North Carolina Department of Commerce's Building Reuse program, a funding initiative that is vital to our business retention and expansion program. The County currently has one application pending within that program and continues to monitor funding opportunities to assist existing businesses within Chatham County.

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 Raleigh Executive Jetport in neighboring Lee County is near the Moncure 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 36<sup>th</sup> 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 2<sup>nd</sup> in the State in beef cattle (3<sup>rd</sup> in overall cattle production) and 16<sup>th</sup> in broiler chicken production out of the 100 counties. The county also ranks 9<sup>th</sup> in hay production, 3<sup>rd</sup> in equine population, and 2<sup>nd</sup> in sheep and goat population, as compared to other North Carolina counties. There are five dairy operations in Chatham County currently, and the County ranks 17<sup>th</sup> 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 immense 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.

Chatham County's location and abundance of outdoor activities and events contributed to a resurgence of travel in the past year. The arc of post-pandemic time has proven that, above all, travelers seek experiences, no matter how brief. Road trips, day trips, and extended overnight stays have continued to be robust in our area. Chatham County's visitor-related economic impact continues to rise.

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 **\$75.72** million in 2022. This was a 11.3% change from 2021. The state report showed that the visitor industry generated a payroll of nearly \$23 million.

**Tourism impact highlights for 2022-2023:**

- The travel and tourism industry directly employs more than 624 in Chatham County.
- Total payroll generated by the tourism industry in Chatham County was \$23 million.
- State tax revenue generated in Chatham County totaled \$3.2 million through state sales and excise taxes, and taxes on personal and corporate income. About \$2.8 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses.
- Visitor spending results in a \$76.73 tax savings per resident.

These statistics come from the "Economic Impact of Travel on North Carolina Counties 2022." The study was prepared for Visit North Carolina by Tourism Economics in collaboration with the U.S. Travel Association. The CVB staff supports Chatham County's tourism and hospitality businesses (accommodations, attractions, restaurants, venues, meeting services, golf courses, etc.) through marketing and public relations. A majority of the local industry is comprised of small businesses.

The CVB industry partnerships 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 Pittsboro-Siler City Convention & Visitors Bureau](#) (CVB) has launched its new website, [www.ChathamSportsAlliance.com](http://www.ChathamSportsAlliance.com). The Chatham Sports Alliance is a CVB collaborative effort driving economic impact through the positive power of sports. The website offers an inventory of venues for sporting events, helpful information for event organizers, and upcoming sports events, plus sports-related blogs.

A new hotel is scheduled to open late 2023/early 2024. The focus for 2024 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 and second tranches of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program authorized by the American Rescue Plan Act (ARPA) for a total allocation of \$14,464,924. Steps were taken to develop a plan that involved communities throughout the county. The process was explained in detail and residents' input was gathered on how best to use the funding that meets the community needs and abides by federal, state, and local laws.

Under the Final Rule, U.S. Treasury's regulatory document for SLFRF, Chatham County elected to use the "Standard Allowance" approach for expenditures, allowing \$10,000,000 of the county's allocation for SLFRF to be used for revenue replacement. The ability to claim the Standard Allowance allows the county to replace local dollars, used for general government expenditures, with federal funds. Local dollars offset by revenue replacement can then be used to implement prioritized projects more easily, without the restrictions of federal dollars.

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, began in FY2023 to launch and implement approved projects.

Approved projects currently implemented in FY24 support housing assistance initiatives, court services programs, translation services, nonprofit programs, an early childhood assessment, and planned funding for four capital improvement projects.

For more information on Chatham County's process and the feedback from the information gathering phase, please visit [www.chathamcountync.gov/our-community/american-rescue-plan-act-arpa](http://www.chathamcountync.gov/our-community/american-rescue-plan-act-arpa).

## **Chatham County Major Initiatives Fiscal Year 2022-23**

### **HIGHLIGHTS OF MAJOR FY 2022-23 PROJECTS**

Implementation activities related to the Chatham Comprehensive Plan continued to make progress countywide in Fiscal Year 2022-23. 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 projects, the largest in North Carolina history, are progressing. These projects totaling a **historic \$9 billion in investments**, accompanied by **9,000 jobs**, will bring unprecedented growth, change, and opportunity to the county, region, and state.

- Wolfspeed began construction on its **450-acre site** in Siler City, at the newly named John Palmour Manufacturing Center for Silicon Carbide. The plant will be the most significant silicon carbide manufacturing facility in the world, employing **1,800 people** and making it a key player in the semiconductor industry. See more details below, in the Economic Development section.
- VinFast has received the permits for phase one of construction at its site in Moncure. Its **2,000-acre site** will employ **7,500 people** and generate \$4 billion in investment in Chatham County. See more details below, in the Economic Development section.
- The Chatham County Planning Department is in the third 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 considered in the UDO.

- In April 2023, the County initiated the Small Area Plan process. This plan, known as [Plan Moncure](#), has included a series of activities that engaged the residents, business owners, property owners, and other stakeholders.
  - The small area planning process encouraged dialogue about growth in the Southeastern part of Chatham County spurred by the VinFast announcement and other investments in the region.
  - The plan builds on Plan Chatham and conveys more specifically the community's expectations and aspirations for the future of the Moncure area. Completion and adoption of the plan is anticipated in late 2023.
- Construction of the new, state-of-the-art Emergency Operations Center and 911 Communications hub was completed in May 2023. The EOC is located on Renaissance Drive near Pittsboro.
- The County's Emergency Communications radio system upgrade project is nearing completion.
  - Construction and installation of equipment at eight radio tower sites across the county is complete.
  - Radio programming, distribution, and installation is almost completed.
  - Training material development for stakeholder agencies is ongoing.
- Construction of the new, state-of-the-art Chatham County Schools' Central Services building was completed in May 2023. The facility is on Renaissance Drive near Pittsboro. See more details below, in the Education section.
- Chatham County Public Utilities continues its work with other Western Intake Partners (City of Durham, Town of Pittsboro, and Orange Water and Sewer Authority/OWASA) in the planning, permitting and detailed design of a future, joint water treatment plant.
- Chatham County Public Utilities continues its work with the City of Sanford to Master Plan the Water and Sewer service areas for Vinfast and the surrounding Moncure Area.

## **CONSTRUCTION TRENDS**

### **Residential**

- Growth of single-family homes has slowed to about half of last year's rate with approximately 500 units total expected in Calendar Year 2023. This decline is due to many economic factors as well as available sewer capacity. The slowdown has been both in the County and Pittsboro which set records in 2022.
- Construction of multi-family units has increased in 2023. For growth comparison, the Chatham County Central Permitting and Inspections Department permitted 72 multi-family units in 2022, and nearly 500 are expected to be permitted in 2023:
  - Northwoods Landing in Chatham Park with 312 units.
  - Liberty Senior Apartments (age-restricted apartments) with 150 units.
  - The Penny Lane project with 15 units (specialized housing) will be completed later in 2023.

### **Commercial**

- There is explosive growth of commercial construction around the County including the Moncure area, Pittsboro, and Siler City. The Chatham County Central Permitting and Inspections Department has permitted **\$250 million** in the first 6 months of 2023, more than any full year in County history. It is expected the County will permit over \$2 billion in commercial construction in Calendar Year 2023. This growth will extend into Calendar Year 2024 too, which is also estimated to exceed \$1 billion in additional permitted work.
  - WolfSpeed is currently under construction of 2.4 million square feet, most of which is already permitted.

- VinFast has been issued a partial permit for their largest building (General Assembly) and more permits are expected later this year.
- Other Commercial projects include the YMCA building and other retail buildings such as Zaxby's, Dunkin' Donuts, and Hubie's Car Wash.

## **EDUCATION**

Chatham County Schools (CCS) opened its new Central Services Building, located on Renaissance Drive near Pittsboro, in May 2023. The one-story, almost 38,000-square-foot building replaced the old Central Services Building on West Street. For the first time, all CCS departments can be found under one roof, along with a new state-of-the-art board room for the Board of Education.

Chatham County Schools is excited to continue community partnerships with companies like Wolfspeed, VinFast, Toyota, and Chatham Park in 2023, while also maintaining relationships with the Chatham Education Foundation, Communities in Schools, Hispanic Liaison, and Boys and Girls Clubs, among others.

### **Chatham County Schools Achievements and Honors**

- 63 students were recognized in the top ten percent of the Chatham County Schools Class of 2023.
- Northwood, Chatham Central, and Jordan-Matthews had 100% college acceptance for their Advancement Via Individual Determination (AVID) students, with 66 AVID scholars as well.
- 14 out of 15 students (93%) from the Chatham School of Science and Engineering (now Chatham Early College) received an Associate's Degree from Central Carolina Community College.
- 100% of the seniors enrolled in the SAGE Evening Academy program successfully completed the requirements for their high school diploma.
- The Class of 2023 earned over \$32 million in scholarships.
- 530 graduates (75%) were accepted into 2- or 4-year colleges.
- 127 graduates (18%) have secured full-time employment.
- 299 graduates (42%) graduated with distinction, with GPAs of 3.25 or higher.
- 272 graduates (38%) were WorkKeys scholars with a score of Bronze or better.
- 18 graduates enlisted in the U.S. military after graduation.

### **Chatham County Promise**

All eligible Chatham County residents who graduated from a public high school, private school, or homeschool for the years 2019, 2020, 2021 and 2022 were eligible for up to two years of free in-state tuition and required fees at Central Carolina Community College.

In 2022, the Chatham County Commissioners renewed the Promise Program for another four years. During its first four years, 412 Chatham County residents benefited from the program. On average over the last four years, a third of the students have been first-generation college students, and just over half have come from economically-disadvantaged situations. Two-thirds of the students have been enrolled in career and technical programming, and a third have been enrolled in university-transfer programs. The College anticipates continued success as the 2023 high school graduates enter the program in Fall 2023.

### **Chatham County Schools Leadership**

**Mr. Jimmy Schwankl** was named the new CCS Chief Technology Officer. Schwankl has served the district for almost 30 years, from a math teacher to WAN engineer, and now CTO.

**Mrs. Diane Sloan** was named the Executive Assistant to the Superintendent/Board Clerk. Sloan has served Chatham County Schools in various capacities over the past decade, most recently as Licensure/Benefits Specialist.

Sloan has over 30 years of experience serving in bookkeeping and office management roles for accounting and business firms, managing finances and client tax files.

**Dr. Kira C. Berggren** was named the Director for Digital Learning and Media Programs. In her new role, Berggren will lead the district’s digital learning and media efforts to support the academic achievement of all students across the district.

**Mr. John V. Wood** was named the CCS Public Information Officer. He has served as educator and coach for Durham and Johnston County schools for the past 15 years, and most recently was an assistant principal at Clayton High School. Wood is currently seeking his Doctorate in education for K-12 Public Administration from NC State University.

## **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. Chatham County is among the 10 fastest growing counties in the state.

- Wolfspeed began construction on its **450-acre site** in Siler City, at the newly named John Palmour Manufacturing Center for Silicon Carbide. President Biden visited the Wolfspeed facility in Durham as part of the “Investing in America” tour and to promote the project in Siler City.
  - Wolfspeed is the **largest investment announcement** in North Carolina history.
  - The plant will be the most significant silicon carbide manufacturing facility in the world, employing **1,800** and making it a key player in the semiconductor industry.
- VinFast has received the permits for phase one of construction at its site in Moncure. Its **2,000-acre site** will employ **7,500** people and generate \$4 billion in investment in Chatham County.
  - The groundbreaking for the car manufacturing plant was held in late July 2023.
  - VinFast is the **largest jobs announcement** in North Carolina history, with 7,500 planned for phase one of the project.
  - At 2.8 million square feet, its facility in Moncure will be the size of 16 Super Wal-Marts.
- The total projects announced in Chatham in 2022 are the **largest ever** for a North Carolina County. The Chatham County Economic Development Corporation (EDC) continues to market additional sites that are available in Moncure and at the Chatham-Siler City Advanced Manufacturing site. The Chatham community has received great support from the North Carolina General Assembly, the Governor’s Office and the North Carolina Department of Commerce to assist on completing these two mega projects and to position the County for additional projects in the future.
- Both VinFast and Wolfspeed are engaged at the local level with Chatham County Schools and Central Carolina Community College (CCCC) to create a workforce pipeline to fill their positions and hire Chatham County residents. CCCC is also working with other community colleges in the region to create a workforce training program that will supply VinFast and Wolfspeed with talent from surrounding counties.
- Along with the new jobs and coming investment, the recent industrial development has also brought in new revenue to the County from all the permitting fees, along with new sales tax revenue from the construction and equipment activities on both mega sites.
- The EDC has also created a small business committee to ensure that the existing operations in the County will potentially have new markets with the large industrial developments under construction.

- Sitting at the intersection of U.S. Highway 64 and N.C. Highway 751 on the Chatham side of the Chatham/Wake County border, Apex Gateway will span more than 1 million square feet. The first phase will contain five industrial buildings, including one that will serve as the new Durham Coca-Cola Bottling headquarters.

## **MAJOR LEADERSHIP NEWS**

**Human Resources – Courtney Jones** was named Chatham County Human Resources Director in July 2023 after serving in other roles (Analyst and Assistant Director) in the Human Resources Department for 11 years. Jones joined Chatham County government in March 2012 as an Administrative Support Specialist with the Parks and Recreation Department. Prior to working in Chatham, Jones worked in customer service for 5 years and in the education system (Guilford and Chatham Counties) for 5 years. Jones is a Chatham native and earned a Bachelor of Arts in Psychology with Human Resources Management major from Guilford College.

## **OTHER BIG NEWS IN CHATHAM COUNTY**

### **Public Health**

- In fall 2023, the Chatham County Public Health Department (CCPHD) was awarded Reaccreditation with Honors, the highest recognition for local health departments. Site visitors reviewed evidence spanning six years, including the COVID-19 pandemic, and covering over 140 domains to make the determination. North Carolina is the first state in the country to mandate accreditation for its local health departments. The purpose of the accreditation program is to assure a basic level of capacity and services in each of the local health departments across the state.
- In April, CCPHD hired the County’s first Opioid Overdose Prevention Coordinator, Morgan Culver, who will coordinate the Chatham County Sheriff’s Prevention Partnership on Controlled Substances. The Coordinator is responsible for overseeing the implementation and evaluation of the county’s Coordinated Overdose Prevention Action Plan. The plan is the product of an ongoing collaborative response to the opioid crisis in Chatham County. This position is funded by the Opioid Settlement funds that the County began receiving in 2023.

### **Social Services**

- The Chatham County Department of Social Services launched the Emergency Housing Assistance Program to support residents experiencing housing instability and reduce evictions and subsequent homelessness. This program is funded through the American Rescue Plan Act (ARPA) and part of a larger community initiative, the Chatham Housing Collective, whose mission is to expand solutions for residents who are either unhoused or unstably housed.
- The Department of Social Services strengthened its commitment to equity work through several continuing education initiatives. All employees attended a workshop with CORE and the family services leadership team participated in a three-day program provided NC DHHS and Casey Family Programs.
- To better serve children and families, the Department of Social Services implemented new training for social workers and visitation options for children in foster care. By strengthening the quality of family time with parents and children, the Department hopes to increase the number of children reunified with parents and reduce the length of their stay in foster care. This work locally also aligns with the statewide implementation of new child welfare practice standards to ensure consistent application of policies and practices and improve outcomes.

### **Affordable Housing**

#### **Housing Trust Fund (HTF)**

- This program year, **\$337,562** were awarded in HTF awards:

- Chatham Habitat for Humanity - \$65,000 grant to support the development of 4 permanently affordable homeownership opportunities.
- Wallick Communities - \$100,000 low-interest loan to support 72 affordable rental units in Siler City, to be affordable for a minimum of 30 years.
- XDS, inc. - \$22,562 grant to support infrastructure for the 15 permanently affordable rental homes at the Tiny Village at the Farm at Penny Lane.
- Brick Community Capital - \$50,000 grant to support the preservation of 4 affordable rental homes, to remain affordable for a minimum of 30 years.
- Rebuilding Together of the Triangle (RTT) – \$100,000 grant to support the rehabilitation and preservation of 55 homes.
- This brings the total award amount to over **\$1 million** since the Housing Trust Fund was established in 2018. Over **\$2 million** has been requested by applicants.

### Elections

- Chatham County once again had the **highest voter turnout** in the state for the General Election held on November 8, 2022, at 65.97%. Out of 60,025 registered voters, 39,600 people voted.
- The North Carolina State Board of Elections prepared a reference guide for North Carolina Law Enforcement to provide them with information about providing safety and security at all early voting sites and Election Day Polling places. Chatham County Board of Elections and staff worked with the Emergency Operations Director in coordinating with law enforcement throughout the county to ensure that everyone involved in the election process at the office, and each voting place were safe and secure.
- Security cameras and an alarm system for additional security were installed at the office.

### Tax Office

- Tax collections collected **99.27%** of 2022 property taxes.
- Data collection began for the 2025 property tax reappraisal.
- There was a 40% increase in exemption and exclusion property applications due to education efforts.

### Chatham County Visitor Spending – Tourism impact highlights

- Domestic and international visitors to and within Chatham County spent **\$75.72 million** in 2022, an **increase of 11.3%** from 2021.
- The travel and tourism industry directly **employees more than 624** in Chatham County.
- Total payroll generated by the tourism industry in Chatham County was **\$23 million**.
- State tax revenue generated in Chatham County totaled \$3.2 million through state sales and excise taxes, and taxes on personal and corporate income. About \$2.8 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses.
- Visitor spending results in \$74.45 of tax savings per resident per year.

### Ageing Services

- Chatham County Aging Services officially became a department within Chatham County government on July 1, 2023, concluding a year-long process that began with the onboarding of its staff in June 2022. Formerly the Chatham County Council on Aging, Aging Services will build and expand upon the Council on Aging’s 48-year commitment to the older adults of Chatham County.
- 29,437 total meals served (Congregate, Shelf Stable, Frozen, and Home-Delivered)
- In-home aide hours of personal care: 8,115
- A total of 1,851 medical transportation rides were provided to 175 clients.
- Hours of Family Caregiver Respite: 370
- Information and Referral Calls: 12,033
- Assisted an average of 82 clients per month with incontinence supplies.
- Loaned over 300 pieces of medical equipment.
- Aging Services’ Minor Home Repair team provided repairs to 32 homes during the 2022-23 fiscal year.

## **Libraries**

- Served over 73,000 library visitors.
- Answered more than 16,722 reference questions including those related to employment and technology.
- Circulated more than 183,000 items (print and electronic).
- Created 11,774 new library card accounts during FY 22-23.
- In recognition of Black History Month, Chatham Community Library in Pittsboro created a lobby display that includes soil collected from each of the six known lynching sites in Chatham County. The display was curated in partnership with the Community Remembrance Coalition Chatham (CRC-C), who provided the soil and the bios of the lynching victims. The jars of soil came from the sites where Eugene Daniel, Harriet Finch, Jerry Finch, Lee Tyson, John Pattishall, and Henry Jones were killed between 1885 and 1921. The library made it a permanent display in August 2023.

## **Parks and Recreation**

- Hosted and offered 169 programs and special events, serving 4,460 community members.
- In FY23, 360,523 people visited Chatham County parks.
- In FY23, Chatham County Parks and Recreation had the largest number of participation in its county youth basketball league with over 800 participants.
- Offered 32 new programs and special events that have never been offered before through Parks and Recreation.
- In the final stages of completing the Haw River Trail Feasibility Study.

## **AWARDS & HONORS**

- The Chatham Economic Development Corporation (EDC) won the Deal of the Year Award for the Wolfsped project announced in 2022. The award is given by the North Carolina Economic Development Association. The project won in the large market category with an announced \$5 billion investment and 1,800 jobs.
- EDC Project Manager Phillip Thompson was awarded a scholarship to the 2023 Spring NC Economic Development Academy. These scholarships expand access to NCEDA members for professional development opportunities and maximize the overall capacity of North Carolina's economic development community.
- Chatham County Public Health Department's (CCPHD) Population Health Data Scientist, Maia Fulton-Black, received the 2023 Council of State and Territorial Epidemiologists (CSTE) Presidential Priority Award which recognizes excellence in putting forward the priorities of the CSTE President. Fulton-Black presented at the annual CSTE Conference in June in Salt Lake City with a presentation titled "Addressing Equity One Stamp at a Time: Approaches to Conducting a Community Health Assessment in the Context of COVID-19," which examined the CCPHD's approach to the 2021 Chatham County Community Assessment. The 2021 Community Assessment was released in July 2022, and data collection will soon begin for the 2024 assessment.
- Chatham County Public Health Department's Car Seat Safety Program was named the Community Car Seat Program Team of the Year by Safe Kids Chatham. Ingrid Castro was also recognized with an Excellence Award.
- Three Aging Services volunteers – Johnny Shaw, Marylou Mackintosh and Rosemary Szydlele - were among those recognized as one of Chatham County's Outstanding Volunteers of 2022 with the North Carolina Governors Volunteer Service Award.
- Chatham County Parks and Recreation's Erin Metzger completed and graduated from NRPA Park and Recreation Maintenance Management School.

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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 33<sup>rd</sup> consecutive year that the County has received this award and it is the highest form of recognition in governmental accounting and financial reporting. 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. According to GFOA, its attainment represents a significant accomplishment by a government and its management.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive 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,

A handwritten signature in blue ink, appearing to read 'Dan LaMontagne', with a long horizontal line extending to the right.

Dan LaMontagne  
County Manager

A handwritten signature in blue ink that reads 'Roy Lynch'.

Roy Lynch  
Finance Officer

*Board of County Commissioners*

<i>Karen Howard</i>	<i>Chairman</i>
<i>Mike Dasher</i>	<i>Vice Chairman</i>
<i>David Delaney</i>	<i>Commissioner</i>
<i>Franklin Gomez Flores</i>	<i>Commissioner</i>
<i>Katie Kenlan</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>Ashlyn Martin</i>	<i>Aging 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>Daniel Clevenger</i>	<i>Utilities Director</i>
<i>Rachael Thorn</i>	<i>Watershed Protection Director</i>



Government Finance Officers Association

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North Carolina**

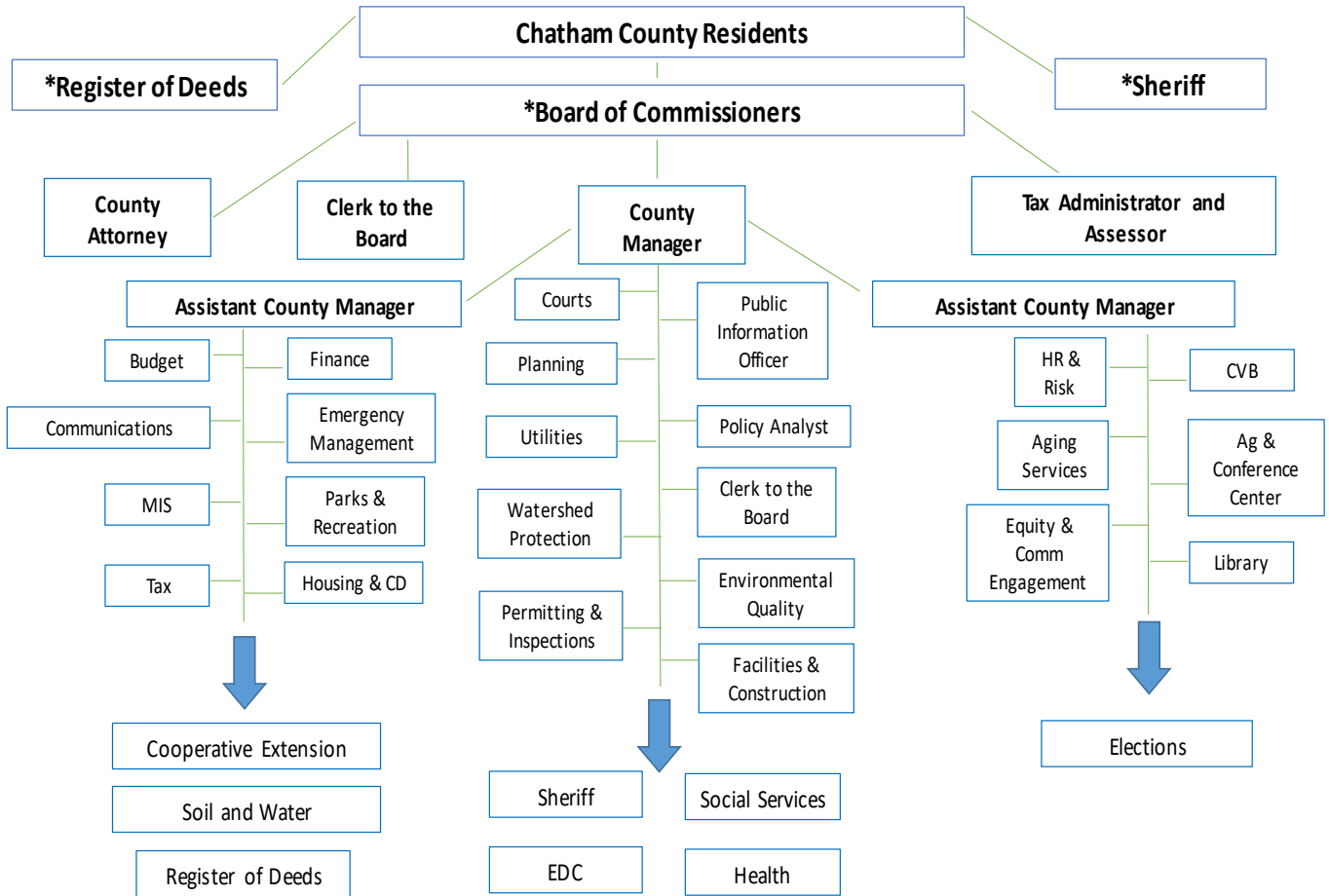
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

## Chatham County Government Organizational Chart



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## **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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Opioid Settlement 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, which represents 100%, 100% and 100%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those financial 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*.

### ***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 12 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 to 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's 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 November 27, 2023 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  
November 27, 2023

## 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, 2023. 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.

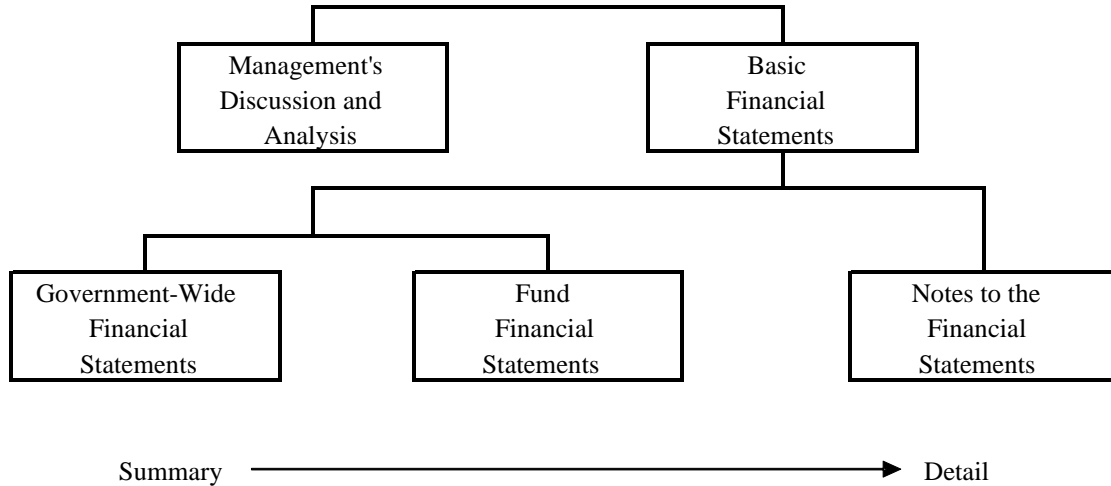
### Financial Highlights

- 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 \$161,621,172 (*net position*).
- Long term liabilities decreased by \$5,309,190. The decrease can be attributed to the annual retirement of long-term debt.
- The government's total net position increased by \$39,341,557 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 \$172,566,614 a net increase in fund balance of \$12,180,536. Approximately 10.77% of this total amount, or \$18,577,516, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$44,611,811 or 26.53%, 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 L) 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 35 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 \$161,621,172.

During the 2022-2023 fiscal year, the County's net position increased by \$39,341,557. 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 \$13,905,281 (8.60%) 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	
	2023	2022	2023	2022	2023	2022
<b>Assets:</b>						
Current and other assets	\$ 201,382,187	\$ 190,643,328	\$ 39,433,069	\$ 39,862,178	\$ 240,815,256	\$ 230,505,506
Capital assets	143,558,159	133,884,260	50,724,786	50,557,617	194,282,945	184,441,877
Total assets	344,940,346	324,527,588	90,157,855	90,419,795	435,098,201	414,947,383
<b>Deferred Outflows of Resources</b>	19,377,438	15,786,564	1,110,647	950,240	20,488,085	16,736,804
<b>Liabilities:</b>						
Long-term liabilities outstanding	262,985,146	267,862,124	11,510,722	11,942,934	274,495,868	279,805,058
Other liabilities	11,390,880	17,716,227	1,183,105	1,292,849	12,573,985	19,009,076
Total liabilities	274,376,026	285,578,351	12,693,827	13,235,783	287,069,853	298,814,134
<b>Deferred Inflows of Resources</b>	6,626,543	10,020,969	268,718	569,469	6,895,261	10,590,438
<b>Net Position:</b>						
Net investment in capital assets	56,918,805	66,655,633	41,261,016	40,043,138	98,179,821	106,698,771
Restricted	13,905,281	12,937,461	-	-	13,905,281	12,937,461
Unrestricted	12,491,129	(34,878,262)	37,044,941	37,521,645	49,536,070	2,643,383
Total net position	\$ 83,315,215	\$ 44,714,832	\$ 78,305,957	\$ 77,564,783	\$ 161,621,172	\$ 122,279,615

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 99.29%.
- The County continued to accumulate funds in the Capital Improvement Projects Reserve Fund. Chatham County Commissioners set aside 9.7 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 continued on the new Emergency Operations Facility and the Central Services Facility. They both were occupied in May of 2023. Work continues on the Emergency Operations Facility and will be closed out in FY2024.

**Chatham County's Changes in Net Position**  
**Figure 3**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 10,064,941	\$ 11,153,325	\$ 12,744,919	\$ 15,654,036	\$ 22,809,860	\$ 26,807,361
Operating grants and contributions	27,794,427	15,725,937	370,398	389,644	28,164,825	16,115,581
Capital grants and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	110,557,782	105,131,904	-	-	110,557,782	105,131,904
Sales taxes	28,513,275	25,697,393	-	-	28,513,275	25,697,393
Other taxes and licenses	1,698,749	1,952,454	-	-	1,698,749	1,952,454
Grants and contributions not restricted	5,634,962	5,136,221	-	-	5,634,962	5,136,221
Unrestricted investment earnings	3,579,833	(4,349,381)	818,388	134,042	4,398,221	(4,215,339)
Other	683,557	655,707	47,672	95,571	731,229	751,278
Total revenues	188,527,526	161,103,560	13,981,377	16,273,293	202,508,903	177,376,853
<b>Expenses:</b>						
General government	22,450,287	19,643,709	-	-	22,450,287	19,643,709
Public safety	41,277,569	35,212,455	-	-	41,277,569	35,212,455
Economic and physical development	4,692,779	3,819,632	-	-	4,692,779	3,819,632
Human services	18,575,711	16,347,627	-	-	18,575,711	16,347,627
Cultural and recreational	3,472,876	2,839,882	-	-	3,472,876	2,839,882
Education	50,602,853	58,997,617	-	-	50,602,853	58,997,617
Interest on long-term debt	8,855,068	8,812,203	-	-	8,855,068	8,812,203
Utility	-	-	8,380,829	7,228,084	8,380,829	7,228,084
Southeast water district	-	-	764,437	1,119,733	764,437	1,119,733
Solid waste management	-	-	4,094,937	3,469,754	4,094,937	3,469,754
Total expenses	149,927,143	145,673,125	13,240,203	11,817,571	163,167,346	157,490,696
Change in net position	38,600,383	15,430,435	741,174	4,455,722	39,341,557	19,886,157
<b>Net Position:</b>						
Beginning of year - July 1	44,714,832	29,284,397	77,564,783	73,109,061	122,279,615	102,393,458
End of year - June 30	\$ 83,315,215	\$ 44,714,832	\$ 78,305,957	\$ 77,564,783	\$ 161,621,172	\$ 122,279,615

**Governmental activities.** Governmental activities increased the County's net position by \$38,600,383.

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 3.60% increase along with Personal property growing at a 11.08% rate, mainly due to an increase in business property listings.
- Sales Tax distributions grew at an average rate of 11% in total, as compared to the statewide average of 9%, 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 \$741,174. 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, 2023, the governmental funds of Chatham County reported a combined fund balance of \$172,566,614 a 7.59% 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 Land Preservation 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 \$44,611,811, while total fund balance was \$69,408,704. The increase in the County's fund balance can be contributed to the increase in the tax collection percentage from 99.20% in FY2022 to 99.29% in FY2023. The property tax values increased 4.51% over the previous year. Revenues from sales tax continue to thrive based on robust development and investment in the County. Article 39 sales tax, distributed based on where collected, grew by 13% compared to 9% percent statewide. Departments continue to take a conservative approach to spending which resulted in General Fund Expenditures being \$18,161,068 under budget. The County currently has an available fund balance of 34.42% of General Fund expenditures and transfers out, while total fund balance represents 41.27% 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, 2023, this percentage was 26.46%.

The County elected to use the Standard Allowance approach for the American Rescue Plan funds for expenditures allowing \$10,000,000 of the total allocation to be used for revenue replacement. \$2,000,000 is appropriated to the Jail Cell Blocks Project and \$3,000,000 to the Parkers Ridge Park Project. \$5,000,000 transferred to the General Fund in FY2023.

The County received \$376,988 to date in Opioid Settlement funding to be used toward collaborative strategic planning, early intervention, post-overdose response teams, reentry programs and evidence-based addiction treatment.

The Capital Reserve Fund increased 32.73% due to additional revenues and fees received allowing for an additional \$2,973,819 to be transferred over the original budgeted transfer of \$2,785,912. These funds will be used for future projects.

The Facilities Improvement Projects Fund decreased \$5,957,030 or 25.73% based on the expenditures related to the construction of the Emergency Operations Center and other related projects. The School Construction Fund decreased by \$6,028,982 or 75.34% based on the expenditures related to the construction on the Central Services Facility.

**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 \$16,531,097 and decreased expenditures and transfers out by \$23,039,917.

**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 \$29,557,224 for the Utility Fund, \$926,630 for the Southeast Water District, and \$6,561,087 for the Solid Waste and Recycling Fund. The total increase in net position for all proprietary funds was \$741,174.

### Capital Asset and Debt Administration

**Capital assets.** Chatham County’s capital assets for its governmental and business-type activities as of June 30, 2023, totaled \$194,282,945 (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	
	2023	2022	2023	2022	2023	2022
<b>Non-Depreciable Assets:</b>						
Land	\$ 13,364,018	\$ 13,370,557	\$ 980,258	\$ 980,258	\$ 14,344,276	\$ 14,350,815
Construction in progress	42,007,004	38,722,259	10,967,745	9,618,542	52,974,749	48,340,801
<b>Depreciable Assets:</b>						
Buildings	80,088,861	75,527,198	1,617,474	1,669,366	81,706,335	77,196,564
Equipment and vehicles	6,191,306	6,264,246	80,918	1,192,062	6,272,224	7,456,308
Infrastructure:						
Water lines	-	-	36,991,050	37,097,389	36,991,050	37,097,389
Right-to-use leased assets	679,252	468,470	662	79	679,914	468,549
Right-to-use subscription assets	1,227,718	-	86,679	-	1,314,397	-
Total assets	<u>\$ 143,558,159</u>	<u>\$ 134,352,730</u>	<u>\$ 50,724,786</u>	<u>\$ 50,557,696</u>	<u>\$ 194,282,945</u>	<u>\$ 184,910,426</u>

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, 2023, Chatham County had total bonded debt outstanding of \$2,635,000 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**

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

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ -	\$ -	\$ 2,635,000	\$ 2,693,000	\$ 2,635,000	\$ 2,693,000
Revenue bonds	-	-	1,520,000	1,557,000	1,520,000	1,557,000
Other long-term obligations	178,827,491	191,711,363	4,292,509	5,018,637	183,120,000	196,730,000
Direct placement/borrowings	36,286,646	39,513,164	934,385	1,245,847	37,221,031	40,759,011
Permium on long-term obligations	11,903,100	12,580,739	-	-	11,903,100	12,580,739
Leases	684,946	467,395	708	74	685,654	467,469
Subscriptions	1,058,175	-	81,168	-	1,139,343	-
Compensated absences	2,314,864	2,052,026	153,794	129,636	2,468,658	2,181,662
LGERS pension	19,386,173	5,276,377	1,260,889	378,298	20,647,062	5,654,675
LEOSSA pension	2,802,608	3,423,021	-	-	2,802,608	3,423,021
OPEB	9,721,143	12,838,039	632,269	920,442	10,353,412	13,758,481
Total	\$ 262,985,146	\$ 267,862,124	\$ 11,510,722	\$ 11,942,934	\$ 274,495,868	\$ 279,805,058

Chatham County's total general obligation bonds and other long-term obligations decreased by \$5,309,190 (1.9%) over the past fiscal year. The majority of this decrease can be attributed to 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 \$933,771,000.

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 2023 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 2021, the latest data available, Chatham County has the highest per capita income in the state, 35% higher than the state average.
- Chatham County's seasonally unadjusted unemployment rate (3.0% in June 2023, latest data available) continues to trend well below the state (3.6%).
- The County's FY 2024 property tax rate increased by 2 cents/\$100 valuation to a total of 68.5 cents/\$100 valuation.

- Total property values increased by 4.51%. Values for each part of the base are expected to increase/decrease as follows:
- Real property, a 3.60% increase, resulting from a robust real estate market in Chatham County that reflects demand outpacing supply of improved property, as well as development growth and significant additional commercial and industrial development.
- Personal property, an 11.08% increase, resulting from increases in business property listings.
- Public utility values, 4.04% increase; Utility values are provided by NC Department of Revenue.
- Motor vehicles, a 10.87% increase. Motor vehicle values are provided by the NC Department of Motor Vehicles (DMV).
- In FY 2023, locally collected sales tax (Article 39), which is distributed based on where collected, grew by 13% compared to 9% statewide growth. Locally, FY 2023 sales tax revenues (Articles 39 and 42) were both trending roughly 12% above FY 2022, compared with 8% 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 \$3.2 million in FY 2024.
- FY 2023 building permit revenue was estimated to increase 2% over the prior year due to continued growth within the county, which was projected to be somewhat impacted by increasing interest rates leading to slower residential development. However, several commercial and industrial projects began development in FY 2023 and new permit issuance increased substantially, and the actual collection increased by 55% over the prior year. Register of Deeds stamps, which are paid when properties are sold within the County, collected 97.7% of the FY 2023 budgeted amount (2.3% under budget), with an estimated 1.45 million by year-end. Building and real estate activity in Chatham is expected to continue to show growth, with several commercial/industrial projects underway and modest residential growth continuing.

#### **Budget Highlights for the Fiscal Year Ending June 30, 2024**

- **Governmental Activities:** Chatham's FY 2024 budget preparations began during an exciting and eventful time for the county; just prior to the beginning of the current fiscal year, VinFast announced that they would be locating their US production facility in Chatham County at the Triangle Innovation Point (TIP) megasite and shortly after the beginning of the current fiscal year, Wolfspeed announced that they would be building a new semi-conductor plant in Chatham County at the Chatham Advanced Manufacturing (CAM) megasite. These are two of the largest economic development projects in the history of the state of North Carolina and we are excited about the opportunities that these projects will create for residents of Chatham County. We continue to be hopeful for the future and believe that Chatham County is well positioned for continued success. As a County, we must look to the future and the challenges and opportunities that it will provide. The rapid growth and development we have long anticipated has arrived. While there has been some slowdown in residential growth recently, there has been a marked increase in commercial development. The budget reflects the enhanced and expanded services necessary to meet the needs of a growing population, 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 \$4,995,200. Current expense will increase by \$3,355,200 in order to fund the state salary adjustments that were provided to Schools staff in the most recent budget, address the compression issues that arose as a result of those changes, and the expectation of additional increases in the upcoming budget. An additional \$1,640,000 will be added to teacher pay supplement costs as a result of the state salary adjustments and addressing compression issues. This budget funds the "hybrid" supplement model for a second year, where teachers will receive a set amount of salary supplement based on years of service and education as well as a small percentage of their total salary (percent also based on years of service and education). This model will allow the County and School System to have greater flexibility in addressing needed changes to the supplement funding level while reducing the impact that external factors, primarily state budget changes, will have on our ability to maintain our competitive supplement funding model. Our goal for the teacher supplement is to maintain Chatham's standing as fifth in our region. This year Chatham was surpassed only by the much larger Wake, Chapel Hill, Durham and Orange districts.
- The County continues 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 2024. The program requires \$260,000 in FY 2023.
- The FY 2024 budget includes \$2.4 million to fund thirty-two additional positions (both full and part-time) to meet current and future workload demand; three multi-trade building inspectors; one inspections supervisor; one senior administrative support specialist; one transportation planner; one farmland preservation coordinator; one business retention and expansion manager; one elections specialist; one elections machine technician; one tax appraiser; one tax appraisal technician; one tax paralegal; two maintenance workers; one lead maintenance worker; one event services assistant; one intergovernmental affairs manager; one substance abuse counselor; one parenting education counselor; one adult services & intake supervisor; one foster home licensing social worker; one Medicaid program manager; eight positions related to Medicaid expansion; one arts program director; one park technician; one utility service technician; one assistant water treatment plant manager; one water treatment plant maintenance technician/operation; and one solid waste & recycling program coordinator.

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

- An additional \$145,000 is recommended for a touchless body scanner at the Detention Center. This scanner will allow the Sheriff's Office staff to better and more safely perform the necessary security checks on detainees entering the facility.
- Funds are included for the addition of inmate dental care as part of the Detention Center's medical contract. Dental issues can often lead to far greater health concerns and the implementation of this program will hopefully help to further reduce the chance of any significant medical events occurring within the Detention Center.
- An additional \$45,601 is included for the implementation of the NeoGov employee management software. This software will allow for residents to more easily apply for County jobs as well as provide Human Resources with important data that is used for reporting. Additionally, the software will help to update the County's onboarding and training with the implementation of an electronic workflow for employee onboarding and a learning management system for online annual training requirements.

- Additional funds are included for Chatham Trades in order to allow them to increase the salaries of their current employees and to hire 3 additional direct service professionals (DSP). This \$85,000 would allow Chatham Trades to increase all of their employees to a minimum of \$15/hour, with incremental increases for those above \$15/hour, and allow them to move closer to their goal of 1:6 DSP to consumer.
- An additional \$280,000 is recommended for the implementation of countywide LiDAR (light detection and ranging or laser imaging, detection, and ranging) for Chatham County. This project will update the current county LiDAR (last updated as part of a state LiDAR acquisition project in 2015) and will allow for more frequent data updates. Given the rapid development that is occurring within the County, having GIS mapping data that is updated more frequently can help track adherence to the development objectives outlined in the comprehensive plan.
- The Elections Office will move from their current office location to space in the County-owned Performance Building. The space is currently vacant, but will need to be renovated to meet the needs of Elections - \$500,000 is budgeted for the renovation and relocation project.
- An additional \$71,515 is included to replace the bridge at Northeast Park and the dock at Northwest Park, both of these items are at the end of their life cycle and need to be replaced to ensure the safety of park visitors and 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/](http://www.chathamcountync.gov/) for more information.

## **BASIC FINANCIAL STATEMENTS**

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CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2023

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 171,335,222	\$ 34,971,336	\$ 206,306,558	\$ 827,732
Property taxes receivable, net	1,280,513	-	1,280,513	-
Accounts receivable, net	2,067,512	3,651,821	5,719,333	-
Due from other governments	10,865,885	76,297	10,942,182	-
Lease receivable	1,212,495	-	1,212,495	-
Other receivables	-	222,024	222,024	-
Inventories	-	-	-	1,154,210
Prepaid items	-	-	-	46,110
Cash - restricted	11,184,180	511,591	11,695,771	-
Receivables, non-current	3,327,170	-	3,327,170	-
Net pension asset	109,210	-	109,210	-
Capital assets:				
Right to use leased asset, net of amortization	1,906,970	87,341	1,994,311	1,648,297
Land, improvements and construction in progress	61,740,842	11,948,003	73,688,845	206,623
Other capital assets, net of depreciation	79,910,347	38,689,442	118,599,789	2,474,730
Total capital assets	143,558,159	50,724,786	194,282,945	4,329,650
Total assets	344,940,346	90,157,855	435,098,201	6,357,702
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	13,678,942	833,805	14,512,747	357,690
OPEB deferrals	4,256,450	276,842	4,533,292	-
Charge on refunding	1,442,046	-	1,442,046	-
Total deferred outflows of resources	19,377,438	1,110,647	20,488,085	357,690
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	5,998,467	671,514	6,669,981	688,494
Liabilities to be paid from restricted assets	1,015,691	511,591	1,527,282	-
Unavailable revenues	4,321,767	-	4,321,767	-
Due to other governments	54,955	-	54,955	-
Total current liabilities	11,390,880	1,183,105	12,573,985	688,494
Long-term liabilities:				
Due within one year	20,045,486	1,360,631	21,406,117	370,142
Due in more than one year	242,939,660	10,150,091	253,089,751	3,660,570
Total long-term liabilities	262,985,146	11,510,722	274,495,868	4,030,712
Total liabilities	274,376,026	12,693,827	287,069,853	4,719,206
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	1,295,460	23,179	1,318,639	1,923
OPEB deferrals	3,775,169	245,539	4,020,708	-
Leases	1,153,438	-	1,153,438	-
Prepaid taxes	402,476	-	402,476	-
Total deferred inflows of resources	6,626,543	268,718	6,895,261	1,923

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2023

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Net Position:</b>				
Net investment in capital assets	56,918,805	41,261,016	98,179,821	853,893
Restricted for:				
Stabilization by state statute	12,053,528	-	12,053,528	-
Register of Deeds' pension plan	188,998	-	188,998	-
Courthouse clock	72,667	-	72,667	-
Emergency telephone	391,483	-	391,483	-
Economic development	15,323	-	15,323	-
Fire protection	771,344	-	771,344	-
Human services	112,927	-	112,927	-
Law enforcement	299,011	-	299,011	-
Working capital	-	-	-	267,113
Unrestricted	12,491,129	37,044,941	49,536,070	873,257
Total net position	<u>\$ 83,315,215</u>	<u>\$ 78,305,957</u>	<u>\$ 161,621,172</u>	<u>\$ 1,994,263</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, 2023

Functions / Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ 22,450,287	\$ 2,189,254	\$ 11,806,490	\$ -
Public safety	41,687,979	3,753,197	2,627,842	-
Economic and physical development	4,692,779	734,709	84,678	-
Human services	18,575,711	836,999	12,942,692	-
Cultural and recreational	3,472,876	188,857	332,725	-
Education	50,602,853	2,361,925	-	-
Interest on long-term debt	8,444,658	-	-	-
Total governmental activities	<u>149,927,143</u>	<u>10,064,941</u>	<u>27,794,427</u>	<u>-</u>
<b>Business-Type Activities:</b>				
Utility	8,380,829	8,195,960	112,241	-
Southeast sater district	764,437	841,310	-	-
Solid waste management	4,094,937	3,707,649	258,157	-
Total business-type activities	<u>13,240,203</u>	<u>12,744,919</u>	<u>370,398</u>	<u>-</u>
Total primary government	<u>\$ 163,167,346</u>	<u>\$ 22,809,860</u>	<u>\$ 28,164,825</u>	<u>\$ -</u>
<b>Component Unit:</b>				
Chatham County Board of Alcoholic Beverage Control	\$ 6,960,971	\$ 6,944,930	\$ -	\$ -

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

Functions / Programs	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Chatham
	Governmental Activities	Business Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (8,454,543)	\$ -	\$ (8,454,543)	
Public safety	(34,896,530)	-	(34,896,530)	
Economic and physical development	(3,873,392)	-	(3,873,392)	
Human services	(4,796,020)	-	(4,796,020)	
Cultural and recreational	(2,951,294)	-	(2,951,294)	
Education	(48,240,928)	-	(48,240,928)	
Interest on long-term debt	(8,855,068)	-	(8,855,068)	
Total governmental activities	<u>(112,067,775)</u>	<u>-</u>	<u>(112,067,775)</u>	
<b>Business-Type Activities:</b>				
Utility	-	(72,628)	(72,628)	
Southeast water district	-	76,873	76,873	
Solid waste management	-	(129,131)	(129,131)	
Total business-type activities	<u>-</u>	<u>(124,886)</u>	<u>(124,886)</u>	
Total primary government	<u>(112,067,775)</u>	<u>(124,886)</u>	<u>(112,192,661)</u>	
<b>Component Unit:</b>				
Chatham County Board of Alcoholic Beverage Control				\$ <u>(16,041)</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purposes	110,557,782	-	110,557,782	-
Local option sales tax	28,513,275	-	28,513,275	-
Other taxes	1,698,749	-	1,698,749	-
Grants and contributions not restricted	5,634,962	-	5,634,962	-
Unrestricted investment earnings	3,579,833	818,388	4,398,221	1,836
Miscellaneous	683,557	47,672	731,229	82
Total general revenues	<u>150,668,158</u>	<u>866,060</u>	<u>151,534,218</u>	<u>1,918</u>
Change in net position	38,600,383	741,174	39,341,557	(14,123)
<b>Net Position:</b>				
Net position, beginning	<u>44,714,832</u>	<u>77,564,783</u>	<u>122,279,615</u>	<u>2,008,386</u>
Net position, ending	<u>\$ 83,315,215</u>	<u>\$ 78,305,957</u>	<u>\$ 161,621,172</u>	<u>\$ 1,994,263</u>

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	<b>Major Funds</b>				
	<b>General</b>	<b>American Rescue Plan</b>	<b>Opioid Settlement Fund</b>	<b>Capital Reserve</b>	<b>Capital Improvements Project Reserve</b>
<b>Assets:</b>					
Cash, cash equivalents, and investments	\$ 61,349,979	\$ -	\$ -	\$ 25,032,049	\$ 42,748,148
Cash - restricted	1,693,649	4,321,767	366,588	-	-
Property taxes receivable, net	1,120,371	-	-	-	-
Due from other governments	10,713,625	-	-	-	-
Lease receivables	1,212,495	-	-	-	-
Other receivables	980,628	-	3,904,108	111,437	243,147
Total assets	<u>\$ 77,070,747</u>	<u>\$ 4,321,767</u>	<u>\$ 4,270,696</u>	<u>\$ 25,143,486</u>	<u>\$ 42,991,295</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 3,708,727	\$ -	\$ 2,701	\$ -	\$ -
Liabilities to be paid from restricted assets	1,015,691	-	-	-	-
Unearned revenues	-	4,321,767	-	-	-
Due to other governments	54,955	-	-	-	-
Total liabilities	<u>4,779,373</u>	<u>4,321,767</u>	<u>2,701</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	384,581	-	-	-	-
Leases	1,153,438	-	-	-	-
Unavailable revenues	-	-	3,902,036	-	-
Property taxes receivable	1,120,371	-	-	-	-
Health clinic receivable	224,280	-	-	-	-
Total deferred inflows of resources	<u>2,882,670</u>	<u>-</u>	<u>3,902,036</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Leases	59,057	-	-	-	-
<b>Restricted:</b>					
Stabilization by state statute	11,469,973	-	-	111,437	243,147
Courthouse clock	-	-	-	-	-
Capital projects	-	-	-	-	-
Emergency telephone	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Fire protection	-	-	-	-	-
Human services	-	-	-	-	-
Law enforcement	-	-	-	-	-
<b>Committed:</b>					
LEO Special Separation Allowance	1,062,587	-	-	-	-
Tax revaluation	635,094	-	-	-	-
Housing trust	633,076	-	-	-	-
Recreation	968,553	-	-	-	-
Land preservation	968,553	-	-	-	-
Capital projects	-	-	365,959	-	42,748,148

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Facilities Improvements</u>	<u>School Construction Fund</u>	<u>Total Nonmajor Funds</u>	
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 12,698,570	\$ 1,975,275	\$ 15,403,664	\$ 159,207,685
Cash - restricted	4,802,176	-	-	11,184,180
Property taxes receivable, net	-	-	160,142	1,280,513
Due from other governments	-	-	152,260	10,865,885
Lease receivables	-	-	-	1,212,495
Other receivables	-	18	76,693	5,316,031
Total assets	<u>\$ 17,500,746</u>	<u>\$ 1,975,293</u>	<u>\$ 15,792,759</u>	<u>\$ 189,066,789</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 309,988	\$ 1,386	\$ 122,217	\$ 4,145,019
Liabilities to be paid from restricted assets	-	-	-	1,015,691
Unearned revenues	-	-	-	4,321,767
Due to other governments	-	-	-	54,955
Total liabilities	<u>309,988</u>	<u>1,386</u>	<u>122,217</u>	<u>9,537,432</u>
<b>Deferred Inflows of Resources:</b>				
Prepaid taxes	-	-	17,895	402,476
Leases	-	-	-	1,153,438
Unavailable revenues	-	-	-	3,902,036
Property taxes receivable	-	-	160,142	1,280,513
Health clinic receivable	-	-	-	224,280
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>178,037</u>	<u>6,962,743</u>
<b>Fund Balances:</b>				
Nonspendable:				
Leases	-	-	-	59,057
Restricted:				
Stabilization by state statute	-	18	228,953	12,053,528
Courthouse clock	-	-	72,667	72,667
Capital projects	4,802,176	-	-	4,802,176
Emergency telephone	-	-	391,483	391,483
Economic and physical development	-	-	15,323	15,323
Fire protection	-	-	771,344	771,344
Human services	-	-	112,927	112,927
Law enforcement	-	-	299,011	299,011
Committed:				
LEO Special Separation Allowance	-	-	-	1,062,587
Tax revaluation	-	-	-	635,094
Housing trust	-	-	-	633,076
Recreation	-	-	-	968,553
Land preservation	-	-	-	968,553
Capital projects	12,388,582	1,973,889	-	57,476,578

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2023

	<b>Major Funds</b>				
	<b>General</b>	<b>American Rescue Plan</b>	<b>Opioid Settlement Fund</b>	<b>Capital Reserve</b>	<b>Capital Improvements Project Reserve</b>
Assigned:					
Subsequent year's expenditures	9,000,000	-	-	-	-
General government	-	-	-	25,032,049	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Unassigned	<u>44,611,811</u>	-	-	-	-
Total fund balances	<u>69,408,704</u>	-	<u>365,959</u>	<u>25,143,486</u>	<u>42,991,295</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 77,070,747</u>	<u>\$ 4,321,767</u>	<u>\$ 4,270,696</u>	<u>\$ 25,143,486</u>	<u>\$ 42,991,295</u>

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

**CHATHAM COUNTY, NORTH CAROLINA**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**JUNE 30, 2023**

	<b>Major Funds</b>			
	<b>Facilities Improvements</b>	<b>School Construction Fund</b>	<b>Total Nonmajor Funds</b>	<b>Total Governmental Funds</b>
Assigned:				
Subsequent year's expenditures	-	-	-	9,000,000
General government	-	-	126,420	25,158,469
Public safety	-	-	129,499	129,499
Education	-	-	8,485,565	8,485,565
Cultural and recreation	-	-	4,859,313	4,859,313
Unassigned	-	-	-	44,611,811
Total fund balances	<u>17,190,758</u>	<u>1,973,907</u>	<u>15,492,505</u>	<u>172,566,614</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 17,500,746</u>	<u>\$ 1,975,293</u>	<u>\$ 15,792,759</u>	<u>\$ 189,066,789</u>
				<b>Total Governmental Funds</b>
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A) are different because:				
Total fund balance - governmental funds				\$ 172,566,614
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				141,651,189
Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				1,906,970
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.				11,782,187
Charges related to advance refunding bond issue				1,442,046
Net pension asset				109,210
Pension related deferred outflows				13,678,942
OPEB related deferred outflows				4,256,450
Net pension liability - LGERS				(19,386,173)
Total pension liability - LEOSSA				(2,802,608)
Net OPEB liability				(9,721,143)
Deferred inflows of resources for taxes and other receivables				5,406,829
Pension related deferred inflows				(1,295,460)
OPEB related deferred inflows				(3,775,169)
Compensated absences not expected to be materially liquidated with expendable available resources.				(2,314,864)
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.				(230,189,805)
Net position of governmental activities				<u>\$ 83,315,215</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, 2023

	Major Funds				
	General	American Rescue Plan	Opioid Settlement Fund	Capital Reserve	Capital Improvement Project Reserve
<b>Revenues:</b>					
Ad valorem taxes	\$ 96,757,366	\$ -	\$ -	\$ -	\$ -
Local option sales tax	28,513,275	-	-	-	-
Other taxes	1,698,749	-	-	-	-
Unrestricted intergovernmental	5,634,962	-	-	-	-
Restricted intergovernmental	10,478,835	10,074,542	376,988	-	656,640
Permits and fees	3,962,382	-	-	-	-
Sales and services	2,614,876	-	-	-	-
Investment earnings	920,002	-	7,413	398,436	871,292
Other general revenues	1,409,741	-	-	-	-
Total revenues	<u>151,990,188</u>	<u>10,074,542</u>	<u>384,401</u>	<u>398,436</u>	<u>1,527,932</u>
<b>Expenditures:</b>					
Current:					
General government	15,590,045	-	-	-	-
Public safety	27,635,193	74,542	-	-	-
Economic and physical development	5,532,311	-	-	-	-
Human services	19,537,198	-	18,442	-	-
Cultural and recreational	3,348,878	-	-	-	-
Intergovernmental:					
Education	42,835,407	-	-	-	-
Debt service:					
Principal retirement	16,839,472	-	-	-	-
Interest and fees	8,978,757	-	-	-	-
Total expenditures	<u>140,297,261</u>	<u>74,542</u>	<u>18,442</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>11,692,927</u>	<u>10,000,000</u>	<u>365,959</u>	<u>398,436</u>	<u>1,527,932</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	26,810,668	-	-	6,424,205	16,322,562
Transfers (to) other funds	<u>(27,873,985)</u>	<u>(10,000,000)</u>	<u>-</u>	<u>(622,230)</u>	<u>(17,013,553)</u>
Total transfers from (to) other funds	<u>(1,063,317)</u>	<u>(10,000,000)</u>	<u>-</u>	<u>5,801,975</u>	<u>(690,991)</u>
Debt proceeds:					
Subscription liability issued	1,643,738	-	-	-	-
Lease liability issued	410,410	-	-	-	-
Total proceeds	<u>2,054,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>990,831</u>	<u>(10,000,000)</u>	<u>-</u>	<u>5,801,975</u>	<u>(690,991)</u>
Net change in fund balances	12,683,758	-	365,959	6,200,411	836,941
<b>Fund Balances:</b>					
Fund balances, beginning	<u>56,724,946</u>	<u>-</u>	<u>-</u>	<u>18,943,075</u>	<u>42,154,354</u>
Fund balances, ending	<u>\$ 69,408,704</u>	<u>\$ -</u>	<u>\$ 365,959</u>	<u>\$ 25,143,486</u>	<u>\$ 42,991,295</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, 2023

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>Facilities Improvement Projects</u>	<u>School Construction Fund</u>	<u>Total Nonmajor Funds</u>	
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ 13,721,437	\$ 110,478,803
Local option sales tax	-	-	-	28,513,275
Other taxes	-	-	-	1,698,749
Unrestricted intergovernmental	-	-	-	5,634,962
Restricted intergovernmental	-	33,615	1,252,201	22,872,821
Permits and fees	-	-	2,401,251	6,363,633
Sales and services	-	-	-	2,614,876
Investment earnings	819,962	269	315,178	3,332,552
Other general revenues	75,000	-	-	1,484,741
Total revenues	<u>894,962</u>	<u>33,884</u>	<u>17,690,067</u>	<u>182,994,412</u>
<b>Expenditures:</b>				
Current:				
General government	290,062	-	17,000	15,897,107
Public safety	8,829,676	-	14,373,936	50,913,347
Economic and physical development	-	-	-	5,532,311
Human services	-	-	215,054	19,770,694
Cultural and recreational	-	-	306,966	3,655,844
Intergovernmental:				
Education	295,844	7,878,347	270,894	51,280,492
Debt service:				
Principal retirement	-	-	-	16,839,472
Interest and fees	-	-	-	8,978,757
Total expenditures	<u>9,415,582</u>	<u>7,878,347</u>	<u>15,183,850</u>	<u>172,868,024</u>
Revenues over (under) expenditures	<u>(8,520,620)</u>	<u>(7,844,463)</u>	<u>2,506,217</u>	<u>10,126,388</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	2,563,590	1,815,481	3,431,244	57,367,750
Transfers (to) other funds	-	-	(1,857,982)	(57,367,750)
Total transfers from (to) other funds	<u>2,563,590</u>	<u>1,815,481</u>	<u>1,573,262</u>	<u>-</u>
Debt proceeds:				
Subscription liability issued	-	-	-	1,643,738
Lease liability issued	-	-	-	410,410
Total proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,054,148</u>
Total other financing sources (uses)	<u>2,563,590</u>	<u>1,815,481</u>	<u>1,573,262</u>	<u>2,054,148</u>
Net change in fund balances	(5,957,030)	(6,028,982)	4,079,479	12,180,536
<b>Fund Balances:</b>				
Fund balances, beginning	23,147,788	8,002,889	11,413,026	160,386,078
Fund balances, ending	<u>\$ 17,190,758</u>	<u>\$ 1,973,907</u>	<u>\$ 15,492,505</u>	<u>\$ 172,566,614</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, 2023

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

Net changes in fund balances - total governmental funds	\$ 12,180,536
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	14,278,567
Current year's depreciation/amortization	(4,996,591)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	770,045
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	17,517,111
Increase in accrued interest payable	123,689
Debt proceeds, lease proceeds, subscription proceeds and premium	(2,054,148)
Deferred charge on refunding	(106,365)
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	(262,838)
OPEB plan expense	(1,588,506)
Contributions to pension plan in the current fiscal year	3,741,303
Pension expense - LGERS	(5,404,651)
Pension expense - ROD	(20,750)
Pension expense - LEOSA	(1,110,133)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.	4,199,401
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.	<u>1,333,713</u>
Total change in net position of governmental activities	<u>\$ 38,600,383</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 - BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 94,627,948	\$ 95,827,948	\$ 96,757,366	\$ 929,418
Local option sales tax	23,810,468	23,810,468	28,513,275	4,702,807
Other taxes	1,667,758	1,702,758	1,698,749	(4,009)
Unrestricted intergovernmental	3,544,784	5,244,784	5,634,962	390,178
Restricted intergovernmental	7,437,762	9,875,402	10,478,835	603,433
Permits and fees	2,344,600	2,644,600	3,962,382	1,317,782
Sales and services	2,785,640	2,801,947	2,614,876	(187,071)
Investment earnings	150,000	150,000	778,109	628,109
Other general revenues	1,186,758	1,237,216	1,409,741	172,525
Total revenues	<u>137,555,718</u>	<u>143,295,123</u>	<u>151,848,295</u>	<u>8,553,172</u>
<b>Expenditures:</b>				
General government	16,363,022	23,071,286	15,378,062	7,693,224
Public safety	30,121,212	31,304,151	27,734,150	3,570,001
Economic and physical development	4,996,094	6,051,420	4,788,964	1,262,456
Human services	21,166,093	23,867,811	19,537,198	4,330,613
Cultural and recreational	3,409,864	4,428,674	3,348,878	1,079,796
Intergovernmental:				
Education	42,928,160	43,053,160	42,835,407	217,753
Debt service:				
Principal retirement	16,110,391	16,839,473	16,839,472	1
Interest and fees	8,891,789	8,985,981	8,978,757	7,224
Total expenditures	<u>143,986,625</u>	<u>157,601,956</u>	<u>139,440,888</u>	<u>18,161,068</u>
Revenues over (under) expenditures	<u>(6,430,907)</u>	<u>(14,306,833)</u>	<u>12,407,407</u>	<u>26,714,240</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	22,352,180	33,143,872	26,810,668	(6,333,204)
Transfers to other funds	(20,858,474)	(30,283,060)	(30,260,650)	22,410
Total transfers	<u>1,493,706</u>	<u>2,860,812</u>	<u>(3,449,982)</u>	<u>(6,310,794)</u>
Refunding bonds:				
Subscription liability issued	-	1,643,738	1,643,738	-
Lease liability issued	-	410,410	410,410	-
Total proceeds	<u>-</u>	<u>2,054,148</u>	<u>2,054,148</u>	<u>-</u>
Total other financing sources (uses)	<u>1,493,706</u>	<u>4,914,960</u>	<u>(1,395,834)</u>	<u>(6,310,794)</u>
Appropriated fund balance	<u>4,937,201</u>	<u>9,391,873</u>	<u>-</u>	<u>(9,391,873)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>11,011,573</u>	<u>\$ 11,011,573</u>
<b>Fund Balances:</b>				
Fund balance, beginning			<u>50,033,383</u>	
Fund balance, ending			<u>\$ 61,044,956</u>	

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

**CHATHAM COUNTY, NORTH CAROLINA**

**OPIOID SETTLEMENT FUND - MAJOR FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>2023</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 2,907,865	\$ 2,907,865	\$ 376,988	\$ (2,530,877)
Investment earnings	-	-	7,413	7,413
Total revenues	<u>2,907,865</u>	<u>2,907,865</u>	<u>384,401</u>	<u>(2,523,464)</u>
<b>Expenditures:</b>				
Human services	<u>2,907,865</u>	<u>2,907,865</u>	<u>18,442</u>	<u>2,889,423</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	365,959	<u>\$ 365,959</u>
<b>Fund Balance:</b>				
Fund balance, beginning			-	
Fund balance, ending			<u>\$ 365,959</u>	

## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2023

	Business-Type Activities - Enterprise			Governmental Activities	
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
<b>Assets:</b>					
Current assets:					
Cash, cash equivalents, and investments	\$ 27,383,680	\$ 628,627	\$ 6,959,029	\$ 34,971,336	\$ 12,127,537
Cash - restricted	471,601	39,990	-	511,591	-
Receivables, net	3,295,272	305,273	51,276	3,651,821	8,272
Due from other governments	13,702	-	62,595	76,297	-
Other receivables	165,523	6,347	50,154	222,024	70,379
Total current assets	31,329,778	980,237	7,123,054	39,433,069	12,206,188
Non-current assets:					
Capital assets:					
Right to use assets, net of amortization	32,737	-	54,604	87,341	-
Land, improvements, and construction in progress	11,452,498	-	495,505	11,948,003	-
Other capital assets, net of depreciation and amortization	32,721,962	4,032,003	1,935,477	38,689,442	-
Total capital assets, net	44,207,197	4,032,003	2,485,586	50,724,786	-
Total non-current assets	44,207,197	4,032,003	2,485,586	50,724,786	-
Total assets	75,536,975	5,012,240	9,608,640	90,157,855	12,206,188
<b>Deferred Outflows of Resources:</b>					
Pension deferrals	521,128	-	312,677	833,805	-
OPEB deferrals	173,026	-	103,816	276,842	-
Total deferred outflows of resources	694,154	-	416,493	1,110,647	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	560,408	13,617	97,489	671,514	424,001
Liabilities to be paid from restricted assets	471,601	39,990	-	511,591	-
Compensated absences payable	83,526	-	70,268	153,794	-
General obligation bonds payable	-	60,000	-	60,000	-
Revenue bonds payable	-	38,000	-	38,000	-
Total OPEB liability payable	11,621	-	6,973	18,594	-
Direct borrowings	311,462	-	-	311,462	-
Other long-term borrowings	762,914	-	15,867	778,781	-
Total current liabilities	2,201,532	151,607	190,597	2,543,736	424,001
Non-current liabilities:					
Net pension liability	788,056	-	472,833	1,260,889	-
Total OPEB liability	383,547	-	230,128	613,675	-
General obligation bonds payable	-	2,575,000	-	2,575,000	-
Revenue bonds payable	-	1,482,000	-	1,482,000	-
Direct borrowings	622,923	-	-	622,923	-
Other long-term borrowings	3,558,573	-	37,031	3,595,604	-
Total non-current liabilities	5,353,099	4,057,000	739,992	10,150,091	-
Total liabilities	7,554,631	4,208,607	930,589	12,693,827	424,001
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	14,487	-	8,692	23,179	-
OPEB deferrals	153,462	-	92,077	245,539	-
Total deferred inflows of resources	167,949	-	100,769	268,718	-
<b>Net Position:</b>					
Net investment in capital assets	38,951,325	(122,997)	2,432,688	41,261,016	-
Unrestricted	29,557,224	926,630	6,561,087	37,044,941	11,782,187
Total net position	\$ 68,508,549	\$ 803,633	\$ 8,993,775	\$ 78,305,957	\$ 11,782,187

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, 2023

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
<b>Operating Revenues:</b>					
Charges for services	\$ 8,195,960	\$ 841,310	\$ 3,707,649	\$ 12,744,919	\$ 8,869,986
Other operating revenues	109,357	-	-	109,357	-
Total operating revenues	<u>8,305,317</u>	<u>841,310</u>	<u>3,707,649</u>	<u>12,854,276</u>	<u>8,869,986</u>
<b>Operating Expenses:</b>					
Operating expenses	6,874,212	498,110	3,795,816	11,168,138	7,783,554
Depreciation and amortization	1,244,966	106,339	299,121	1,650,426	-
Total operating expenses	<u>8,119,178</u>	<u>604,449</u>	<u>4,094,937</u>	<u>12,818,564</u>	<u>7,783,554</u>
Operating income (loss)	<u>186,139</u>	<u>236,861</u>	<u>(387,288)</u>	<u>35,712</u>	<u>1,086,432</u>
<b>Non-Operating Revenues (Expenses):</b>					
Investment earnings	641,849	28,031	148,508	818,388	247,281
Interest and other charges	(261,651)	(159,988)	-	(421,639)	-
Gain on disposal of assets	7,819	-	39,853	47,672	-
Other grants and revenue	2,884	-	258,157	261,041	-
Total non-operating revenues (expenses)	<u>390,901</u>	<u>(131,957)</u>	<u>446,518</u>	<u>705,462</u>	<u>247,281</u>
Change in net position	577,040	104,904	59,230	741,174	1,333,713
<b>Net Position:</b>					
Beginning of year - July 1	<u>67,931,509</u>	<u>698,729</u>	<u>8,934,545</u>	<u>77,564,783</u>	<u>10,448,474</u>
End of year - June 30	<u>\$ 68,508,549</u>	<u>\$ 803,633</u>	<u>\$ 8,993,775</u>	<u>\$ 78,305,957</u>	<u>\$ 11,782,187</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, 2023

	Business-Type Activities - Enterprise				Governmental Activities
	Utility	Southeast Water District	Solid Waste and Recycling	Total	Self-Insurance Internal Service
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers	\$ 8,339,056	\$ 819,469	\$ 3,750,084	\$ 12,908,609	\$ 8,867,289
Cash paid for goods and services	(4,715,484)	(498,119)	(1,898,101)	(7,111,704)	(7,784,982)
Cash paid to or on behalf of employees for services	(2,185,969)	-	(1,846,650)	(4,032,619)	-
Customer deposits	22,277	1,535	-	23,812	-
Net cash provided (used) by operating activities	1,459,880	322,885	5,333	1,788,098	1,082,307
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Intergovernmental non-operating revenues/transfers received	10,703	-	294,076	304,779	-
Net cash provided (used) by non-capital financing activities	10,703	-	294,076	304,779	-
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(1,474,940)	-	(342,576)	(1,817,516)	-
Proceeds from capital debt	43,809	-	69,657	113,466	-
Principal paid on bonds, notes and capital leases	(1,052,421)	(95,000)	(16,786)	(1,164,207)	-
Interest paid on bonds, notes and capital leases	(261,651)	(159,988)	-	(421,639)	-
Net cash provided (used) by capital and related financing activities	(2,745,203)	(254,988)	(289,705)	(3,289,896)	-
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	514,978	23,346	116,516	654,840	190,327
Net increase (decrease) in cash and cash equivalents	(759,642)	91,243	126,220	(542,179)	1,272,634
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	28,614,923	577,374	6,832,809	36,025,106	10,854,903
End of year - June 30	\$ 27,855,281	\$ 668,617	\$ 6,959,029	\$ 35,482,927	\$ 12,127,537
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 186,139	\$ 236,861	\$ (387,288)	\$ 35,712	\$ 1,086,432
<b>Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation and amortization	1,244,966	106,339	299,121	1,650,426	-
Changes in assets and liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	33,739	(21,841)	42,435	54,333	(2,697)
(Increase) decrease in deferred outflows of resources - pension	(161,282)	-	(107,413)	(268,695)	-
(Increase) decrease in deferred outflows of resources - OPEB	72,214	-	36,074	108,288	-
Increase (decrease) in net pension liability	547,167	-	335,424	882,591	-
Increase (decrease) in OPEB liability	(190,943)	-	(97,230)	(288,173)	-
Increase (decrease) in deferred inflows of resources - pensions	145,017	-	87,259	232,276	-
Increase (decrease) in deferred inflows of resources - OPEB	(339,689)	-	(193,338)	(533,027)	-
Increase (decrease) in accounts payable and accrued liabilities	(98,232)	(9)	(35,362)	(133,603)	(1,428)
Increase (decrease) in customer deposits	22,277	1,535	-	23,812	-
Increase (decrease) in accrued vacation pay	(1,493)	-	25,651	24,158	-
Total adjustments	1,273,741	86,024	392,621	1,752,386	(4,125)
Net cash provided (used) by operating activities	\$ 1,459,880	\$ 322,885	\$ 5,333	\$ 1,788,098	\$ 1,082,307
<b>Non-Cash Investing and Capital Activities:</b>					
Right-to-use asset acquired in exchange for lease liability	\$ 43,809	\$ -	\$ 69,657	\$ 113,466	\$ -

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, 2023**

	<u>Custodial Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 64,835
Taxes receivable for other governments, net	83,321
Other receivables	6
Due from other governments	<u>97,952</u>
Total assets	<u>246,114</u>
<b>Liabilities:</b>	
Due to other governments	<u>157,011</u>
<b>Net Position:</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>89,103</u>
Total net position	<u>\$ 89,103</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, 2023**

	<u>Custodial Funds</u>
<b>Additions:</b>	
Ad valorem taxes for other governments	\$ 12,116,264
Collections on behalf of inmates	<u>278,016</u>
Total assets	<u>12,394,280</u>
<b>Deductions:</b>	
Tax distributions to other governments	12,140,030
Payments on behalf of inmates	<u>299,140</u>
Total liabilities	<u>12,439,170</u>
Net increase (decrease) in fiduciary net position	(44,890)
<b>Net Position:</b>	
Net position, beginning	<u>133,993</u>
Net position, ending	<u><u>\$ 89,103</u></u>

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

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# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 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, 2023

### **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 nonmajor 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, Land Preservation 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, 2023

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

*School Construction 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.

*Opioid Settlement Fund.* This fund accounts for funds received from a nationwide settlement related to multiple opioid lawsuits.

*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, 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, 2023

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

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. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant areas where estimates are made are allowance for doubtful accounts and depreciation lives.

### **E. 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, 2023

State law [G.S. 159-30] 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), which consists of an SEC-registered money market mutual fund is reported at fair value. 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.

### **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 improvements and school construction 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 American Rescue Plan and opioid settlement funds are classified as restricted assets because their use must be expended in accordance with the agreements. 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.

<b>Restricted Cash</b>		
<b>Governmental Activities:</b>		
General Fund	Tax revaluation	\$ 677,958
	Customer deposits	66,598
	Financial guarantees	949,093
American Rescue Plan Fund	Unexpended grant proceeds	4,321,767
Opioid Settlement Fund	Unexpended settlement proceeds	366,588
Facilities Improvements Fund	Unexpended bond proceeds	<u>4,802,176</u>
Total governmental activities		<u>11,184,180</u>
<b>Business-Type Activities:</b>		
Utility Fund	Customer deposits	471,601
Southeast water district	Customer deposits	<u>39,990</u>
Total business-type activities		<u>511,591</u>
Total restricted cash		<u>\$ 11,695,771</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **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, 2022.

### **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. The inventory of the County's Enterprise Fund consists of materials and supplies held for consumption or resale. The cost of the inventory carried in the County's Enterprise Fund is recorded as an expense as it is consumed or sold.

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 County's capital assets also include certain right to use lease assets. The right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease 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 right to use subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus payments made to the SBITA vendor before commencement of the subscription term, plus capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The right to use subscription assets are amortized on a straight-line basis over the life of the related SBITA.

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

<b>Asset Class</b>	<b>Primary Government</b>	<b>ABC Board</b>
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. 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, unavailable revenues (reported only on the Balance Sheet of the Governmental Funds), pension related deferrals and OPEB related deferrals.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **10. 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.

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.

### **11. 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.

### **12. 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 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.

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

*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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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 \$188,998 and unexpended debt proceeds of \$4,802,176.

*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.

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

*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, 2023

### 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, Land Preservation Fund and 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	Land Preservation Fund	Law Enforcement Separation Allowance Fund	Total
Fund balance, ending - General Fund (Exhibit F)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,044,956
<b>Revenues:</b>						
Investment earnings	-	98,591	25,701	-	17,601	141,893
Other general revenues	-	-	-	-	225,000	225,000
Total revenues	-	98,591	25,701	-	242,601	366,893
<b>Expenditures:</b>						
General government	211,983	-	-	-	-	211,983
Public safety	-	-	-	-	126,043	126,043
Economic and physical development	-	48,923	694,424	-	-	743,347
Total expenditures	211,983	48,923	694,424	-	126,043	1,081,373
Revenues over (under) expenditures	(211,983)	49,668	(668,723)	-	116,558	(714,480)
<b>Other Financing Sources (Uses):</b>						
Transfers in	500,000	-	918,112	968,553	-	2,386,665
Revenues and other financing sources over (under) expenditures and other financing uses	288,017	49,668	249,389	968,553	116,558	1,672,185
<b>Fund Balance:</b>						
Beginning of year - July 1	347,077	4,805,326	588,392	-	950,768	6,691,563
End of year - June 30	\$ 635,094	\$ 4,854,994	\$ 837,781	\$ 968,553	\$ 1,067,326	8,363,748
Total ending fund balance (Exhibit D)						\$ 69,408,704

### 13. 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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been 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.

### **F. 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 \$(89,251,399) consists of the following:

Capital assets (net) used in governmental activities are not financial resources and are, therefore, not reported in the funds	\$ 141,651,189
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.	11,782,187
Charges related to advance refunding bond issue	1,442,046
Net pension asset	109,210
Right-to-use assets	1,906,970
Pension related deferred outflows	13,678,942
OPEB related deferred outflows	4,256,450
Pension related deferred inflows	(1,295,460)
OPEB related deferred inflows	(3,775,169)
Deferred inflows of resources for taxes and other receivables	5,406,829
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	(230,189,805)
Accrued interest payable	-
Compensated absences	(2,314,864)
Net pension liability - LGERS	(19,386,173)
Total pension liability - LEOSSA	(2,802,608)
Net OPEB liability	<u>(9,721,143)</u>
Total adjustment	<u>\$ (89,251,399)</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

#### 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 \$26,419,847 is comprised of the following:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 14,278,567
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	(4,996,591)
Cost of disposed capital asset not recorded in fund statements	770,045
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	(2,054,148)
Principal payment, payments to escrow agent and amortization on long-term debt	17,517,111
Increase in accrued interest payable	123,689
Deferred charge on refunding	(106,365)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	3,741,303
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.	
Compensated absences	(262,838)
OPEB plan expense	(1,588,506)
Pension expense:	
Local Government Employee Retirement System (LGERS)	(5,404,651)
Register of Deeds (LGERS-ROD)	(20,750)
Law Enforcement Officers Special Separation Allowance (LEOSSA)	(1,110,133)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded in the fund statements	4,199,401
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type	1,333,713
Total	\$ 26,419,847

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **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, 2023, the County's deposits had a carrying amount of \$4,629,197 and a bank balance of \$5,527,479. Of the bank balance, \$502,584 was covered by federal depository insurance and \$5,024,895 was covered by collateral held under the Pooling Method. The County had \$1,900 of cash on hand at year-end.

At June 30, 2023, the carrying amount of deposits for Chatham County ABC Board was \$716,285 and the bank balance was \$690,952. All of the bank balance was covered by federal depository insurance except for \$238,721.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 2. Investments

As of June 30, 2023, the County had the following investments and maturities:

<u>Investment Type</u>	Valuation	<u>Fair Value</u>	Less Than		
	Measurement <u>Method</u>		<u>6 Months</u>	<u>6-12 Months</u>	<u>1-5 Years</u>
US Government Agencies	Fair Value - Level 2	\$ 129,743,786	\$18,236,312	\$23,391,019	\$88,116,455
US Government Treasuries	Fair Value - Level 1	4,764,063	1,968,516	-	2,795,547
Commercial Paper	Fair Value - Level 2	14,220,006	13,260,583	959,423	-
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	64,708,212	64,708,212	-	-
<b>Total</b>		<u>\$ 213,436,067</u>	<u>\$ 98,173,623</u>	<u>\$ 24,350,442</u>	<u>\$ 90,912,002</u>

At June 30, 2023, the ABC Board had \$107,468 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, 2023, 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, 2023. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aa1 by Moody's Investors Service.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*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, 2023, 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 tries not to allow for an investment in one issuer in excess of 40% of the County’s total investments unless the maturity date range and interest rate provides a better return on investment. More than 5% of the County’s investments are in the following issuers:

	<b>Percent of Total Investments</b>
Federal Farm Credit Bank	20.16%
Federal Home Loan Bank	40.35%
Federal Home Loan Mortgage Corporation	18.26%
Federal National Mortgage Association	11.67%

### **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.

<b>Year Levied</b>	<b>Tax</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 5,495,227	\$ 1,799,693	\$ 7,294,920
2021	5,464,653	1,297,861	6,762,514
2022	6,262,499	923,768	7,186,267
2023	6,514,503	374,605	6,889,108
Total	\$ 23,736,882	\$ 4,395,927	\$ 28,132,809

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 4. Receivables

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

	<u>Taxes</u> <u>Receivable</u>	<u>Accounts</u> <u>Receivable</u>	<u>Interest</u> <u>Receivable</u>	<u>Lease</u> <u>Receivable</u>	<u>Due from</u> <u>Other</u> <u>Governments</u>
<b>Governmental Activities:</b>					
General	\$ 1,587,048	\$ 581,642	\$ 398,986	\$ 1,212,495	\$ 10,713,625
Other governmental	160,142	3,980,075	355,328	-	152,260
Internal service	-	8,272	70,379	-	-
Total	<u>1,747,190</u>	<u>4,569,989</u>	<u>824,693</u>	<u>1,212,495</u>	<u>10,865,885</u>
Allowance for doubtful accounts	<u>466,677</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>\$ 1,280,513</u>	<u>\$ 4,569,989</u>	<u>\$ 824,693</u>	<u>\$ 1,212,495</u>	<u>\$ 10,865,885</u>
<b>Business-Type Activities:</b>					
Utility	\$ -	\$ 3,644,945	\$ 161,100	\$ -	\$ 13,702
Southeast water district	-	331,818	6,347	-	-
Solid waste management	-	92,612	40,471	-	62,595
Total	<u>-</u>	<u>4,069,375</u>	<u>207,918</u>	<u>-</u>	<u>76,297</u>
Allowance for doubtful accounts	<u>-</u>	<u>403,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 3,665,927</u>	<u>\$ 207,918</u>	<u>\$ -</u>	<u>\$ 76,297</u>

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

<b>Governmental Activities:</b>	
Local option sales tax	\$ 7,472,082
Sales tax refunds	898,303
Motor vehicle tax	813,107
Federal and state grants	1,669,258
Other	13,135
Total governmental activities	<u>\$ 10,865,885</u>
<b>Business-Type Activities:</b>	
Solid waste disposal tax	\$ 16,318
White goods disposal tax	9,077
Scrap tire tax	37,200
Local municipalities	13,702
Total business-type activities	<u>\$ 76,297</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 5. Capital Assets

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

	<b>Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Balance</b>
	<b>July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>In (Out)</b>	<b>July 1, 2023</b>
<b>Non-Depreciable Assets:</b>					
Land	\$ 13,370,557	\$ -	\$ 6,539	\$ -	\$ 13,364,018
Construction in progress	38,722,259	9,654,565	-	(6,369,820)	42,007,004
Total	52,092,816	9,654,565	6,539	(6,369,820)	55,371,022
<b>Depreciable/Amortizable Assets:</b>					
Buildings	92,878,214	91,197	-	6,184,609	99,154,020
Equipment and vehicles	24,056,629	2,412,223	260,908	174,008	26,381,952
Right-to-use leased assets	615,122	410,409	153,267	-	872,264
Right-to-use subscription assets	-	1,710,173	-	-	1,710,173
Total	117,549,965	4,624,002	414,175	6,358,617	128,118,409
<b>Less Accumulated</b>					
<b>Depreciation/Amortization:</b>					
Buildings	17,351,016	1,714,143	-	-	19,065,159
Equipment and vehicles	17,792,383	2,649,468	240,002	(11,203)	20,190,646
Right-to-use leased assets	146,652	150,525	104,165	-	193,012
Right-to-use subscription assets	-	482,455	-	-	482,455
Total	35,290,051	4,996,591	344,167	(11,203)	39,931,272
Depreciable/Amortizable assets, net	82,259,914	(372,589)	70,008	6,369,820	88,187,137
Total governmental activities capital assets, net	\$ 134,352,730	\$ 9,281,976	\$ 76,547	\$ -	\$ 143,558,159

Depreciation and amortization expenses were charged to functions/programs of the primary government as follows:

#### **Governmental Activities:**

General government	\$ 1,812,231
Public safety	2,562,519
Human services	189,607
Economic and physical development	78,615
Cultural and recreational	353,619
Total	\$ 4,996,591

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Enterprise Fund capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>July 1, 2023</u>
<b>Utility Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 484,753	\$ -	\$ -	\$ -	\$ 484,753
Construction in progress	9,618,542	1,349,203	-	-	10,967,745
Total	<u>10,103,295</u>	<u>1,349,203</u>	<u>-</u>	<u>-</u>	<u>11,452,498</u>
<b>Depreciable/Amortizable Assets:</b>					
Buildings	5,474,057	-	-	-	5,474,057
Equipment and vehicles	2,560,370	81,928	22,452	11,203	2,631,049
Distribution lines	49,601,209	-	-	-	49,601,209
Right-to-use leased assets	235	575	235	-	575
Right-to-use subscription assets	-	43,234	-	-	43,234
Total	<u>57,635,871</u>	<u>125,737</u>	<u>22,687</u>	<u>11,203</u>	<u>57,750,124</u>
<b>Less Accumulated</b>					
<b>Depreciation/Amortization:</b>					
Buildings	5,323,926	-	-	-	5,323,926
Equipment and vehicles	1,795,670	1,233,844	22,452	11,203	3,018,265
Distribution lines	16,642,162	-	-	-	16,642,162
Right-to-use leased assets	185	179	235	-	129
Right-to-use subscription assets	-	10,943	-	-	10,943
Total	<u>23,761,943</u>	<u>1,244,966</u>	<u>22,687</u>	<u>11,203</u>	<u>24,995,425</u>
Depreciable/Amortizable assets, net	<u>33,873,928</u>	<u>(1,119,229)</u>	<u>-</u>	<u>-</u>	<u>32,754,699</u>
Total Utility Fund capital assets, net	<u>\$ 43,977,223</u>	<u>\$ 229,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,207,197</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Balance</b> <b>July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b> <b>In (Out)</b>	<b>Balance</b> <b>July 1, 2023</b>
<b>Southeast Water District:</b>					
<b>Depreciable Assets:</b>					
Distribution lines	\$ 5,307,500	\$ -	\$ -	\$ -	\$ 5,307,500
<b>Less Accumulated Depreciation:</b>					
Distribution lines	1,169,158	106,339	-	-	1,275,497
Depreciable assets, net	4,138,342	(106,339)	-	-	4,032,003
Total Southeast Water District Fund capital assets, net	\$ 4,138,342	\$ (106,339)	\$ -	\$ -	\$ 4,032,003
<b>Solid Waste &amp; Recycling Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 495,505	\$ -	\$ -	\$ -	\$ 495,505
<b>Depreciable/Amortizable Assets:</b>					
Buildings	3,497,036	-	-	-	3,497,036
Equipment and vehicles	2,622,340	272,919	239,015	-	2,656,244
Right-to-use leased assets	135	279	135	-	279
Right-to-use subscription assets	-	69,378	-	-	69,378
Total	6,119,511	342,576	239,150	-	6,222,937
<b>Less Accumulated Depreciation/Amortization:</b>					
Buildings	1,977,801	51,892	-	-	2,029,693
Equipment and vehicles	2,194,978	232,147	239,015	-	2,188,110
Right-to-use leased assets	106	92	135	-	63
Right-to-use subscription assets	-	14,990	-	-	14,990
Total	4,172,885	299,121	239,150	-	4,232,856
Depreciable/Amortizable assets, net	1,946,626	43,455	-	-	1,990,081
Total Solid Waste Management Fund capital assets, net	\$ 2,442,131	\$ 43,455	\$ -	\$ -	\$ 2,485,586
Total Enterprise Fund capital assets	\$ 50,557,696	\$ 167,090	\$ -	\$ -	\$ 50,724,786

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 6. Net Investment in Capital Assets

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets, net of depreciation/amortization	\$ 141,651,189	\$ 50,637,445
Right to use leased assets, net of accumulated amortization	1,906,970	87,341
Gross debt	(216,857,258)	(9,463,770)
Premium on long-term obligations	(11,903,100)	-
Add unspent debt proceeds	4,802,176	-
Debt related to assets not owned by the County	137,318,828	-
Net capital debt	(86,639,354)	(9,463,770)
Net investment in capital assets	\$ 56,918,805	\$ 41,261,016

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.

### 7. Construction Commitments

The County has two active construction projects. At June 30, 2023, the County's commitments with contractors are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining Commitment</b>
Emergency Operations Center	\$ 22,305,095	\$ 7,245,898
County Schools Central Services Building	17,051,292	-
	\$ 39,356,387	\$ 7,245,898

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

#### 8. Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2023 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2023</u>
<b>ABC Board:</b>				
<b>Non-Depreciable Assets:</b>				
Land	\$ 197,758	\$ 8,865	\$ -	\$ 206,623
Construction in progress	1,654,526	-	1,654,526	-
Total	<u>1,852,284</u>	<u>8,865</u>	<u>1,654,526</u>	<u>206,623</u>
<b>Depreciable and Amortizable Assets:</b>				
Buildings	-	2,252,111	-	2,252,111
Leasehold improvements	404,211	-	-	404,211
Furniture/equipment	253,592	107,787	-	361,379
Leased buildings	1,753,550	332,612	87,086	1,999,076
Total	<u>2,411,353</u>	<u>2,692,510</u>	<u>87,086</u>	<u>5,016,777</u>
<b>Less Accumulated Depreciation and Amortization:</b>				
Furniture/equipment and leasehold improvements	422,661	120,310	-	542,971
Leased buildings	216,995	220,870	87,086	350,779
Total	<u>639,656</u>	<u>341,180</u>	<u>87,086</u>	<u>893,750</u>
Total ABC Board capital assets, net	<u>\$ 3,623,981</u>	<u>\$ 2,360,195</u>	<u>\$ -</u>	<u>\$ 4,329,650</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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **B. Liabilities**

#### **1. Payables**

Payables at the government-wide level at June 30, 2023 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Claims Liability</u>	<u>Total</u>
<b>Governmental Activities:</b>				
General	\$ 4,782,993	\$ 1,370,871	\$ -	\$ 6,153,864
Internal service	-	-	424,001	424,001
Other governmental	433,625	2,668	-	436,293
Total governmental activities	<u>\$ 5,216,618</u>	<u>\$ 1,373,539</u>	<u>\$ 424,001</u>	<u>\$ 7,014,158</u>
<b>Business-Type Activities:</b>				
Utility	\$ 973,198	\$ 58,811	\$ -	\$ 1,032,009
Southeast water district	53,607	-	-	53,607
Solid waste management	29,048	68,441	-	97,489
Total business-type activities	<u>\$ 1,055,853</u>	<u>\$ 127,252</u>	<u>\$ -</u>	<u>\$ 1,183,105</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](http://www.osc.nc.gov).

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

*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, 2023, was 13.10% of compensation for law enforcement officers and 12.10% 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 \$3,870,389 for the year ended June 30, 2023.

*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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

At June 30, 2023, the County reported a liability of \$20,647,062 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability 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, 2023, the County's proportion was .366% (measured as of June 30, 2022), which was a decrease of .003% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$5,721,881. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 889,663	\$ 87,226
Changes of assumptions	2,060,114	-
Net difference between projected and actual earnings on pension plan investments	6,824,070	-
Changes in proportion and difference between County contributions and proportionate share of contributions	9,307	292,330
County contributions subsequent to the measurement date	<u>3,870,389</u>	-
Total	<u>\$ 13,653,543</u>	<u>\$ 379,556</u>

The \$3,870,389 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, 2024. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2024	\$ 2,935,194
2025	2,497,505
2026	719,785
2027	3,251,115
2028	-
Thereafter	-
Total	<u>\$ 9,403,598</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

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

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

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

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Fixed income	33.0%	0.9%
Global equity	38.0%	6.5%
Real estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic fixed income	7.0%	5.0%
Inflation sensitive	6.0%	2.7%
Total	<u>100.0%</u>	

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, 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 2.25%. 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 6.50%. 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%, 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%) or 1-percentage-point higher (7.50%) 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>\$ 37,265,288</u>	<u>\$ 20,647,062</u>	<u>\$ 6,952,679</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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2021 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	5
Active plan members	<u>87</u>
Total	<u><u>92</u></u>

### 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, 2021 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	4.31 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, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

### **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 \$100,158 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, 2023, the County reported a total pension liability of \$2,802,608. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$290,680.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 97,110	\$ 272,741
Changes of assumptions	589,836	643,980
County benefit payments and plan administrative expense made subsequent to the measurement date	70,108	-
Total	<u>\$ 757,054</u>	<u>\$ 916,721</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The County paid \$70,108 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, 2024. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ending</b>	<b>Amount</b>
<b>June 30</b>	
2024	\$ 9,694
2025	1,693
2026	8,409
2027	(38,272)
2028	(141,909)
Thereafter	<u>(69,390)</u>
Total	<u>\$ (229,775)</u>

#### ***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 4.31%, 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 (3.31%) or 1-percentage-point higher (5.31%) than the current rate:

	<b>1% Decrease (3.31%)</b>	<b>Discount Rate (4.31%)</b>	<b>1% Increase (5.31%)</b>
Total pension liability	<u>\$ 3,093,198</u>	<u>\$ 2,802,608</u>	<u>\$ 2,543,137</u>

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

	<b>2023</b>
Beginning balance	\$ 3,423,021
Service cost	203,648
Interest on the total pension liability	75,891
Differences between expected and actual experience	(164,164)
Changes of assumptions or other inputs	(635,630)
Benefit payments	<u>(100,158)</u>
Net pension obligation, end of year	<u>\$ 2,802,608</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% at June 30, 2022 to 3.31% at June 30, 2023.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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.

### **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, 2023 were \$324,147, which consisted of \$254,171 from the County and \$69,976 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 five percent (5.0%). Also, the employees may make voluntary contributions to the Plan. Contributions for the year ended June 30, 2023 were \$1,714,275, which consisted of \$1,321,091 from the County and \$393,184 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023 were \$43,343.

### **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](http://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 \$7,116 for the year ended June 30, 2023.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

At June 30, 2023, the County reported an asset of \$109,210 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The 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, 2023, the County's proportion was 0.825% (measured as of June 30, 2022), which was a decrease of 0.314% from its proportion as of June 30, 2022 (measured as of June 30, 2021).

For the year ended June 30, 2023, the County recognized pension expense of \$20,745. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 841	\$ 1,980
Changes of assumptions	5,782	-
Net difference between projected and actual earnings on pension plan investments	45,391	-
Changes in proportion and difference between County contributions and proportionate share of contributions	43,020	20,382
County contributions subsequent to the measurement date	7,116	-
Total	\$ 102,150	\$ 22,362

\$7,116 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, 2024.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

<b>Year Ending</b>		<b>Amount</b>
<b>June 30</b>		
2024	\$	14,581
2025		31,565
2026		15,111
2027		11,415
2028		-
Thereafter		-
Total	\$	<u>72,672</u>

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

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

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Future and ad hoc cost of living adjustment 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 99.9% 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, 2022 is 1.1%.

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. 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 contributions from employers will be made at statutorily required rates. Based on those 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 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%, 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%) or 1-percentage-point higher (4.00%) 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)	\$ (125,880)	\$ (109,210)	\$ (185,872)

*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, 2022, and the total pension liability used to calculate the net position liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSSA was measured as of December 31, 2022, with an actuarial valuation date of December 31, 2021. 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:

	LGERS	ROD	LEOSSA	Total
Proportionate share of net pension (asset) liability	\$ 20,647,062	\$ (109,210)	n/a	\$ 20,537,852
Proportion of the net pension asset (liability)	0.36599%	-0.82485%	n/a	-
Total pension liability	-	-	2,802,608	2,802,608
Pension expense	5,721,881	20,745	290,680	6,033,306

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 889,663	\$ 841	\$ 97,110	\$ 987,614
Changes of assumptions	2,060,114	5,782	589,836	2,655,732
Net difference between projected and actual earnings on pension plan investments	6,824,070	45,391	-	6,869,461
Changes in proportion and differences between County contributions and proportionate share of contributions	9,307	43,020	-	52,327
County contributions (LGERS,ROD)/benefits payments and administration costs (LEOSSA) subsequent to the measurement date	<u>3,870,389</u>	<u>7,116</u>	<u>70,108</u>	<u>3,947,613</u>
	<u>\$ 13,653,543</u>	<u>\$ 102,150</u>	<u>\$ 757,054</u>	<u>\$ 14,512,747</u>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 87,226	\$ 1,980	\$ 272,741	\$ 361,947
Changes of assumptions	-	-	643,980	643,980
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>292,330</u>	<u>20,382</u>	<u>-</u>	<u>312,712</u>
	<u>\$ 379,556</u>	<u>\$ 22,362</u>	<u>\$ 916,721</u>	<u>\$ 1,318,639</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, 2023

*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, 2022, the date of the latest actuarial valuation:

Retirees receiving benefits	28
Active plan members	<u>513</u>
Total	<u><u>541</u></u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### Total OPEB Liability

The County's total OPEB liability of \$10,353,412 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2022.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2022 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	2.16%
Measurement date	3.54%
Healthcare cost trends, pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032

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:

<b>Total OPEB Liability as of June 30, 2022</b>	<b>\$ 13,758,481</b>
Changes for the year:	
Service cost	949,078
Interest	314,412
Differences between expected and actual experience	(3,008,283)
Changes of assumptions or other inputs	(1,355,796)
Benefit payments	(304,480)
Net changes	<u>(3,405,069)</u>
<b>Total OPEB Liability as of June 30, 2023</b>	<b><u><u>\$ 10,353,412</u></u></b>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2022 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, 2022 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2022 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 (2.54%) or 1-percentage-point higher (4.54%) than the current discount rate:

	<b>1% Decrease (2.54%)</b>	<b>Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Total OPEB liability	<u>\$ 11,628,768</u>	<u>\$ 10,353,412</u>	<u>\$ 9,238,873</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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 9,010,957</u>	<u>\$ 10,353,412</u>	<u>\$ 11,981,367</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$1,447,601. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,526,990	\$ 2,677,779
Changes of assumptions	2,701,822	1,342,929
Benefit payments and administrative costs made subsequent to the measurement date	304,480	-
Total	<u>\$ 4,533,292</u>	<u>\$ 4,020,708</u>

\$304,480 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2024	\$ 174,103
2025	174,103
2026	207,051
2027	136,220
2028	11,737
Thereafter	(495,110)
Total	<u>\$ 208,104</u>

#### **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 benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Charges on refunding of debt	\$ 1,442,046	\$ -
Pensions - difference between projected and actual investment earnings	6,869,461	-
Pensions/OPEB - net difference between expected and actual experience	2,514,604	3,039,726
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	52,327	312,712
Pensions/OPEB - change of assumptions	5,357,554	1,986,909
Contributions to pension plans subsequent to the measurement date (LGRS, ROD)	3,877,505	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	304,480	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	70,108	-
Leases	-	1,153,438
Prepaid taxes not yet earned (general)	-	384,581
Prepaid taxes not yet earned (special revenue)	-	17,895
Total	\$ 20,488,085	\$ 6,895,261

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **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, 2023 were approximately \$18,067. 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 Register of Deeds and Tax Collector were each individually bonded for \$100,000. The Finance Officer was individually bonded for \$1,000,000. 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, 2023

### 7. Contingent Liabilities and Commitments

At June 30, 2023, 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	\$ (424,000)
Additions	5,473,656
Benefits paid	<u>(5,473,656)</u>
Accrued claims and judgments, June 30, 2021	(424,000)
Additions	6,735,000
Benefits paid	<u>(6,735,001)</u>
Accrued claims and judgments, June 30, 2022	<u>\$ (424,001)</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.

On 10/28/2022, Chatham County, NC entered into a 36-month lease as Lessee for the use of Pitney Bowes - Manager Send Pro P. An initial lease liability was recorded in the amount of \$11,979. As of 06/30/2023, the value of the lease liability is \$9,932. Chatham County, NC is required to make quarterly fixed payments of \$1,149. The lease has an interest rate of 3.2380%. The value of the right to use asset as of 06/30/2023 is \$11,979 with accumulated amortization of \$2,695.

On 03/01/2023, Chatham County, NC entered into a 72-month lease as Lessee for the use of Asarum Ventures - Platinum Commons - Suites D,E-1 & F. An initial lease liability was recorded in the amount of \$399,284. As of 06/30/2023, the value of the lease liability is \$377,906. Chatham County, NC is required to make monthly fixed payments of \$6,000. The lease has an interest rate of 2.7020%. The value of the right to use asset as of 06/30/2023 is \$399,284 with accumulated amortization of \$22,182. Chatham County, NC 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, 2023

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 06/30/2023, the value of the lease liability is \$11,801. Chatham County is required to make monthly fixed payments of \$300. The lease has an interest rate of 0.9800%. The value of the right to use asset as of 06/30/2023 is \$18,715 with accumulated amortization of \$7,018.

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 06/30/2023, the value of the lease liability is \$131,070. Chatham County is required to make monthly fixed payments of \$2,000. The lease has an interest rate of 1.2960%. The value of the right to use asset as of 06/30/2023 is \$184,623 with accumulated amortization of \$56,807.

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 06/30/2023, the value of the lease liability is \$135,781. Chatham County is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 1.2960%. The value of the right to use asset as of 06/30/2023 is \$191,684 with accumulated amortization of \$57,505. 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 06/30/2023, the value of the lease liability is \$1,073. Chatham County is required to make quarterly fixed payments of \$1,074. The lease has an interest rate of 0.4350%. The value of the right to use asset as of 06/30/2022 is \$9,615 with accumulated amortization of \$7,761.

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 06/30/2023, 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 value of the right to use asset as of 06/30/2023 is \$9,723 with accumulated amortization of \$0. Chatham County has 3 extension option(s), each for 12 months.

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 06/30/2023, the value of the lease liability is \$18,091. Chatham County is required to make monthly fixed payments of \$1,650. The lease has an interest rate of 0.6480%. The value of the right to use asset as of 06/30/2023 is \$57,219 with accumulated amortization of \$39,236 included with buildings on the lease class activities table found below. Chatham County has 1 extension option(s), each for 24 months.

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, 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>
2024	\$ 146,120	\$ 12,971	\$ 309	\$ 19
2025	129,575	10,292	319	9
2026	129,029	7,638	80	1
2027	128,166	5,034	-	-
2028	104,538	2,461	-	-
2029-2030	47,518	483	-	-
Total	<u>\$ 684,946</u>	<u>\$ 38,879</u>	<u>\$ 708</u>	<u>\$ 29</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 December 20, 2022 to lease a store building (Store #1) and requires 60 monthly payments of \$5,833. 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 \$299,351 at June 30, 2023.

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 \$184,040 at June 30, 2023.

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 \$1,164,906 at June 30, 2023.

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The future minimum lease obligations and the net present value of these minimum lease payments for the ABC Board as of June 30, 2023, were as follows:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>
<b>June 30</b>		
2024	\$ 189,020	\$ 68,998
2025	205,769	65,984
2026	223,552	56,362
2027	189,815	46,698
2028	146,893	38,867
2029-2033	792,940	108,348
Total	<u>\$ 1,747,989</u>	<u>\$ 385,257</u>

#### **b. Subscriptions**

The County has entered into subscription-based information technology arrangements (SBITAs). The SBITAs qualify as other than short-term SBITAs under GASB 96 and, therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On 02/20/2023, Chatham County, NC entered into a 36-month subscription for the use of Varonis. An initial subscription liability was recorded in the amount of \$256,345. As of 06/30/2023, the value of the subscription liability is \$168,860. Chatham County, NC is required to make annual fixed payments of \$87,807. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of 06/30/2023 is \$256,345 with accumulated amortization of \$31,096.

On 07/01/2022, Chatham County, NC entered into a 54-month subscription for the use of DevNet. An initial subscription liability was recorded in the amount of \$393,048. As of 06/30/2023, the value of the subscription liability is \$249,983. Chatham County, NC is required to make quarterly fixed payments of \$60,285. The subscription has an interest rate of 0.6860%. The value of the right to use asset as of 06/30/2023 is \$393,048 with accumulated amortization of \$87,344.

On 07/01/2022, Chatham County, NC entered into a 36-month subscription for the use of Comper Pro. An initial subscription liability was recorded in the amount of \$97,919. As of 06/30/2023, the value of the subscription liability is \$55,669. Chatham County, NC is required to make annual fixed payments of \$42,250. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$97,919 with accumulated amortization of \$32,639.

On 07/01/2022, Chatham County, NC entered into a 60-month subscription for the use of SmartGov. An initial subscription liability was recorded in the amount of \$48,391. As of 06/30/2023, the value of the subscription liability is \$38,832. Chatham County, NC is required to make annual fixed payments of \$9,559. The subscription has an interest rate of 2.3660%. The value of the right to use asset as of 06/30/2023 is \$48,391 with accumulated amortization of \$9,678.

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

On 07/01/2022, Chatham County, NC entered into a 39-month subscription for the use of GovAccess License. An initial subscription liability was recorded in the amount of \$36,653. As of 06/30/2023, the value of the subscription liability is \$24,922. Chatham County, NC is required to make annual fixed payments of \$11,962. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$36,653 with accumulated amortization of \$11,144.

On 10/01/2022, Chatham County, NC entered into a 32-month subscription for the use of ClearGov - Civic Edition. An initial subscription liability was recorded in the amount of \$58,231. As of 06/30/2023, the value of the subscription liability is \$45,518. Chatham County, NC is required to make annual fixed payments of \$23,040. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$58,231 with accumulated amortization of \$15,881.

On 07/01/2022, Chatham County, NC entered into a 26-month subscription for the use of JailCore Software. An initial subscription liability was recorded in the amount of \$12,039. As of 06/30/2023, the value of the subscription liability is \$5,489. Chatham County, NC is required to make annual fixed payments of \$6,600. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 is \$12,039 with accumulated amortization of \$5,458. Chatham County, NC had a termination period of 1 month as of the subscription commencement.

On 07/06/2022, Chatham County, NC entered into a 36-month subscription for the use of ESRI Enterprise. An initial subscription liability was recorded in the amount of \$161,498. As of 06/30/2023, the value of the subscription liability is \$106,498. Chatham County, NC is required to make annual fixed payments of \$55,000. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$161,498 with accumulated amortization of \$53,085.

On 08/01/2022, Chatham County, NC entered into a 36-month subscription for the use of Microsoft Enterprise License. An initial subscription liability was recorded in the amount of \$644,359. As of 06/30/2023, the value of the subscription liability is \$424,915. Chatham County, NC is required to make annual fixed payments of \$219,443. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$644,359 with accumulated amortization of \$196,887. Chatham County, NC has 1 extension option(s), each for 36 months.

On 07/01/2022, Chatham County, NC entered into an 18-month subscription for the use of OpenGov Software. An initial subscription liability was recorded in the amount of \$74,544. As of 06/30/2023, the value of the subscription liability is \$0.00. Chatham County, NC is required to make annual fixed payments of \$75,250. The subscription has an interest rate of 1.8940%. The value of the right to use asset as of 06/30/2023 is \$74,544 with accumulated amortization of \$49,696. Chatham County, NC has 1 extension option(s), each for 36 months.

On 07/01/2022, Chatham County, NC entered into a 35-month subscription for the use of DebtBook Software. An initial subscription liability was recorded in the amount of \$27,997. As of 06/30/2023, the value of the subscription liability is \$12,233. Chatham County, NC is required to make annual fixed payments of \$12,500. The subscription has an interest rate of 2.1840%. The value of the right to use asset as of 06/30/2023 is \$27,997 with accumulated amortization of \$9,599.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

On 07/01/2022, Chatham County, NC entered into a 24-month subscription for the use of Logan Systems Service. An initial subscription liability was recorded in the amount of \$11,761. As of 06/30/2023, the value of the subscription liability is \$6,424. Chatham County, NC is required to make monthly fixed payments of \$500.00. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 is \$11,761 with accumulated amortization of \$5,881. Chatham County, NC had a termination period of 1 month as of the subscription commencement.

The future minimum subscription obligations and the net present value of the minimum subscription payments as of June 30, 2023 were as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 491,303	\$ 19,571	\$ 29,853	\$ 1,900
2025	465,228	10,009	30,844	1,204
2026	68,730	495	9,961	484
2027	32,914	71	10,510	249
2028	-	-	-	-
2029-2030	-	-	-	-
Total	<u>\$ 1,058,175</u>	<u>\$ 30,146</u>	<u>\$ 81,168</u>	<u>\$ 3,837</u>

### **c. 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, 2023 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 \$ 2,635,000

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

<b>Year Ending June 30</b>	<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>
2024	\$ 60,000	\$ 105,400
2025	63,000	103,000
2026	65,000	100,480
2027	68,000	97,880
2028	70,000	95,160
2029-2033	396,000	431,400
2034-2038	482,000	345,520
2039-2043	587,000	241,120
2044-2048	712,000	113,880
2049-2050	132,000	5,280
Total	<u>\$ 2,635,000</u>	<u>\$ 1,639,120</u>

### **d. 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 of its property in connection with any default under the bond order.

The County’s revenue bonds payable at June 30, 2023 are comprised of the following individual issues:

<b><u>Serviced by the County's Southeast Water District:</u></b>	
\$262,000 bonds issued March 23, 2010, interest at 4%; due serially to 2049	\$ 217,000
\$1,624,000 bonds issued March 23, 2010, interest at 4%; due serially to 2049	<u>1,303,000</u>
Total	<u>\$ 1,520,000</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

Year Ending June 30	Business-Type Activities	
	Principal	Interest
2024	\$ 38,000	\$ 51,028
2025	39,000	49,755
2026	40,000	48,450
2027	41,000	47,113
2028	43,000	45,742
2029-2033	237,000	206,190
2034-2038	279,000	163,690
2039-2043	330,000	113,528
2044-2048	388,000	54,272
2049-2050	85,000	2,860
Total	<u>\$ 1,520,000</u>	<u>\$ 782,628</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, 2023 is as follows:

Operating revenues	\$ 839,035
Operating expenses	<u>498,110</u>
Operating income*	340,925
Non-operating revenues (expenses)**	<u>(77,414)</u>
Income available for debt service	<u>\$ 263,511</u>
Debt service, principal and interest paid (revenue bond only)	<u>\$ 88,435</u>
Debt service coverage ratio	298%

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

\*\* Per revenue covenants, this does not include revenue bond interest of \$52,268

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### e. 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, 2023 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	\$ 18,676,685
\$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	4,025,000
\$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.	12,705,735
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%.	<u>879,226</u>
Total direct placements	<u>36,286,646</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### 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	2,387,491
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	30,005,000
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	8,385,000
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	27,485,000
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	11,255,000
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>99,310,000</u>
Total other long-term obligations	<u>178,827,491</u>
Total governmental activities	<u>\$ 215,114,137</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

**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 934,385

**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 4,292,509

Total business-type activities \$ 5,226,894

Total other long-term obligations \$ 220,341,031

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>
2024	\$ 16,059,566	\$ 8,292,238	\$ 1,060,081	\$ 217,448
2025	16,032,681	7,649,234	1,088,997	172,114
2026	16,061,171	7,002,317	1,117,914	125,335
2027	15,716,974	6,361,585	835,369	77,111
2028	15,708,040	5,697,463	867,498	34,539
2029-2033	64,023,157	19,614,206	257,035	6,426
2034-2038	47,552,498	7,896,673	-	-
2039-2043	15,761,131	2,071,030	-	-
2044-2048	3,791,877	1,051,378	-	-
2049-2053	4,407,042	420,692	-	-
2054-2058	-	-	-	-
Total	<u>\$ 215,114,137</u>	<u>\$ 66,056,816</u>	<u>\$ 5,226,894</u>	<u>\$ 632,973</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

#### **f. 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, 2023:

	<b>Balance</b>			<b>Balance</b>	<b>Current</b>
	<b>June 30, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>June 30, 2023</b>	<b>Portion</b>
<b>Governmental Activities:</b>					
Other long-term obligations	\$ 191,711,363	\$ -	\$ 12,883,872	\$ 178,827,491	\$ 12,841,381
Direct placement installment purchase	39,513,164	-	3,226,518	36,286,646	3,218,185
Premium on long-term obligations	12,580,739	-	677,639	11,903,100	677,639
Leases	418,055	410,410	143,519	684,946	146,120
Subscriptions	-	1,643,738	585,563	1,058,175	491,303
Net pension liability - LGERS	5,276,377	14,109,796	-	19,386,173	-
Total pension liability - LEOSSA	3,423,021	-	620,413	2,802,608	70,108
Total OPEB liability	12,838,039	-	3,116,896	9,721,143	285,886
Compensated absences	2,052,026	3,828,858	3,566,020	2,314,864	2,314,864
Total governmental activities	<u>\$ 267,812,784</u>	<u>\$ 19,992,802</u>	<u>\$ 24,820,440</u>	<u>\$ 262,985,146</u>	<u>\$ 20,045,486</u>
<b>Business-Type Activities:</b>					
<b>Solid Waste and Recycling:</b>					
Leases	\$ 27	\$ 279	\$ 75	\$ 231	\$ 101
Subscriptions	-	69,378	16,711	52,667	15,766
Net pension liability - LGERS	137,409	335,424	-	472,833	-
Total OPEB liability	334,331	-	97,230	237,101	6,973
Compensated absences	44,617	110,094	84,443	70,268	70,268
Total solid waste management	<u>516,384</u>	<u>515,175</u>	<u>198,459</u>	<u>833,100</u>	<u>93,108</u>
<b>Southeast Water District:</b>					
General obligation bonds	2,693,000	-	58,000	2,635,000	60,000
Direct placement revenue bonds	1,557,000	-	37,000	1,520,000	38,000
Total southeast water district	<u>4,250,000</u>	<u>-</u>	<u>95,000</u>	<u>4,155,000</u>	<u>98,000</u>
<b>Utility:</b>					
Other long-term obligations	5,018,637	-	726,128	4,292,509	748,619
Direct borrowings	1,245,847	-	311,462	934,385	311,462
Leases	47	575	145	477	208
Subscriptions	-	43,234	14,733	28,501	14,087
Net pension liability - LGERS	240,889	547,167	-	788,056	-
Total OPEB liability	586,111	-	190,943	395,168	11,621
Compensated absences	85,019	140,939	142,432	83,526	83,526
Total utility	<u>7,176,550</u>	<u>731,915</u>	<u>1,385,843</u>	<u>6,522,622</u>	<u>1,169,523</u>
Total business-type activities	<u>\$ 11,942,934</u>	<u>\$ 1,247,090</u>	<u>\$ 1,679,302</u>	<u>\$ 11,510,722</u>	<u>\$ 1,360,631</u>

At June 30, 2023, Chatham County had a legal debt margin of \$933,771,000.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The County's outstanding notes from direct placements related to governmental activities of \$36,286,646 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 an 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 \$89,002,200 relates to assets to which the County holds title.

### **ABC Board**

The ABC Board had long-term net pension liability as of June 30, 2023 of \$455,263.

The ABC Board had long-term notes payable as of June 30, 2023 of \$1,827,460.

The ABC Board had long-term lease liabilities as of June 30, 2023 of \$1,747,989.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### C. Interfund Balances and Activity

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

Fund Type	Fund Name	To	From	Purpose
Major Governmental	General	\$ 1,788,100	\$ -	
Nonmajor Governmental	Impact Fees	-	1,788,100	Fund debt on planned capital
Major Governmental	General	15,000,000	-	
Major Governmental	Capital Improvement Project Reserve	-	15,000,000	Fund debt on planned capital
Major Governmental	General	10,000,000	-	Reimburse General Fund for
Major Governmental	ARPA Funds	-	10,000,000	ARPA Expenses Incurred
Major Governmental	School Construction	1,800,261	-	Fund pay-go school capital
Major Governmental	Capital Improvement Project Reserve	-	1,800,261	projects
Major Governmental	General	22,568	-	Reimburse General Fund for
Nonmajor Governmental	Recreation Fees	-	22,568	Recreation Expenses Incurred
Major Governmental	General	-	2,100,000	Fund Jail cell blocks project and
Major Governmental	Facilities Improvements	2,100,000	-	Solar panels at CCA & CC
Major Governmental	General	-	3,000,000	Fund Parkers Ridge Parks
Nonmajor Governmental	Parks Projects	3,000,000	-	Project
Major Governmental	General	-	6,424,205	
Major Governmental	Capital Reserve	6,424,205	-	Fund pay-go capital projects
Major Governmental	General	-	16,322,562	
Major Governmental	Capital Improvement Project Reserve	16,322,562	-	Fund debt on planned capital
Nonmajor Governmental	Parks Projects	213,292	-	
Major Governmental	Capital Improvement Project Reserve	-	213,292	Fund NE Park Lighting Project
Nonmajor Governmental	Recreation Fees	47,314	-	
Nonmajor Governmental	Parks Projects	-	47,314	Fund Briar Chapel Park Project
Major Governmental	Capital Reserve	-	463,590	
Major Governmental	Facilities Improvements	463,590	-	Fund pay-go facilities projects
Major Governmental	Capital Reserve	-	143,420	Fund cost of a new tax software
Nonmajor Governmental	Tax Software Project	143,420	-	project
Major Governmental	Capital Reserve	-	15,220	
Major Governmental	School Construction Project	15,220	-	Fund mobile classrooms project
Major Governmental	General	-	27,218	
Nonmajor Governmental	E-911	27,218	-	Fund expenses of E-911
<b>Total governmental transfers</b>		<b><u>57,367,750</u></b>	<b><u>57,367,750</u></b>	
Major Enterprise	Utility Capital Reserve	\$ -	\$ 1,344,204	Fund water project:
Major Enterprise	Utility Capital Projects	1,344,204	-	Western Intake Project
<b>Total enterprise transfers</b>		<b><u>1,344,204</u></b>	<b><u>1,344,204</u></b>	
<b>Grand total</b>		<b><u>\$ 58,711,954</u></b>	<b><u>\$ 58,711,954</u></b>	

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **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	\$ 69,408,704
Less:	
Nonspendable:	
Leases	59,057
Restricted:	
Stabilization by state statute	11,469,973
Committed:	
LEO Special Separation Allowance	1,062,587
Revaluation	635,094
Housing trust	633,076
Recreation	968,553
Land preservation	968,553
Assigned:	
Subsequent year's expenditures	9,000,000
County fund balance policy minimum	<u>34,595,295</u>
Remaining fund balance	<u>\$ 10,016,516</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, 2023.

### **IV. Joint Ventures**

#### **a. Vaya Health 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 Vaya Health (formerly Cardinal Innovations Healthcare Solutions Area Authority) as a Managed Care Organization. The County appoints two members to the Regional Board. The County has an ongoing

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023. The County appropriated \$396,450 to the Authority to supplement its activities for the year ended June 30, 2023.

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 \$1,422,109 to the Community College for operating purposes during the fiscal year ended June 30, 2023. 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, 2023.

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 \$384,602 to the Corporation during the fiscal year ended June 30, 2023. 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, 2023.

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.

### **V. Jointly Governed Organization**

The County, in conjunction with seven other counties and twenty-five municipalities are members of the Central Pines Regional Council (formerly Triangle J Council of Governments). 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 \$262,640 to the Council during the fiscal year ended June 30, 2023.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **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 \$376,989 as part of this settlement. 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. \$18,442 of these funds have been expended as of June 30, 2023. 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.

#### **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 in fiscal year 2022 and the remaining \$7,232,462 was received in fiscal year 2023. Under the Final Rule, U.S. Treasury's regulatory document for SLFRF, Chatham County elected to use the "Standard Allowance" approach for expenditures, allowing \$10,000,000 of the county's allocation for SLFRF to be used for revenue replacement. The ability to claim the Standard Allowance allows the county to replace local dollars, used for general government expenditures, with federal funds. Approved projects currently implemented in FY24 support housing assistance initiatives, court services programs, translation services, nonprofit programs, an early childhood assessment, and planned funding for four capital improvement projects.

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## **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 TEN FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability (asset) %	0.366%	0.369%	0.376%	0.369%	0.369%
County's proportionate share of the net pension liability (asset) \$	\$ 20,647,062	\$ 5,654,675	\$ 13,447,159	\$ 10,090,211	\$ 8,759,161
County's covered payroll	\$ 26,804,771	\$ 25,815,562	\$ 25,097,535	\$ 24,085,796	\$ 22,889,672
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	77.028%	21.904%	53.580%	41.893%	38.267%
Plan fiduciary net position as a percentage of the total pension liability **	84.144%	95.510%	88.610%	90.860%	91.630%

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

\*\* 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 TEN FISCAL YEARS\***

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.367%	0.366%	0.341%	0.332%	0.321%
County's proportionate share of the net pension liability (asset) \$	\$ 5,607,813	\$ 7,760,106	\$ 1,534,786	\$ (1,960,376)	\$ 3,868,077
County's covered payroll	\$ 22,413,231	\$ 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	25.020%	37.857%	7.484%	-10.074%	20.773%
Plan fiduciary net position as a percentage of the total pension liability **	94.180%	91.470%	98.090%	102.640%	94.350%

**CHATHAM COUNTY, NORTH CAROLINA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 3,870,389	\$ 3,076,931	\$ 2,662,144	\$ 2,289,955	\$ 1,912,737
Contributions in relation to the contractually required contribution	<u>3,870,389</u>	<u>3,076,931</u>	<u>2,662,144</u>	<u>2,289,955</u>	<u>1,912,737</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 31,569,944	\$ 26,804,771	\$ 25,815,562	\$ 25,097,535	\$ 24,085,796
Contributions as a percentage of covered payroll	12.260%	11.479%	10.312%	9.124%	7.941%

CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,763,243	\$ 1,675,171	\$ 1,401,182	\$ 1,465,177	\$ 1,326,337
Contributions in relation to the contractually required contribution	<u>1,763,243</u>	<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>	<u>\$ -</u>
County's covered payroll	\$ 22,889,672	\$ 22,413,231	\$ 20,498,220	\$ 20,508,359	\$ 19,459,465
Contributions as a percentage of covered payroll	7.703%	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 TEN YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportion of the net pension liability (asset) %	0.825%	1.139%	0.841%	0.726%	0.878%
County's proportionate share of the net pension liability (asset) \$	\$ (109,210)	\$ (218,878)	\$ (192,692)	\$ (143,297)	\$ (145,431)
Plan fiduciary net position as a percentage of the total pension liability**	139.04%	156.53%	173.62%	164.11%	153.31%

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

\*\* This will be the same percentage for all participant employers in the ROD plan.

**CHATHAM COUNTY, NORTH CAROLINA**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.876%	0.820%	0.840%	0.828%	0.800%
County's proportionate share of the net pension liability (asset) \$	\$ (149,543)	\$ (153,131)	\$ (194,731)	\$ (187,622)	\$ (170,953)
Plan fiduciary net position as a percentage of the total pension liability**	153.77%	160.17%	197.29%	193.88%	190.50%

CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 7,116	\$ 9,456	\$ 13,672	\$ 8,051	\$ 6,899
Contributions in relation to the contractually required contribution	<u>7,116</u>	<u>9,456</u>	<u>13,672</u>	<u>8,051</u>	<u>6,899</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,514	\$ 7,612	\$ 7,299	\$ 6,116	\$ 6,758
Contributions in relation to the contractually required contribution	<u>7,514</u>	<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>	<u>\$ -</u>

**CHATHAM COUNTY, NORTH CAROLINA**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Beginning balance	\$ 3,423,021	\$ 3,488,326	\$ 2,216,411	\$ 2,102,099
Service cost	203,648	239,356	163,282	143,014
Interest on the total pension liability	75,891	66,188	70,574	74,805
Differences between expected and actual experience in the measurement of the total pension liability	(164,164)	(136,756)	161,407	(92,897)
Changes of assumptions or other inputs	(635,630)	(116,255)	979,751	83,421
Benefit payments	<u>(100,158)</u>	<u>(117,838)</u>	<u>(103,099)</u>	<u>(94,031)</u>
Ending balance of the total pension liability	<u>\$ 2,802,608</u>	<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 SEVEN 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 SEVEN FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 2,802,608	\$ 3,423,021	\$ 3,488,326	\$ 2,216,411
Covered-employee payroll**	4,748,140	5,223,248	5,224,374	4,854,871
Total pension liability as a percentage of covered-employee payroll	59.03%	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 SEVEN 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 SIX FISCAL YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:						
Service cost	\$ 949,078	\$ 865,417	\$ 582,904	\$ 533,397	\$ 440,217	\$ 480,948
Interest	314,412	269,013	353,245	325,835	232,649	196,636
Changes of benefit terms	-	-	(1,275,334)	-	-	-
Differences between expected and actual experience	(3,008,283)	511,429	836,314	223,024	1,035,430	(10,437)
Changes of assumptions	(1,355,796)	1,213,844	1,891,571	450,204	463,615	(476,815)
Benefit payments	(304,480)	(812,264)	(371,676)	(425,294)	(238,211)	(138,851)
Net change in total OPEB liability	(3,405,069)	2,047,439	2,017,024	1,107,166	1,933,700	51,481
Total OPEB liability - beginning	<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>	<u>6,601,671</u>
Total OPEB liability - ending	<u>\$ 10,353,412</u>	<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	\$ 26,232,508	\$ 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	39.47%	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%
2023	3.54%

\*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, Land Preservation 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.

Land Preservation Fund - The Land Preservation Fund accounts for funds accumulated by the County to support both a local working lands protection program and ag economic development program.

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.

## **OPIOID SETTLEMENT FUND**

The Opioid Settlement Fund accounts for funds received from a nationwide settlement related to multiple opioid lawsuits.

## **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, 2023

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Coal Ash Fund</u>	<u>Housing Trust Fund</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 96,757,366	\$ -	\$ -	\$ -
Local option sales taxes	28,513,275	-	-	-
Other taxes	1,698,749	-	-	-
Unrestricted intergovernmental revenues	5,634,962	-	-	-
Restricted intergovernmental revenues	10,478,835	-	-	-
Permits and fees	3,962,382	-	-	-
Sales and services	2,614,876	-	-	-
Interest earned on investments	778,109	-	98,591	25,701
Other general revenues	1,409,741	-	-	-
Total revenues	<u>151,848,295</u>	<u>-</u>	<u>98,591</u>	<u>25,701</u>
<b>Expenditures:</b>				
General government	15,378,062	211,983	-	-
Public safety	27,734,150	-	-	-
Economic and physical development	4,788,964	-	48,923	694,424
Human services	19,537,198	-	-	-
Cultural and recreation	3,348,878	-	-	-
Intergovernmental:				
Education	42,835,407	-	-	-
Debt service:				
Principal repayments	16,839,472	-	-	-
Interest	8,978,757	-	-	-
Total expenditures	<u>139,440,888</u>	<u>211,983</u>	<u>48,923</u>	<u>694,424</u>
<b>Revenues over (under) expenditures</b>	<u>12,407,407</u>	<u>(211,983)</u>	<u>49,668</u>	<u>(668,723)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	26,810,668	500,000	-	918,112
Transfers out	<u>(30,260,650)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total transfers	<u>(3,449,982)</u>	<u>500,000</u>	<u>-</u>	<u>918,112</u>
Subscription liability issued	1,643,738	-	-	-
Lease liability issued	410,410	-	-	-
Net debt issued	<u>2,054,148</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,395,834)</u>	<u>500,000</u>	<u>-</u>	<u>918,112</u>
<b>Net change in fund balances</b>	11,011,573	288,017	49,668	249,389
<b>Fund Balances:</b>				
Fund balance, beginning	50,033,383	347,077	4,805,326	588,392
Fund balance, ending	<u>\$ 61,044,956</u>	<u>\$ 635,094</u>	<u>\$ 4,854,994</u>	<u>\$ 837,781</u>

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, 2023

	Land Preservation Fund	Law Enforcement Separation Allowance Fund	Eliminations	Total General Fund
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 96,757,366
Local option sales taxes	-	-	-	28,513,275
Other taxes	-	-	-	1,698,749
Unrestricted intergovernmental revenues	-	-	-	5,634,962
Restricted intergovernmental revenues	-	-	-	10,478,835
Permits and fees	-	-	-	3,962,382
Sales and services	-	-	-	2,614,876
Interest earned on investments	-	17,601	-	920,002
Other general revenues	-	225,000	(225,000)	1,409,741
Total revenues	<u>-</u>	<u>242,601</u>	<u>(225,000)</u>	<u>151,990,188</u>
<b>Expenditures:</b>				
General government	-	-	-	15,590,045
Public safety	-	126,043	(225,000)	27,635,193
Economic and physical development	-	-	-	5,532,311
Human services	-	-	-	19,537,198
Cultural and recreation	-	-	-	3,348,878
Intergovernmental:				
Education	-	-	-	42,835,407
Debt service:				
Principal repayments	-	-	-	16,839,472
Interest	-	-	-	8,978,757
Total expenditures	<u>-</u>	<u>126,043</u>	<u>(225,000)</u>	<u>140,297,261</u>
<b>Revenues over (under) expenditures</b>	<u>-</u>	<u>116,558</u>	<u>-</u>	<u>11,692,927</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	968,553	-	(2,386,665)	26,810,668
Transfers out	-	-	2,386,665	(27,873,985)
Total transfers	<u>968,553</u>	<u>-</u>	<u>-</u>	<u>(1,063,317)</u>
Subscription liability issued	-	-	-	1,643,738
Lease liability issued	-	-	-	410,410
Net debt issued	-	-	-	2,054,148
Total other financing sources (uses)	<u>968,553</u>	<u>-</u>	<u>-</u>	<u>990,831</u>
<b>Net change in fund balances</b>	968,553	116,558	-	12,683,758
<b>Fund Balances:</b>				
Fund balance, beginning	-	950,768	-	56,724,946
Fund balance, ending	<u>\$ 968,553</u>	<u>\$ 1,067,326</u>	<u>\$ -</u>	<u>\$ 69,408,704</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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year taxes:				
Real/personal	\$ 88,118,142	\$ 88,369,964	\$ 251,822	\$ 85,063,468
DMV - Motor vehicles	7,007,306	7,740,320	733,014	7,002,425
Total current year taxes	95,125,448	96,110,284	984,836	92,065,893
Prior year taxes	665,500	688,487	22,987	486,141
Penalties, interest, other	37,000	(41,405)	(78,405)	36,670
Total ad valorem taxes	95,827,948	96,757,366	929,418	92,588,704
<b>Local Option Sales Tax:</b>				
Article 39 - 1 percent	8,239,921	9,919,833	1,679,912	8,790,018
Article 40 - 1/2 percent	6,500,000	7,318,505	818,505	6,864,570
Article 42 - 1/2 percent	5,000,000	6,075,354	1,075,354	5,432,343
Article 44 - 1/2 percent	1,570,547	1,830,006	259,459	1,606,125
Article 46 - 1/2 percent	2,500,000	3,369,577	869,577	3,004,337
Total local option sales tax	23,810,468	28,513,275	4,702,807	25,697,393
<b>Other Taxes:</b>				
Deed stamp excise tax	1,500,000	1,465,637	(34,363)	1,741,407
Occupancy tax	182,758	204,829	22,071	185,639
Other	20,000	28,283	8,283	25,408
Total other taxes and licenses	1,702,758	1,698,749	(4,009)	1,952,454
<b>Intergovernmental:</b>				
Unrestricted intergovernmental:				
Payments in lieu of taxes	100,000	122,323	22,323	114,163
Beer and wine excise tax	237,000	276,300	39,300	239,513
ABC profit distribution	200,000	188,343	(11,657)	256,107
Medicaid hold harmless	4,700,000	5,040,213	340,213	4,518,138
Other	7,784	7,783	(1)	8,300
Total unrestricted	5,244,784	5,634,962	390,178	5,136,221
<b>Restricted intergovernmental:</b>				
State and federal grants	8,959,212	9,557,990	598,778	8,806,367
Other	916,190	920,845	4,655	648,616
Total restricted	9,875,402	10,478,835	603,433	9,454,983
Total intergovernmental	15,120,186	16,113,797	993,611	14,591,204

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Permits and Fees:</b>				
Inspections fees	2,100,000	3,493,700	1,393,700	2,247,647
Register of Deeds fees	500,000	406,917	(93,083)	541,455
Other	44,600	61,765	17,165	54,110
Total permits and fees	2,644,600	3,962,382	1,317,782	2,843,212
<b>Sales and Services:</b>				
Charges to other funds	435,255	477,195	41,940	451,066
Environmental services	627,520	605,866	(21,654)	592,595
Fire inspections	60,000	64,863	4,863	62,262
Health	1,072,915	845,567	(227,348)	1,517,365
Library	6,000	11,895	5,895	8,427
Planning	125,000	149,449	24,449	207,003
Recreation fees	112,510	137,636	25,126	104,289
Sheriff	93,247	100,385	7,138	113,008
Tax	237,000	183,148	(53,852)	198,729
Other	32,500	38,872	6,372	35,134
Total sales and services	2,801,947	2,614,876	(187,071)	3,289,878
<b>Investment Earnings:</b>				
Interest on investments	150,000	1,389,127	1,239,127	241,437
Market value investment adjustment	-	(611,018)	(611,018)	(4,936,313)
Total investment earnings	150,000	778,109	628,109	(4,694,876)
<b>Other General Revenues:</b>				
Rent	314,000	251,017	(62,983)	196,051
Contributions and donations	769,816	752,709	(17,107)	1,465,514
Sale of surplus property	-	58,064	58,064	101,294
Miscellaneous	153,400	347,951	194,551	310,687
Total other general revenues	1,237,216	1,409,741	172,525	2,073,546
<b>Total revenues</b>	<b>143,295,123</b>	<b>151,848,295</b>	<b>8,553,172</b>	<b>138,341,515</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Board:</b>				
Salaries and benefits	341,246	340,246	1,000	307,671
Other operating expenditures	137,913	116,386	21,527	97,992
Total	479,159	456,632	22,527	405,663

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Over/Under	Actual
<b>County Manager:</b>				
Salaries and benefits	1,619,397	1,597,786	21,611	1,502,159
Other operating expenditures	191,333	79,560	111,773	84,189
Total	1,810,730	1,677,346	133,384	1,586,348
<b>Finance:</b>				
Salaries and benefits	975,924	1,011,822	(35,898)	838,597
Other operating expenditures	449,779	321,750	128,029	352,148
Total	1,425,703	1,333,572	92,131	1,190,745
<b>Tax:</b>				
Salaries and benefits	1,444,168	1,392,253	51,915	1,241,996
Other operating expenditures	625,750	475,351	150,399	374,379
Capital outlay	51,118	51,118	-	-
Total	2,121,036	1,918,722	202,314	1,616,375
<b>County Attorney:</b>				
Salaries and benefits	72,130	72,528	(398)	67,936
Other operating expenses	333,301	148,254	185,047	201,010
Total	405,431	220,782	184,649	268,946
<b>Information Services:</b>				
Salaries and benefits	1,473,174	1,324,049	149,125	1,276,286
Other operating expenditures	872,132	596,863	275,269	847,692
Capital outlay	-	-	-	26,397
Total	2,345,306	1,920,912	424,394	2,150,375
<b>Elections:</b>				
Salaries and benefits	520,918	470,897	50,021	436,238
Other operating expenses	170,290	134,841	35,449	116,750
Capital outlay	5,900	405,184	(399,284)	-
Total	697,108	1,010,922	(313,814)	552,988
<b>General Services:</b>				
Salaries and benefits	110,000	15,161	94,839	2,907
Other operating expenses	8,270,484	2,077,297	6,193,187	882,067
Total	8,380,484	2,092,458	6,288,026	884,974

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Register of Deeds:</b>				
Salaries and benefits	571,630	548,795	22,835	498,185
Other operating expenses	171,615	127,081	44,534	137,632
Total	743,245	675,876	67,369	635,817
<b>Facilities Management:</b>				
Salaries and benefits	1,418,325	1,329,279	89,046	1,165,525
Other operating expenditures	2,577,148	2,172,809	404,339	2,246,802
Capital outlay	177,926	149,540	28,386	167,954
Total	4,173,399	3,651,628	521,771	3,580,281
<b>Agriculture and Conference Center:</b>				
Salaries and benefits	298,024	289,343	8,681	225,605
Other operating expenditures	50,844	48,863	1,981	45,304
Capital outlay	-	-	-	72,468
Total	348,868	338,206	10,662	343,377
<b>Court Facilities:</b>				
Other operating expenditures	140,817	81,006	59,811	81,337
Total	140,817	81,006	59,811	81,337
<b>Total general government</b>	<b>23,071,286</b>	<b>15,378,062</b>	<b>7,693,224</b>	<b>13,297,226</b>
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and benefits	14,095,750	12,521,437	1,574,313	11,368,847
Other operating expenditures	3,225,885	2,542,629	683,256	2,116,523
Capital outlay	757,502	981,144	(223,642)	280,057
Total sheriff	18,079,137	16,045,210	2,033,927	13,765,427
<b>Law Enforcement Special Separation</b>	<b>225,000</b>	<b>225,000</b>	<b>-</b>	<b>175,000</b>
<b>Emergency Management:</b>				
Salaries and benefits	542,955	522,903	20,052	355,815
Other operating expenditures	4,299,642	4,129,972	169,670	3,624,264
Capital outlay	392,549	367,366	25,183	23,520
Total	5,235,146	5,020,241	214,905	4,003,599

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Emergency Communications:</b>				
Salaries and benefits	2,479,435	2,095,261	384,174	1,860,355
Other operating expenses	704,517	607,164	97,353	276,427
Capital outlay	371,394	247,857	123,537	-
Total	3,555,346	2,950,282	605,064	2,136,782
<b>Building Inspections:</b>				
Salaries and benefits	1,781,779	1,385,669	396,110	917,235
Other operating expenditures	120,355	108,248	12,107	71,553
Capital outlay	249,288	240,284	9,004	80,639
Total	2,151,422	1,734,201	417,221	1,069,427
<b>Fire Inspections:</b>				
Salaries and benefits	351,019	329,617	21,402	320,000
Other operating expenses	36,386	32,237	4,149	32,987
Capital outlay	-	-	-	9,638
Total	387,405	361,854	25,551	362,625
<b>Court-Related Programs:</b>				
Salaries and benefits	977,265	900,567	76,698	615,250
Operating expenses	693,430	496,795	196,635	404,701
Total	1,670,695	1,397,362	273,333	1,019,951
<b>Total public safety</b>	<b>31,304,151</b>	<b>27,734,150</b>	<b>3,570,001</b>	<b>22,532,811</b>
<b>Economic and Physical Development:</b>				
<b>Planning:</b>				
Salaries and employee benefits	922,409	909,509	12,900	794,734
Other operating expenditures	1,081,554	493,461	588,093	194,938
Capital outlay	43,620	43,629	(9)	-
Total	2,047,583	1,446,599	600,984	989,672
<b>Central Permitting:</b>				
Salaries and employee benefits	473,131	471,887	1,244	412,077
Other operating expenses	42,095	19,033	23,062	92,722
Capital outlay	-	-	-	71,897
Total	515,226	490,920	24,306	576,696
<b>Sedimentation and Erosion Control:</b>				
Salaries and benefits	744,836	708,969	35,867	413,180
Operating expenses	228,902	164,637	64,265	80,980
Capital outlay	76,416	53,310	23,106	-
Total	1,050,154	926,916	123,238	494,160

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Cooperative Extension:</b>				
Salaries and benefits	2,164	2,430	(266)	1,960
Other operating expenditures	777,120	477,209	299,911	410,435
Total	779,284	479,639	299,645	412,395
<b>Soil and Water Conservation:</b>				
Salaries and employee benefits	236,993	239,663	(2,670)	208,845
Other operating expenditures	25,674	21,276	4,398	22,996
Total	262,667	260,939	1,728	231,841
<b>Economic Development:</b>				
Other operating expenditures	1,213,748	1,033,433	180,315	1,381,777
<b>Pittsboro/Siler City Convention &amp; Visitors Bureau:</b>				
Salaries and employee benefits	138,983	139,199	(216)	113,536
Other operating expenses	43,775	11,319	32,456	4,657
Total	182,758	150,518	32,240	118,193
<b>Total economic/physical development</b>	<b>6,051,420</b>	<b>4,788,964</b>	<b>1,262,456</b>	<b>4,204,734</b>
<b>Human Services:</b>				
<b>Health:</b>				
Salaries and benefits	5,739,730	5,024,193	715,537	4,728,211
Other operating expenditures	2,730,875	1,433,295	1,297,580	1,079,241
Capital outlay	107,895	84,811	23,084	-
Total	8,578,500	6,542,299	2,036,201	5,807,452
<b>Social Services:</b>				
Administration:				
Salaries and benefits	8,033,351	7,637,820	395,531	6,950,038
Other operating expenditures	1,015,060	824,194	190,866	726,237
Total	9,048,411	8,462,014	586,397	7,676,275
<b>Public Assistance:</b>				
Assistance programs	3,322,942	1,688,582	1,634,360	2,113,599
Total social services	12,371,353	10,150,596	2,220,757	9,789,874

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Mental Health:</b>				
Salaries and benefits	-	-	-	112,165
Mental health appropriation	424,793	424,375	418	490,135
Total	424,793	424,375	418	602,300
<b>Council on Aging:</b>				
Salaries and benefits	1,301,618	1,243,495	58,123	225,378
Other operating expenditures	527,828	542,034	(14,206)	1,183,453
Total	1,829,446	1,785,529	43,917	1,408,831
<b>Appropriations to Non-Profit Agencies:</b>				
Chatham Trades	182,000	182,000	-	206,000
Chatham Transit	108,367	80,547	27,820	86,543
Other non-profit agencies	373,352	371,852	1,500	325,025
Total	663,719	634,399	29,320	617,568
<b>Total human services</b>	<b>23,867,811</b>	<b>19,537,198</b>	<b>4,330,613</b>	<b>18,226,025</b>
<b>Cultural and Recreational:</b>				
<b>Library:</b>				
Salaries and benefits	1,338,749	1,263,314	75,435	1,150,457
Other operating expenditures	1,354,565	471,914	882,651	353,206
Capital outlay	15,000	15,000	-	3,796
Total	2,708,314	1,750,228	958,086	1,507,459
<b>Recreation:</b>				
Salaries and benefits	1,051,878	976,850	75,028	745,055
Other operating expenditures	625,142	578,461	46,681	508,956
Capital outlay	43,340	43,339	1	-
Total	1,720,360	1,598,650	121,710	1,254,011
<b>Total cultural and recreational</b>	<b>4,428,674</b>	<b>3,348,878</b>	<b>1,079,796</b>	<b>2,761,470</b>
<b>Education:</b>				
<b>Public Schools:</b>				
Appropriation	39,036,170	39,036,170	-	38,111,170
Program - Special Project	125,000	77,128	47,872	-
Capital outlay	2,300,000	2,300,000	-	2,314,500
Total	41,461,170	41,413,298	47,872	40,425,670

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Community College:</b>				
Appropriation	1,591,990	1,422,109	169,881	1,251,857
Community college - capital outlay				
Total	1,591,990	1,422,109	169,881	1,251,857
Total education	43,053,160	42,835,407	217,753	41,677,527
<b>Debt Service:</b>				
<b>Principal:</b>				
Public schools - principal	8,961,067	8,961,066	1	8,319,243
Community college - principal	1,321,562	1,321,561	1	1,333,166
General building projects - principal	5,409,663	5,409,665	(2)	4,412,061
Business campus - principal	418,099	418,098	1	417,098
Lease principal	729,082	729,082	-	147,726
Total	16,839,473	16,839,472	1	14,629,294
<b>Interest and Fees:</b>				
Public schools - interest	5,787,161	5,787,161	-	5,982,306
Community college - interest	622,425	622,201	224	682,177
General building projects - interest	2,371,137	2,371,137	-	2,217,026
Business campus - interest	177,628	170,628	7,000	191,508
Lease interest	27,630	27,630	-	5,748
Total	8,985,981	8,978,757	7,224	9,078,765
<b>Total debt service</b>	25,825,454	25,818,229	7,225	23,708,059
<b>Total expenditures</b>	157,601,956	139,440,888	18,161,068	126,407,852
Revenues over (under) expenditures	(14,306,833)	12,407,407	26,714,240	11,933,663
<b>Other Financing Sources (Uses):</b>				
<b>Transfers In:</b>				
Special revenue funds:				
ARPA	10,000,000	10,000,000	-	67,733
Recreation payment in lieu	22,568	22,568	-	-
Impact fee	3,788,100	1,788,100	(2,000,000)	1,641,445
Capital projects funds:				
CIP debt reserve	19,333,204	15,000,000	(4,333,204)	13,111,522
Total transfers in	33,143,872	26,810,668	(6,333,204)	14,820,700

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Transfers Out:</b>				
General Fund:				
Revaluation	(500,000)	(500,000)	-	(400,000)
Housing trust	(918,112)	(918,112)	-	(701,674)
Land preservation	(990,963)	(968,553)	22,410	-
Special revenue funds:				
Emergency telephone system	(27,218)	(27,218)	-	-
Capital Projects:				
CIP debt reserve	(16,322,562)	(16,322,562)	-	(16,205,659)
Parks	(3,000,000)	(3,000,000)	-	-
Capital reserve	(6,424,205)	(6,424,205)	-	(7,854,471)
Facilities improvements	(2,100,000)	(2,100,000)	-	-
Total transfers out	<u>(30,283,060)</u>	<u>(30,260,650)</u>	<u>22,410</u>	<u>(25,161,804)</u>
Total transfers in (out)	<u>2,860,812</u>	<u>(3,449,982)</u>	<u>(6,310,794)</u>	<u>(10,341,104)</u>
<b>Debt proceeds:</b>				
Refunding bonds issued	-	-	-	9,455,000
Subscription liability issued	1,643,738	1,643,738	-	-
Lease liability issued	410,410	410,410	-	91,311
Payment to refunding agent	-	-	-	(9,418,328)
Total proceeds	<u>2,054,148</u>	<u>2,054,148</u>	<u>-</u>	<u>127,983</u>
<b>Total other financing sources (uses)</b>	<u>4,914,960</u>	<u>(1,395,834)</u>	<u>(6,310,794)</u>	<u>(10,213,121)</u>
Net change in fund balance	(9,391,873)	11,011,573	20,403,446	1,720,542
Appropriated fund balance	<u>9,391,873</u>	<u>-</u>	<u>(9,391,873)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>11,011,573</u>	<u>\$ 11,011,573</u>	<u>1,720,542</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>50,033,383</u>		<u>48,312,841</u>
Fund balance, ending		<u>\$ 61,044,956</u>		<u>\$ 50,033,383</u>

## CHATHAM COUNTY, NORTH CAROLINA

## REVALUATION

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2023

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Expenditures:</b>				
General government	\$ 500,000	\$ 211,983	\$ 288,017	\$ 54,375
Revenues over (under) expenditures	(500,000)	(211,983)	288,017	(54,375)
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General Fund	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>400,000</u>
Net change in fund balance	<u>\$ -</u>	288,017	<u>\$ 288,017</u>	345,625
<b>Fund Balance:</b>				
Fund balance, beginning		<u>347,077</u>		<u>1,452</u>
Fund balance, ending		<u>\$ 635,094</u>		<u>\$ 347,077</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, 2023

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 10,000	\$ 98,591	\$ 88,591	\$ 17,845
<b>Expenditures:</b>				
General government	1,509,250	-	1,509,250	-
Economic and physical development	1,500,750	48,923	1,451,827	48,534
Human services				
Cultural and recreational	1,000,000	-	1,000,000	-
Total expenditures	4,010,000	48,923	3,961,077	48,534
Revenues over (under) expenditures	(4,000,000)	49,668	4,049,668	(30,689)
Appropriated fund balance	4,000,000	-	(4,000,000)	-
Net change in fund balance	\$ -	49,668	\$ 49,668	(30,689)
<b>Fund Balance:</b>				
Fund balance, beginning		4,805,326		4,836,015
Fund balance, ending		\$ 4,854,994		\$ 4,805,326

## 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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 25,701	\$ 25,701	\$ 1,143
<b>Expenditures:</b>				
Economic and physical development	918,112	694,424	223,688	257,221
Revenues over (under) expenditures	(918,112)	(668,723)	249,389	(256,078)
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General Fund	918,112	918,112	-	701,674
Net change in fund balance	<u>\$ -</u>	249,389	<u>\$ 249,389</u>	445,596
<b>Fund Balance:</b>				
Fund balance, beginning		588,392		142,796
Fund balance, ending		<u>\$ 837,781</u>		<u>\$ 588,392</u>

## CHATHAM COUNTY, NORTH CAROLINA

## LAND PRESERVATION FUND

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCES - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2023

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Expenditures:</b>				
Economic and physical development	\$ 968,553	\$ -	\$ 968,553	\$ -
Revenues over (under) expenditures	(968,553)	-	968,553	-
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General Fund	968,553	968,553	-	-
Net change in fund balance	<u>\$ -</u>	968,553	<u>\$ 968,553</u>	-
<b>Fund Balance:</b>				
Fund balance, beginning		-		-
Fund balance, ending		<u>\$ 968,553</u>		<u>\$ -</u>

## 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, 2023  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	<u>2023</u>			<u>2022</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 2,000	\$ 17,601	\$ 15,601	\$ 3,675
Other general revenues	225,000	225,000	-	175,000
Total revenues	<u>227,000</u>	<u>242,601</u>	<u>15,601</u>	<u>178,675</u>
<b>Expenditures:</b>				
Public safety	<u>227,000</u>	<u>126,043</u>	<u>100,957</u>	<u>115,488</u>
Net change in fund balance	<u>\$ -</u>	<u>116,558</u>	<u>\$ 116,558</u>	<u>63,187</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>950,768</u>		<u>887,581</u>
Fund balance, ending		<u>\$ 1,067,326</u>		<u>\$ 950,768</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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Lottery proceeds	\$ 150,000	\$ 656,640	\$ 506,640	\$ 579,010
Investment earnings	125,000	871,292	746,292	143,244
Total revenues	<u>275,000</u>	<u>1,527,932</u>	<u>1,252,932</u>	<u>722,254</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
General Fund	<u>16,322,562</u>	<u>16,322,562</u>	-	<u>16,205,659</u>
Transfer (to) other funds:				
General Fund	(17,050,527)	(15,000,000)	2,050,527	(13,111,522)
Capital reserve	(213,292)	(213,292)	-	-
School construction project	<u>(1,800,261)</u>	<u>(1,800,261)</u>	-	-
Total transfers (to) other funds	<u>(19,064,080)</u>	<u>(17,013,553)</u>	<u>2,050,527</u>	<u>(13,111,522)</u>
Total other financing sources (uses)	<u>(2,741,518)</u>	<u>(690,991)</u>	<u>2,050,527</u>	<u>3,094,137</u>
Appropriated fund balance	<u>2,466,518</u>	-	<u>(2,466,518)</u>	-
Net change in fund balance	<u>\$ -</u>	836,941	<u>\$ 836,941</u>	3,816,391
<b>Fund Balance:</b>				
Fund balance, beginning		<u>42,154,354</u>		<u>38,337,963</u>
Fund balance, ending		<u>\$ 42,991,295</u>		<u>\$ 42,154,354</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, 2023

	Project Budget	Actual		Variance Over/Under	
		Prior Years	Current Year		Total
<b>Revenues:</b>					
Investment earnings	\$ -	\$ 63,662	\$ 819,962	\$ 883,624	\$ 883,624
Other general revenues	75,000	-	75,000	75,000	-
Total revenues	75,000	63,662	894,962	958,624	883,624
<b>Expenditures:</b>					
General government:					
Improvements	375,000	-	290,062	290,062	84,938
Annex renovations	4,063,002	2,944,782	-	2,944,782	1,118,220
Total general government	4,438,002	2,944,782	290,062	3,234,844	1,203,158
Public safety:					
Emergency communication improvements	19,965,236	12,642,701	1,585,080	14,227,781	5,737,455
Emergency operations center	24,233,330	15,109,683	7,195,412	22,305,095	1,928,235
EMS base	2,104,360	72,536	1,516	74,052	2,030,308
Animal shelter	6,382,496	6,322,152	47,668	6,369,820	12,676
Total public safety	52,685,422	34,147,072	8,829,676	42,976,748	9,708,674
Total county facility construction	57,123,424	37,091,854	9,119,738	46,211,592	10,911,832
Other:					
Education:					
Health sciences building	12,298,608	10,834,555	-	10,834,555	1,464,053
Jail cell blocks	2,800,000	-	-	-	2,800,000
CCCC - roof replacement	478,500	-	295,844	295,844	182,656
CCCC - trail	298,750	165,519	-	165,519	133,231
Total education	15,875,858	11,000,074	295,844	11,295,918	4,579,940
Total expenditures	72,999,282	48,091,928	9,415,582	57,507,510	15,491,772
Revenues over (under) expenditures	(72,924,282)	(48,028,266)	(8,520,620)	(56,548,886)	16,375,396
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds:					
General Fund	4,952,990	2,952,991	2,000,000	4,952,991	1
Capital reserve	14,831,598	6,556,707	563,590	7,120,297	(7,711,301)
Capital improvement project reserve	-	7,151,791	-	7,151,791	7,151,791
Total transfers from other funds	19,784,588	16,661,489	2,563,590	19,225,079	(559,509)
Transfers (to) other funds:					
Capital improvement project reserve	(1,961,890)	(1,961,889)	-	(1,961,889)	1
Total transfers from (to) other funds	17,822,698	14,699,600	2,563,590	17,263,190	(559,508)
Issuance of long-term debt (net):					
Limited obligation bonds	53,991,572	32,346,926	-	32,346,926	(21,644,646)
Other debt proceeds	1,110,012	18,151,334	-	18,151,334	17,041,322
Premium on limited obligation bond	-	5,978,194	-	5,978,194	5,978,194
Total proceeds	55,101,584	56,476,454	-	56,476,454	1,374,870
Total other financing sources (uses)	72,924,282	71,176,054	2,563,590	73,739,644	815,362
Net change in fund balance	\$ -	\$ 23,147,788	\$ (5,957,030)	\$ 17,190,758	\$ 17,190,758

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, 2023

	Project Budget	Actual		Variance Over/Under	
		Prior Years	Current Year		Total
<b>Revenues:</b>					
Intergovernmental					
State grants	\$ 829,592	\$ 829,593	\$ 33,615	\$ 863,208	\$ 33,616
Investment earnings	3,500,000	3,916,301	269	3,916,570	416,570
Other general revenues:	638,060	638,060	-	638,060	-
Total other general revenues	638,060	638,060	-	638,060	-
Total revenues	4,967,652	5,383,954	33,884	5,417,838	450,186
<b>Expenditures:</b>					
Education:					
Construction:					
Sea Forth High School	82,203,839	81,211,239	529,794	81,741,033	462,806
Chatham Grove Elementary School	32,507,081	32,433,176	-	32,433,176	73,905
Margaret Pollard Middle School	2,000,000	-	-	-	2,000,000
Central services facility	16,463,880	9,664,603	7,333,333	16,997,936	(534,056)
Total construction	133,174,800	123,309,018	7,863,127	131,172,145	2,002,655
Facility improvements					
Locker renovations	1,323,520	1,297,771	-	1,297,771	25,749
Mobile classrooms	1,331,695	224,292	15,220	239,512	1,092,183
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	7,842,914	15,220	7,858,134	2,428,772
Total expenditures	143,461,706	131,151,932	7,878,347	139,030,279	4,431,427
Revenues over (under) expenditures	(138,494,054)	(125,767,978)	(7,844,463)	(133,612,441)	4,881,613
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
Transfer from other funds:					
CIP debt reserve	6,699,535	7,500,072	1,800,261	9,300,333	2,600,798
Capital reserve	8,710,765	4,266,773	15,220	4,281,993	(4,428,772)
General Fund	1,780,422	1,780,422	-	1,780,422	-
Total	17,190,722	13,547,267	1,815,481	15,362,748	(1,827,974)
Transfer to other funds:					
CIP debt reserve	(6,699,535)	(6,699,535)	-	(6,699,535)	-
Net transfers	10,491,187	6,847,732	1,815,481	8,663,213	(1,827,974)

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, 2023

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
Proceeds from borrowing:					
Limited obligation bonds issued	114,786,280	110,968,074	-	110,968,074	(3,818,206)
Premium on borrowing	12,058,928	14,797,402	-	14,797,402	2,738,474
Installment	<u>1,157,659</u>	<u>1,157,659</u>	-	<u>1,157,659</u>	-
Total debt obligations issued	<u>128,002,867</u>	<u>126,923,135</u>	-	<u>126,923,135</u>	<u>(1,079,732)</u>
Total other financing sources (uses)	<u>138,494,054</u>	<u>133,770,867</u>	<u>1,815,481</u>	<u>135,586,348</u>	<u>(2,907,706)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 8,002,889</u>	<u>\$ (6,028,982)</u>	<u>\$ 1,973,907</u>	<u>\$ 1,973,907</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, 2023

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Revenues:</b>					
Restricted intergovernmental	<u>\$ 14,464,924</u>	<u>\$ 68,616</u>	<u>\$ 10,074,542</u>	<u>\$ 10,143,158</u>	<u>\$ (4,321,766)</u>
<b>Expenditures:</b>					
Public safety	<u>4,329,459</u>	<u>883</u>	<u>74,542</u>	<u>75,425</u>	<u>4,254,034</u>
Revenues over (under) expenditures	10,135,465	67,733	10,000,000	10,067,733	(67,732)
<b>Other Financing Sources (Uses):</b>					
Transfer (to) other funds:					
General Fund	<u>(10,135,465)</u>	<u>(67,733)</u>	<u>(10,000,000)</u>	<u>(10,067,733)</u>	<u>67,732</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## 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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>			<u>2022</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 30,000	\$ 398,436	\$ 368,436	\$ 41,394
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds:				
General Fund	2,785,912	6,424,205	3,638,293	7,854,471
Transfers to other funds:				
Capital Projects:				
Tech/Improvement project	(1,500,000)	(143,420)	1,356,580	(236,329)
Facilities improvement	(3,000,000)	(463,590)	2,536,410	(423,826)
School construction project	(1,500,000)	(15,220)	1,484,780	(531,401)
Total transfers to other funds	(6,000,000)	(622,230)	5,377,770	(1,191,556)
Total transfers to (from) other funds	(3,214,088)	5,801,975	9,016,063	6,662,915
Appropriated fund balance	3,184,088	-	(3,184,088)	-
Net change in fund balance	\$ -	6,200,411	\$ 6,200,411	6,704,309
<b>Fund Balance:</b>				
Fund balance, beginning		18,943,075		12,238,766
Fund balance, ending		\$ 25,143,486		\$ 18,943,075

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**NONMAJOR GOVERNMENTAL FUNDS**

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## CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2023**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash, cash equivalents, and investments	\$ 12,157,202	\$ 3,246,462	\$ 15,403,664
Property taxes receivable, net of allowance	160,142	-	160,142
Due from other governmental agencies	152,260	-	152,260
Other receivables	75,967	726	76,693
Total assets	<u>\$ 12,545,571</u>	<u>\$ 3,247,188</u>	<u>\$ 15,792,759</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	<u>\$ 110,314</u>	<u>\$ 11,903</u>	<u>\$ 122,217</u>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	17,895	-	17,895
Taxes receivable	<u>160,142</u>	<u>-</u>	<u>160,142</u>
Total deferred inflows of resources	<u>178,037</u>	<u>-</u>	<u>178,037</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	228,227	726	228,953
Courthouse clock	72,667	-	72,667
Emergency telephone	391,483	-	391,483
Human Services	112,927	-	112,927
Fire protection	771,344	-	771,344
Law enforcement	299,011	-	299,011
Economic and physical development	15,323	-	15,323
Committed			
Assigned:			
General government	-	126,420	126,420
Education	8,485,565	-	8,485,565
Public safety	-	129,499	129,499
Cultural and recreation	<u>1,880,673</u>	<u>2,978,640</u>	<u>4,859,313</u>
Total fund balances	<u>12,257,220</u>	<u>3,235,285</u>	<u>15,492,505</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,545,571</u>	<u>\$ 3,247,188</u>	<u>\$ 15,792,759</u>

## CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 13,721,437	\$ -	\$ 13,721,437
Restricted intergovernmental	1,252,201	-	1,252,201
Permits and fees	2,401,251	-	2,401,251
Investment earnings	312,574	2,604	315,178
Total revenues	<u>17,687,463</u>	<u>2,604</u>	<u>17,690,067</u>
<b>Expenditures:</b>			
General government	-	17,000	17,000
Public safety	14,373,936	-	14,373,936
Human services	215,054	-	215,054
Cultural and recreational	-	306,966	306,966
Education	270,894	-	270,894
Total expenditures	<u>14,859,884</u>	<u>323,966</u>	<u>15,183,850</u>
Revenues over (under) expenditures	<u>2,827,579</u>	<u>(321,362)</u>	<u>2,506,217</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	27,218	3,404,026	3,431,244
Transfers (to) other funds	(1,857,982)	-	(1,857,982)
Total	<u>(1,830,764)</u>	<u>3,404,026</u>	<u>1,573,262</u>
<b>Net change in fund balances</b>	996,815	3,082,664	4,079,479
<b>Fund Balances:</b>			
Fund balances, beginning	11,260,405	152,621	11,413,026
Fund balances, ending	<u>\$ 12,257,220</u>	<u>\$ 3,235,285</u>	<u>\$ 15,492,505</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.
- **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, 2023

	Emergency Telephone System Fund	Forfeited Property	Impact Fee	Recreation Payment In Lieu	Bynum Canoe Access/ Easement Monitoring	Courthouse Clock
<b>Assets:</b>						
Cash, cash equivalents, and investments	\$ 396,002	\$ 336,184	\$ 8,480,741	\$ 1,867,357	\$ 15,323	\$ 72,667
Property taxes receivable, net	-	-	-	-	-	-
Due from other governmental agencies	35,281	-	-	-	-	-
Other receivables	1,048	1,934	57,068	10,658	86	407
Total assets	<u>\$ 432,331</u>	<u>\$ 338,118</u>	<u>\$ 8,537,809</u>	<u>\$ 1,878,015</u>	<u>\$ 15,409</u>	<u>\$ 73,074</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 4,519	\$ 37,173	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>						
Prepaid taxes	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
<b>Fund Balances:</b>						
Restricted:						
Stabilization by state statute	36,329	1,934	57,068	10,658	86	407
Courthouse clock	-	-	-	-	-	72,667
Emergency telephone	391,483	-	-	-	-	-
Economic and physical development	-	-	-	-	15,323	-
Health services	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-
Law enforcement	-	299,011	-	-	-	-
Assigned:						
Education	-	-	8,480,741	-	-	-
Cultural and recreation	-	-	-	1,867,357	-	-
Total fund balances	<u>427,812</u>	<u>300,945</u>	<u>8,537,809</u>	<u>1,878,015</u>	<u>15,409</u>	<u>73,074</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 432,331</u>	<u>\$ 338,118</u>	<u>\$ 8,537,809</u>	<u>\$ 1,878,015</u>	<u>\$ 15,409</u>	<u>\$ 73,074</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023

	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Representative Payee</u>	<u>Fines and Forfeitures</u>	<u>Total</u>
<b>Assets:</b>					
Cash, cash equivalents, and investments	\$ 13,316	\$ 842,010	\$ 112,927	\$ 20,675	\$ 12,157,202
Property taxes receivable, net	-	160,142	-	-	160,142
Due from other governmental agencies	-	101,128	-	15,851	152,260
Other receivables	75	4,691	-	-	75,967
Total assets	<u>\$ 13,391</u>	<u>\$ 1,107,971</u>	<u>\$ 112,927</u>	<u>\$ 36,526</u>	<u>\$ 12,545,571</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 52,771	\$ -	\$ 15,851	\$ 110,314
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	-	17,895	-	-	17,895
Taxes receivable	-	160,142	-	-	160,142
Total deferred inflows of resources	<u>-</u>	<u>178,037</u>	<u>-</u>	<u>-</u>	<u>178,037</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by state statute	75	105,819	-	15,851	228,227
Courthouse clock	-	-	-	-	72,667
Emergency telephone	-	-	-	-	391,483
Economic and physical development	-	-	-	-	15,323
Health services	-	-	112,927	-	112,927
Fire protection	-	771,344	-	-	771,344
Law enforcement	-	-	-	-	299,011
Assigned:					
Education	-	-	-	4,824	8,485,565
Cultural and recreation	13,316	-	-	-	1,880,673
Total fund balances	<u>13,391</u>	<u>877,163</u>	<u>112,927</u>	<u>20,675</u>	<u>12,257,220</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,391</u>	<u>\$ 1,107,971</u>	<u>\$ 112,927</u>	<u>\$ 36,526</u>	<u>\$ 12,545,571</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, 2023

	Emergency Telephone System Fund	Forfeited Property	Impact Fee	Recreation Payment In Lieu	Bynum Canoe Access/ Easement Monitoring	Courthouse Clock
<b>Revenues:</b>						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	620,062	96,846	-	-	-	-
Permits and fees	-	-	2,361,925	39,326	-	-
Investment earnings	7,126	7,554	220,121	42,031	308	1,461
Total revenues	<u>627,188</u>	<u>104,400</u>	<u>2,582,046</u>	<u>81,357</u>	<u>308</u>	<u>1,461</u>
<b>Expenditures:</b>						
Public safety	675,271	226,868	-	-	-	-
Human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>675,271</u>	<u>226,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>(48,083)</u>	<u>(122,468)</u>	<u>2,582,046</u>	<u>81,357</u>	<u>308</u>	<u>1,461</u>
<b>Other Financing Sources (Uses):</b>						
Transfers from other funds	27,218	-	-	-	-	-
Transfers (to) other funds	-	-	(1,788,100)	(69,882)	-	-
Total other financing sources (uses)	<u>27,218</u>	<u>-</u>	<u>(1,788,100)</u>	<u>(69,882)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(20,865)	(122,468)	793,946	11,475	308	1,461
<b>Fund Balances:</b>						
Fund balances, beginning	448,677	423,413	7,743,863	1,866,540	15,101	71,613
Fund balances, ending	<u>\$ 427,812</u>	<u>\$ 300,945</u>	<u>\$ 8,537,809</u>	<u>\$ 1,878,015</u>	<u>\$ 15,409</u>	<u>\$ 73,074</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, 2023

	<u>Library Foundation</u>	<u>Special Fire Districts</u>	<u>Representative Payee</u>	<u>Fines and Forfeitures</u>	<u>Total</u>
<b>Revenues:</b>					
Ad valorem taxes	\$ -	\$ 13,721,437	\$ -	\$ -	\$ 13,721,437
Restricted intergovernmental	-	-	264,399	270,894	1,252,201
Permits and fees	-	-	-	-	2,401,251
Investment earnings	268	33,705	-	-	312,574
Total revenues	<u>268</u>	<u>13,755,142</u>	<u>264,399</u>	<u>270,894</u>	<u>17,687,463</u>
<b>Expenditures:</b>					
Public safety	-	13,471,797	-	-	14,373,936
Human services	-	-	215,054	-	215,054
Education	-	-	-	270,894	270,894
Total expenditures	<u>-</u>	<u>13,471,797</u>	<u>215,054</u>	<u>270,894</u>	<u>14,859,884</u>
Revenues over (under) expenditures	<u>268</u>	<u>283,345</u>	<u>49,345</u>	<u>-</u>	<u>2,827,579</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	-	-	-	-	27,218
Transfers (to) other funds	-	-	-	-	(1,857,982)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,830,764)</u>
Net change in fund balances	268	283,345	49,345	-	996,815
<b>Fund Balances:</b>					
Fund balances, beginning	13,123	593,818	63,582	20,675	11,260,405
Fund balances, ending	<u>\$ 13,391</u>	<u>\$ 877,163</u>	<u>\$ 112,927</u>	<u>\$ 20,675</u>	<u>\$ 12,257,220</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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
E-911 telephone grant	\$ -	\$ 196,690	\$ 196,690	\$ 2,840,374
Service fee collections	573,742	423,372	(150,370)	559,791
Investment earnings	1,000	7,126	6,126	2,142
Total revenues	<u>574,742</u>	<u>627,188</u>	<u>52,446</u>	<u>3,402,307</u>
<b>Expenditures:</b>				
Public safety:	<u>909,299</u>	<u>675,271</u>	<u>234,028</u>	<u>3,265,216</u>
Revenues over (under) expenditures	<u>(334,557)</u>	<u>(48,083)</u>	<u>286,474</u>	<u>137,091</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
Transfer from other funds:*				
General Fund	-	27,218	27,218	-
Appropriated fund balance	<u>334,557</u>	<u>-</u>	<u>(334,557)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(20,865)</u>	<u>\$ (20,865)</u>	<u>137,091</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>448,677</u>		<u>311,586</u>
Fund balance, ending		<u>\$ 427,812</u>		<u>\$ 448,677</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 or prior year.

## 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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Controlled Substance:</b>				
Revenues:				
Restricted intergovernmental:				
Controlled substance tax	\$ -	\$ 42,302	\$ 42,302	\$ 8,813
Investment earnings	-	3,777	3,777	302
Other general revenues	-	-	-	290
Total revenues	-	46,079	46,079	9,405
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	80,000	1,646	78,354	2,584
Revenues over (under) expenditures	(80,000)	44,433	124,433	6,821
Appropriated fund balance	80,000	-	(80,000)	-
Net change in fund balance	\$ -	44,433	\$ 44,433	6,821
<b>Fund Balance:</b>				
Fund balance, beginning		105,534		98,713
Fund balance, ending		\$ 149,967		\$ 105,534
<b>Drug Forfeiture:</b>				
Revenues:				
Restricted intergovernmental:				
Drug forfeiture	\$ 34,172	\$ 54,544	\$ 20,372	\$ 217,466
Investment earnings	1,000	3,777	2,777	905
Total revenues	35,172	58,321	23,149	218,371
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	350,172	225,222	124,950	22,899
Revenues over (under) expenditures	(315,000)	(166,901)	148,099	195,472
Appropriated fund balance	315,000	-	(315,000)	-
Net change in fund balance	\$ -	(166,901)	\$ (166,901)	195,472
<b>Fund Balance:</b>				
Fund balance, beginning		317,879		122,407
Fund balance, ending		\$ 150,978		\$ 317,879
Total fund balance - controlled substance/drug forfeiture		\$ 300,945		\$ 423,413

## 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, 2023  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 278,000	\$ 39,326	\$ (238,674)	\$ 322,304
Investment earnings	3,000	42,031	39,031	6,535
Total revenues	<u>281,000</u>	<u>81,357</u>	<u>(199,643)</u>	<u>328,839</u>
<b>Expenditures:</b>				
Cultural and recreational	<u>441,118</u>	<u>-</u>	<u>441,118</u>	<u>-</u>
Revenues over (under) expenditures	<u>(160,118)</u>	<u>81,357</u>	<u>241,475</u>	<u>328,839</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds:				
County-Wide Park project	<u>(69,882)</u>	<u>(69,882)</u>	<u>-</u>	<u>-</u>
Appropriated fund balance	<u>230,000</u>	<u>-</u>	<u>(230,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>11,475</u>	<u>\$ 11,475</u>	<u>328,839</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>1,866,540</u>		<u>1,537,701</u>
Fund balance, ending		<u>\$ 1,878,015</u>		<u>\$ 1,866,540</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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>			<u>2022</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 50	\$ 308	\$ 258	\$ 56
<b>Expenditures:</b>				
Cultural and recreational	8,575	-	8,575	1,852
Revenues over (under) expenditures	(8,525)	308	8,833	(1,796)
Appropriated fund balance	8,525	-	(8,525)	-
Net change in fund balance	<u>\$ -</u>	308	<u>\$ 308</u>	(1,796)
<b>Fund Balance:</b>				
Fund balance, beginning		15,101		16,897
Fund balance, ending		<u>\$ 15,409</u>		<u>\$ 15,101</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, 2023

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental				
Permits and fees	\$ 2,575,000	\$ 2,361,925	\$ (213,075)	\$ 3,187,625
Investment earnings	10,000	220,121	210,121	30,411
Total revenues	<u>2,585,000</u>	<u>2,582,046</u>	<u>(2,954)</u>	<u>3,218,036</u>
<b>Expenditures:</b>				
Education	673,200	-	673,200	-
Revenues over (under) expenditures	<u>1,911,800</u>	<u>2,582,046</u>	<u>670,246</u>	<u>3,218,036</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds:				
General Fund	<u>(3,788,100)</u>	<u>(1,788,100)</u>	<u>2,000,000</u>	<u>(1,641,445)</u>
Appropriated fund balance	<u>1,876,300</u>	<u>-</u>	<u>(1,876,300)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>793,946</u>	<u>\$ 793,946</u>	<u>1,576,591</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>7,743,863</u>		<u>6,167,272</u>
Fund balance, ending		<u>\$ 8,537,809</u>		<u>\$ 7,743,863</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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>			<u>2022</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 1,461	\$ 1,461	\$ 262
<b>Expenditures:</b>				
General government	65,000	-	65,000	-
Revenues over (under) expenditures	(65,000)	1,461	66,461	262
Appropriated fund balance	65,000	-	(65,000)	-
Net change in fund balance	<u>\$ -</u>	1,461	<u>\$ 1,461</u>	262
<b>Fund Balance:</b>				
Fund balance, beginning		71,613		71,351
Fund balance, ending		<u>\$ 73,074</u>		<u>\$ 71,613</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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>2023</u>			<u>2022</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 50	\$ 268	\$ 218	\$ 48
<b>Expenditures:</b>				
Cultural and recreational	10,700	-	10,700	-
Revenues over (under) expenditures	(10,650)	268	10,918	48
Appropriated fund balance	10,650	-	(10,650)	-
Net change in fund balance	<u>\$ -</u>	268	<u>\$ 268</u>	48
<b>Fund Balance:</b>				
Fund balance, beginning		13,123		13,075
Fund balance, ending		<u>\$ 13,391</u>		<u>\$ 13,123</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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 400,000	\$ 264,399	\$ (135,601)	\$ 185,373
<b>Expenditures:</b>				
Human services	400,000	215,054	184,946	180,619
Net change in fund balance	<u>\$ -</u>	49,345	<u>\$ 49,345</u>	4,754
<b>Fund Balance:</b>				
Fund balances, beginning		63,582		58,828
Fund balances, ending		<u>\$ 112,927</u>		<u>\$ 63,582</u>

## 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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental	\$ 280,000	\$ 270,894	\$ (9,106)	\$ 401,850
<b>Expenditures:</b>				
Education	280,000	270,894	9,106	381,175
Net change in fund balance	<u>\$ -</u>	-	<u>\$ -</u>	20,675
<b>Fund Balance:</b>				
Fund balances, beginning		20,675		-
Fund balances, ending		<u>\$ 20,675</u>		<u>\$ 20,675</u>

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CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2023

	<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>
<b>Assets:</b>							
Cash, cash equivalents, and investments	\$ 842,010	\$ 1,695	\$ 22,527	\$ 23,012	\$ 55,172	\$ 124,071	\$ 24,388
Property taxes receivable, net	160,142	1,616	3,778	8,336	20,659	26,467	8,972
Due from other governments	101,128	1,539	3,087	2,676	6,281	12,597	3,314
Other receivables	4,691	12	131	130	312	637	138
Total assets	<u>\$ 1,107,971</u>	<u>\$ 4,862</u>	<u>\$ 29,523</u>	<u>\$ 34,154</u>	<u>\$ 82,424</u>	<u>\$ 163,772</u>	<u>\$ 36,812</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 52,771	\$ 132	\$ 3,161	\$ 3,323	\$ 7,697	\$ -	\$ 1,694
<b>Deferred Inflows of Resources:</b>							
Property taxes receivable	160,142	1,616	3,778	8,336	20,659	26,467	8,972
Prepaid taxes	17,895	65	4	634	5,546	2,195	189
Total deferred inflows of resources	<u>178,037</u>	<u>1,681</u>	<u>3,782</u>	<u>8,970</u>	<u>26,205</u>	<u>28,662</u>	<u>9,161</u>
<b>Fund Balances:</b>							
Restricted:							
Stabilization by state statute	105,819	1,551	3,218	2,806	6,593	13,234	3,452
Fire protection	771,344	1,498	19,362	19,055	41,929	121,876	22,505
Total fund balances	<u>877,163</u>	<u>3,049</u>	<u>22,580</u>	<u>21,861</u>	<u>48,522</u>	<u>135,110</u>	<u>25,957</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,107,971</u>	<u>\$ 4,862</u>	<u>\$ 29,523</u>	<u>\$ 34,154</u>	<u>\$ 82,424</u>	<u>\$ 163,772</u>	<u>\$ 36,812</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2023

	<u>Hope</u>	<u>Moncure</u>	<u>North Chatham</u>	<u>Parkwood</u>	<u>Staley</u>	<u>Northview</u>
<b>Assets:</b>						
Cash, cash equivalents, and investments	\$ 32,368	\$ 112,012	\$ 374,090	\$ 66,772	\$ 2,519	\$ 3,384
Property taxes receivable, net	11,856	38,829	36,191	1,710	1,158	570
Due from other governments	5,312	5,693	57,544	2,027	605	453
Other receivables	183	604	2,148	362	15	19
Total assets	<u>\$ 49,719</u>	<u>\$ 157,138</u>	<u>\$ 469,973</u>	<u>\$ 70,871</u>	<u>\$ 4,297</u>	<u>\$ 4,426</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 7,019	\$ -	\$ 28,624	\$ -	\$ 605	\$ 516
<b>Deferred Inflows of Resources:</b>						
Property taxes receivable	11,856	38,830	36,189	1,710	1,159	570
Prepaid taxes	2,129	65	5,529	814	725	-
Total deferred inflows of resources	<u>13,985</u>	<u>38,895</u>	<u>41,718</u>	<u>2,524</u>	<u>1,884</u>	<u>570</u>
<b>Fund Balances:</b>						
Restricted:						
Stabilization by state statute	5,495	6,297	59,692	2,389	620	472
Fire protection	23,220	111,946	339,939	65,958	1,188	2,868
Total fund balances	<u>28,715</u>	<u>118,243</u>	<u>399,631</u>	<u>68,347</u>	<u>1,808</u>	<u>3,340</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,719</u>	<u>\$ 157,138</u>	<u>\$ 469,973</u>	<u>\$ 70,871</u>	<u>\$ 4,297</u>	<u>\$ 4,426</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, 2023

	<u>Combined Special Fire Districts</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 13,142,892	\$ 13,721,437	\$ 578,545
Investment earnings	-	33,705	33,705
Total revenues	<u>13,142,892</u>	<u>13,755,142</u>	<u>612,250</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	13,358,063	13,345,141	12,922
Commissions	141,302	126,656	14,646
Total expenditures	<u>13,499,365</u>	<u>13,471,797</u>	<u>27,568</u>
Revenues over (under) expenditures	<u>(356,473)</u>	<u>283,345</u>	<u>639,818</u>
Appropriated fund balance	<u>356,473</u>	<u>-</u>	<u>(356,473)</u>
Net change in fund balance	<u>\$ -</u>	<u>283,345</u>	<u>\$ 283,345</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>593,818</u>	
Fund balance, ending		<u>\$ 877,163</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, 2023

	<u>Bells Annex Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 206,560	\$ 209,233	\$ 2,673
Investment earnings	-	266	266
Total revenues	<u>206,560</u>	<u>209,499</u>	<u>2,939</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	210,160	205,719	4,441
Commissions	2,228	1,926	302
Total expenditures	<u>212,388</u>	<u>207,645</u>	<u>4,743</u>
Revenues over (under) expenditures	<u>(5,828)</u>	<u>1,854</u>	<u>7,682</u>
Appropriated fund balance	<u>5,828</u>	<u>-</u>	<u>(5,828)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,854</u>	<u>\$ 1,854</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>1,195</u>	
Fund balance, ending		<u>\$ 3,049</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, 2023

	<b>Bennett Fire District</b>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 188,623	\$ 198,258	\$ 9,635
Investment earnings	-	962	962
Total revenues	<u>188,623</u>	<u>199,220</u>	<u>10,597</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	197,827	196,571	1,256
Commissions	2,154	1,679	475
Total expenditures	<u>199,981</u>	<u>198,250</u>	<u>1,731</u>
Revenues over (under) expenditures	<u>(11,358)</u>	<u>970</u>	<u>12,328</u>
Appropriated fund balance	<u>11,358</u>	<u>-</u>	<u>(11,358)</u>
Net change in fund balance	<u>\$ -</u>	<u>970</u>	<u>\$ 970</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>21,610</u>	
Fund balance, ending		<u>\$ 22,580</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, 2023

	<b>Bonlee Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 267,550	\$ 278,988	\$ 11,438
Investment earnings	-	950	950
Total revenues	<u>267,550</u>	<u>279,938</u>	<u>12,388</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	278,168	276,374	1,794
Commissions	2,953	2,503	450
Total expenditures	<u>281,121</u>	<u>278,877</u>	<u>2,244</u>
Revenues over (under) expenditures	<u>(13,571)</u>	<u>1,061</u>	<u>14,632</u>
Appropriated fund balance	<u>13,571</u>	<u>-</u>	<u>(13,571)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,061</u>	<u>\$ 1,061</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>20,800</u>	
Fund balance, ending		<u>\$ 21,861</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, 2023

	<u>Central Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 487,761	\$ 509,839	\$ 22,078
Investment earnings	-	2,022	2,022
Total revenues	<u>487,761</u>	<u>511,861</u>	<u>24,100</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	506,593	502,631	3,962
Commissions	5,486	4,501	985
Total expenditures	<u>512,079</u>	<u>507,132</u>	<u>4,947</u>
Revenues over (under) expenditures	<u>(24,318)</u>	<u>4,729</u>	<u>29,047</u>
Appropriated fund balance	<u>24,318</u>	<u>-</u>	<u>(24,318)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,729</u>	<u>\$ 4,729</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>43,793</u>	
Fund balance, ending		<u>\$ 48,522</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, 2023

	<u>Circle City Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,689,819	\$ 1,783,472	\$ 93,653
Investment earnings	-	4,062	4,062
Total revenues	<u>1,689,819</u>	<u>1,787,534</u>	<u>97,715</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	1,688,064	1,688,064	-
Commissions	<u>18,129</u>	<u>16,431</u>	<u>1,698</u>
Total expenditures	<u>1,706,193</u>	<u>1,704,495</u>	<u>1,698</u>
Revenues over (under) expenditures	<u>(16,374)</u>	<u>83,039</u>	<u>99,413</u>
Appropriated fund balance	<u>16,374</u>	<u>-</u>	<u>(16,374)</u>
Net change in fund balance	<u>\$ -</u>	<u>83,039</u>	<u>\$ 83,039</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>52,071</u>	
Fund balance, ending		<u>\$ 135,110</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, 2023

	<b>Goldston Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 306,555	\$ 318,260	\$ 11,705
Investment earnings	-	1,115	1,115
Total revenues	<u>306,555</u>	<u>319,375</u>	<u>12,820</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	313,017	313,017	-
Commissions	<u>3,412</u>	<u>2,816</u>	<u>596</u>
Total expenditures	<u>316,429</u>	<u>315,833</u>	<u>596</u>
Revenues over (under) expenditures	<u>(9,874)</u>	<u>3,542</u>	<u>13,416</u>
Appropriated fund balance	<u>9,874</u>	<u>-</u>	<u>(9,874)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,542</u>	<u>\$ 3,542</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>22,415</u>	
Fund balance, ending		<u>\$ 25,957</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, 2023

	<u>Hope Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 582,376	\$ 595,640	\$ 13,264
Investment earnings	-	1,641	1,641
Total revenues	<u>582,376</u>	<u>597,281</u>	<u>14,905</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	589,381	589,355	26
Commissions	6,404	5,363	1,041
Total expenditures	<u>595,785</u>	<u>594,718</u>	<u>1,067</u>
Revenues over (under) expenditures	<u>(13,409)</u>	<u>2,563</u>	<u>15,972</u>
Appropriated fund balance	<u>13,409</u>	<u>-</u>	<u>(13,409)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,563</u>	<u>\$ 2,563</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>26,152</u>	
Fund balance, ending		<u>\$ 28,715</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, 2023

	<u>Moncure Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,021,045	\$ 1,122,223	\$ 101,178
Investment earnings	-	2,703	2,703
Total revenues	<u>1,021,045</u>	<u>1,124,926</u>	<u>103,881</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	1,017,256	1,017,256	-
Commissions	<u>10,732</u>	<u>10,620</u>	<u>112</u>
Total expenditures	<u>1,027,988</u>	<u>1,027,876</u>	<u>112</u>
Revenues over (under) expenditures	<u>(6,943)</u>	<u>97,050</u>	<u>103,993</u>
Appropriated fund balance	<u>6,943</u>	<u>-</u>	<u>(6,943)</u>
Net change in fund balance	<u>\$ -</u>	<u>97,050</u>	<u>\$ 97,050</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>21,193</u>	
Fund balance, ending		<u>\$ 118,243</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, 2023**

**North Chatham Fire District**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 7,915,133	\$ 8,204,437	\$ 289,304
Investment earnings	-	18,040	18,040
Total revenues	<u>7,915,133</u>	<u>8,222,477</u>	<u>307,344</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	8,079,589	8,079,589	-
Commissions	<u>84,591</u>	<u>76,135</u>	<u>8,456</u>
Total expenditures	<u>8,164,180</u>	<u>8,155,724</u>	<u>8,456</u>
Revenues over (under) expenditures	<u>(249,047)</u>	<u>66,753</u>	<u>315,800</u>
Appropriated fund balance	<u>249,047</u>	<u>-</u>	<u>(249,047)</u>
Net change in fund balance	<u>\$ -</u>	<u>66,753</u>	<u>\$ 66,753</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>332,878</u>	
Fund balance, ending		<u>\$ 399,631</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, 2023

Parkwood Fire District

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 380,830	\$ 399,530	\$ 18,700
Investment earnings	-	1,629	1,629
Total revenues	<u>380,830</u>	<u>401,159</u>	<u>20,329</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	376,695	376,695	-
Commissions	4,135	3,784	351
Total expenditures	<u>380,830</u>	<u>380,479</u>	<u>351</u>
Revenues over (under) expenditures	<u>-</u>	<u>20,680</u>	<u>20,680</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>20,680</u>	<u>\$ 20,680</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>47,667</u>	
Fund balance, ending		<u>\$ 68,347</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, 2023

Table with 3 columns: Final Budget, Actual, and Variance Over/Under. Rows include Revenues (Ad valorem taxes, Investment earnings, Total revenues), Expenditures (Public safety: Fire protection contracts, Commissions, Total expenditures), Revenues over (under) expenditures, Appropriated fund balance, Net change in fund balance, and Fund Balances (beginning, ending).

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, 2023

Northview Fire District

Table with 3 columns: Final Budget, Actual, and Variance Over/Under. Rows include Revenues (Ad valorem taxes, Investment earnings, Total revenues), Expenditures (Public safety: Fire protection contracts, Commissions, Total expenditures), Revenues over (under) expenditures, Appropriated fund balance, Net change in fund balance, and Fund Balances (beginning, ending).

## 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, 2023

	<b>Emergency Vehicle Replacement Capital Reserve Project</b>	<b>Tech/System Improvements Projects</b>	<b>County-wide Park Projects</b>	<b>Total</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 129,499	\$ 126,420	\$ 2,990,543	\$ 3,246,462
Other receivables	726	-	-	726
Total assets	<u>\$ 130,225</u>	<u>\$ 126,420</u>	<u>\$ 2,990,543</u>	<u>\$ 3,247,188</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,903</u>	<u>\$ 11,903</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by state statute	726	-	-	726
Assigned:				
General government	-	126,420	-	126,420
Public safety	129,499	-	-	129,499
Recreation	-	-	2,978,640	2,978,640
Total fund balances	<u>130,225</u>	<u>126,420</u>	<u>2,978,640</u>	<u>3,235,285</u>
Total liabilities and fund balances	<u>\$ 130,225</u>	<u>\$ 126,420</u>	<u>\$ 2,990,543</u>	<u>\$ 3,247,188</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, 2023**

	<b>Emergency Vehicle Replacement Capital Reserve Project</b>	<b>Tech/System Improvements Projects</b>	<b>County-wide Park Projects</b>	<b>Total</b>
<b>Revenues:</b>				
Investment earnings	\$ 2,604	\$ -	\$ -	\$ 2,604
<b>Expenditures:</b>				
General government	-	17,000	-	17,000
Cultural and recreational	-	-	306,966	306,966
Total expenditures	-	17,000	306,966	323,966
Revenues over (under) expenditures	2,604	(17,000)	(306,966)	(321,362)
<b>Other Financing Sources (Uses):</b>				
<b>Transfers:</b>				
Transfers from other funds	-	143,420	3,260,606	3,404,026
Net change in fund balances	2,604	126,420	2,953,640	3,082,664
<b>Fund Balances:</b>				
Fund balances, beginning	127,621	-	25,000	152,621
Fund balances, ending	<u>\$ 130,225</u>	<u>\$ 126,420</u>	<u>\$ 2,978,640</u>	<u>\$ 3,235,285</u>

## 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, 2023  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2022**

	2023		2022
	Final Budget	Actual	Variance Over/Under
			Actual
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 2,604	\$ 2,604
			\$ 466
<b>Expenditures:</b>			
Public safety	50,000	-	50,000
			-
Revenues over (under) expenditures	(50,000)	2,604	52,604
			466
Appropriated fund balance	50,000	-	(50,000)
			-
Net change in fund balance	\$ -	2,604	\$ 2,604
			466
<b>Fund Balance:</b>			
Fund balance, beginning		127,621	127,155
Fund balance, ending		<u>\$ 130,225</u>	<u>\$ 127,621</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, 2023

	<u>Project Budget</u>	<u>Actual</u>		<u>Total</u>	<u>Variance Over/Under</u>
		<u>Prior Years</u>	<u>Current Year</u>		
<b>Expenditures:</b>					
General government	\$ 4,523,273	\$ 236,329	\$ 17,000	\$ 253,329	\$ 4,269,944
Revenues over (under) expenditures	(4,523,273)	(236,329)	(17,000)	(253,329)	4,269,944
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds:					
Capital reserve	4,523,273	236,329	143,420	379,749	(4,143,524)
Revenues and other financing sources over (under) expenditures					
Net change in fund balance	\$ -	\$ -	\$ 126,420	\$ 126,420	\$ 126,420

## 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, 2023

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Intergovernmental:					
State grants	\$ 533,375	\$ 150,000	\$ -	\$ 150,000	\$ (383,375)
<b>Expenditures:</b>					
Cultural and recreational:					
Briar Chapel	8,024,703	1,478,519	306,966	1,785,485	6,239,218
Haw River Trail	125,000	-	-	-	125,000
Total expenditures	8,149,703	1,478,519	306,966	1,785,485	6,364,218
Revenues over (under) expenditures	(7,616,328)	(1,328,519)	(306,966)	(1,635,485)	5,980,843
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds:					
General Fund	25,000	25,000	-	25,000	-
Recreation in lieu	7,591,328	1,328,519	3,260,606	4,589,125	(3,002,203)
Total transfers from other funds	7,616,328	1,353,519	3,260,606	4,614,125	(3,002,203)
Total other financing sources (uses)	7,616,328	1,353,519	3,260,606	4,614,125	(3,002,203)
Net change in fund balance	\$ -	\$ 25,000	\$ 2,953,640	\$ 2,978,640	\$ 2,978,640

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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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Water sales	\$ 7,792,700	\$ 7,811,582	\$ 18,882	\$ 10,481,578
Sewer charges	21,500	14,668	(6,832)	13,186
Total charges for services	7,814,200	7,826,250	12,050	10,494,764
Other operating revenues	109,357	109,357	-	109,357
Total operating revenues	7,923,557	7,935,607	12,050	10,604,121
Non-operating revenues:				
Investment earnings	58,000	252,165	194,165	36,142
Sale of capital asset	-	7,819	7,819	46,678
Other non-operating revenues	-	2,884	2,884	1,702
Total revenues	7,981,557	8,198,475	216,918	10,688,643
<b>Expenditures:</b>				
Operating expenditures:				
Salaries and employee benefits	2,120,782	2,191,479	(70,697)	1,787,947
Repairs and maintenance	1,951,226	1,344,707	606,519	664,492
Other operating expenditures	4,851,186	3,267,035	1,584,151	3,219,012
Total	8,923,194	6,803,221	2,119,973	5,671,451
Capital outlay	157,627	125,737	31,890	-
Debt service:				
Principal	1,037,590	1,037,590	-	1,024,019
Lease principal	-	145	(145)	189
Subscription principal	-	14,733	(14,733)	-
Interest	261,496	261,651	(155)	301,315
Total expenditures	10,379,907	8,243,077	2,136,830	6,996,974
Revenues over (under) expenditures	(2,398,350)	(44,602)	2,353,748	3,691,669
<b>Other Financing Sources (Uses):</b>				
Subscription liability issued	-	43,234	43,234	-
Lease liability issued	-	575	575	-
Total other financing sources (uses)	-	43,809	43,809	-

CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
Fund balance appropriated	2,398,350	-	(2,398,350)	-
Revenues and other financing sources				
(under) expenditures and other financing uses	\$ -	(793)	\$ (793)	\$ 3,691,669
<b>Reconciliation from Budgetary Basis to Full Accrual:</b>				
Revenue:				
Utility capital reserve		749,509		
Utility equipment reserve		9,885		
Reconciling items:				
Capital outlay		125,737		
Debt principal		1,037,590		
Lease liability payments		145		
Subscription liability payments		14,733		
Depreciation and amortization		(1,244,966)		
Lease liability issued		(575)		
Subscription liability issued		(43,234)		
Decrease (increase) in compensated absences		1,493		
(Decrease) in deferred outflows of resources - pensions		161,282		
Decrease in net pension liability		(547,167)		
(Increase) in deferred inflows of resources - pensions		339,689		
Increase in deferred outflows of resources - OPEB		(72,214)		
(Increase) in net OPEB liability		190,943		
(Increase) in deferred inflows of resources - OPEB		(145,017)		
Change in net position		\$ 577,040		

## CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2023  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 750,000	\$ 369,710	\$ (380,290)	\$ 344,386
Investment earnings	50,000	379,799	329,799	66,068
Total revenues	<u>800,000</u>	<u>749,509</u>	<u>(50,491)</u>	<u>410,454</u>
Revenues over (under) expenditures	<u>800,000</u>	<u>749,509</u>	<u>(50,491)</u>	<u>410,454</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to):				
Utility capital project	<u>(3,625,000)</u>	<u>(1,344,204)</u>	<u>2,280,796</u>	<u>(849,502)</u>
Fund balance appropriated	<u>2,825,000</u>	<u>-</u>	<u>(2,825,000)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (594,695)</u>	<u>\$ (594,695)</u>	<u>\$ (439,048)</u>

## CHATHAM COUNTY, NORTH CAROLINA

UTILITY EQUIPMENT RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2023  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 2,000	\$ 9,885	\$ 7,885	\$ 1,769
<b>Expenditures:</b>				
Future capital	257,549	-	257,549	-
Revenues over (under) expenditures	(255,549)	9,885	265,434	1,769
Appropriated fund balance	255,549	-	(255,549)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ 9,885	\$ 9,885	\$ 1,769

## 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, 2023

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
<b>Revenues:</b>					
Intergovernmental:					
Grant - Department of Transportation	\$ 399,882	\$ 399,882	\$ -	\$ 399,882	\$ -
Investment earnings	28,056	28,056	-	28,056	-
Total revenues	<u>427,938</u>	<u>427,938</u>	<u>-</u>	<u>427,938</u>	<u>-</u>
<b>Expenditures:</b>					
Construction					
Haywood	159,892	30,192	-	30,192	129,700
Western Intake	6,201,099	995,240	1,344,204	2,339,444	3,861,655
Business Park	17,215,398	8,593,110	4,999	8,598,109	8,617,289
Total expenditures	<u>23,576,389</u>	<u>9,618,542</u>	<u>1,349,203</u>	<u>10,967,745</u>	<u>12,608,644</u>
Revenues over (under) expenditures	<u>(23,148,451)</u>	<u>(9,190,604)</u>	<u>(1,349,203)</u>	<u>(10,539,807)</u>	<u>12,608,644</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (to) from other funds					
General Fund	515,390	257,695	-	257,695	(257,695)
Capital reserve	1,205,070	205,071	-	205,071	(999,999)
Capital improvement project reserve	14,729,186	7,364,593	-	7,364,593	(7,364,593)
Intrafund transfers:					
Utility capital reserve	6,698,805	1,363,245	1,344,204	2,707,449	(3,991,356)
Total other financing sources (uses)	<u>23,148,451</u>	<u>9,190,604</u>	<u>1,344,204</u>	<u>10,534,808</u>	<u>(12,613,643)</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,999)</u>	<u>\$ (4,999)</u>	<u>\$ (4,999)</u>

## CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2023  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services	\$ 718,500	\$ 841,310	\$ 122,810	\$ 1,117,231
Non-operating revenues:				
Investment earnings	3,000	28,031	25,031	4,429
Total revenues	<u>721,500</u>	<u>869,341</u>	<u>147,841</u>	<u>1,121,660</u>
<b>Expenditures:</b>				
Operating expenditures	500,000	498,110	1,890	850,000
Debt service:				
Principal	95,000	95,000	-	91,000
Interest	<u>159,988</u>	<u>159,988</u>	<u>-</u>	<u>163,395</u>
Total expenditures	<u>754,988</u>	<u>753,098</u>	<u>1,890</u>	<u>1,104,395</u>
Revenues over (under) expenditures	<u>(33,488)</u>	<u>116,243</u>	<u>149,731</u>	<u>17,265</u>
Fund balance appropriated	<u>33,488</u>	<u>-</u>	<u>(33,488)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>116,243</u>	<u>\$ 116,243</u>	<u>\$ 17,265</u>

This schedule is included to show budgetary compliance.

**Reconciliation from Budgetary Basis to Full Accrual:**

Reconciling items:

Debt principal	95,000
Depreciation	<u>(106,339)</u>
Change in net position	<u>\$ 104,904</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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Collection center fees	\$ 3,606,000	\$ 3,707,649	\$ 101,649	\$ 3,697,655
Total operating revenues	3,606,000	3,707,649	101,649	3,697,655
Non-operating revenues:				
Investment earnings	-	122,393	122,393	20,959
Sale of capital assets	-	39,853	39,853	48,893
Grant revenue	-	-	-	39,859
Other non-operating revenue:				
Scrap tire disposal tax	110,000	146,081	36,081	128,091
White goods disposal tax	40,000	38,316	(1,684)	40,438
Solid waste disposal tax	55,000	65,685	10,685	60,548
Electronics disposal tax	6,000	7,967	1,967	9,549
Other non-operating revenues	-	108	108	100
Total non-operating revenues	211,000	420,403	209,403	348,437
Total revenues	3,817,000	4,128,052	311,052	4,046,092
<b>Expenditures:</b>				
Operating expenditures:				
Salaries and employee benefits	1,992,503	1,876,741	115,762	849,644
Repairs and maintenance	210,133	177,587	32,546	377,032
Other operating expenditures	1,698,469	1,655,061	43,408	2,031,069
Total operating expenditures	3,901,105	3,709,389	191,716	3,257,745
Capital outlay	274,330	342,576	(68,246)	267,988
Debt service	-	16,786	(16,786)	108
Total expenditures	4,175,435	4,068,751	106,684	3,525,841
Revenues over (under) expenditures	(358,435)	59,301	417,736	520,251
<b>Other Financing Sources (Uses):</b>				
Subscription liability issued	-	69,378	69,378	-
Lease liability issued	-	279	279	-
Total other financing sources (uses)	-	69,657	69,657	-
Fund balance appropriated	358,435	-	(358,435)	-

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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
Revenues and other financing sources				
(under) expenditures and other financing uses	\$ -	128,958	\$ 128,958	\$ 520,251
<b>Reconciliation from Budgetary Basis to Full Accrual:</b>				
Solid waste & recycling reserve		26,115		
Reconciling items:				
Capital outlay		342,576		
Depreciation and amortization		(299,121)		
Lease liability payments		75		
Subscription liability payments		16,711		
Lease liability issued		(279)		
Subscription liability issued		(69,378)		
Decrease (increase) in compensated absences		(25,651)		
(Decrease) in deferred outflows of resources - pensions		107,413		
Decrease in net pension liability		(335,424)		
Decrease in deferred inflows of resources - pensions		193,338		
Increase in deferred outflows of resources - OPEB		(36,074)		
(Increase) in net OPEB liability		97,230		
Decrease in deferred inflows of resources - OPEB		(87,259)		
Change in net position		\$ 59,230		

## 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, 2023  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 3,500	\$ 26,115	\$ 22,615	\$ 4,675
<b>Expenditures:</b>				
Future capital	-	-	-	-
Revenues over (under) expenditures	3,500	26,115	22,615	4,675
<b>Other Financing Sources (Uses):</b>				
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	\$ -	\$ 26,115	\$ 26,115	\$ 4,675

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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, 2023**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2022**

	2023			2022
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services:				
Health insurance	\$ 7,555,895	\$ 8,455,998	\$ 900,103	\$ 7,640,577
Dental insurance	357,476	413,988	56,512	382,028
Total charges for services	7,913,371	8,869,986	956,615	8,022,605
Investment earnings	14,500	247,281	232,781	36,645
Total revenues	7,927,871	9,117,267	1,189,396	8,059,250
<b>Expenditures:</b>				
Benefits paid:				
Health insurance	6,620,395	6,262,753	357,642	5,176,104
Dental insurance	317,476	452,256	(134,780)	281,728
Workers' compensation	100,000	19,991	80,009	15,824
Administrative costs:				
Health insurance	950,000	1,005,584	(55,584)	996,536
Dental insurance	40,000	42,970	(2,970)	42,107
Total expenditures	8,027,871	7,783,554	244,317	6,512,299
Revenues over (under) expenditures	(100,000)	1,333,713	1,433,713	1,546,951
Appropriated fund balance	100,000	-	(100,000)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	1,333,713	\$ 1,333,713	1,546,951
<b>Net Position:</b>				
Net position, beginning		10,448,474		8,901,523
Net position, ending		\$ 11,782,187		\$ 10,448,474

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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, 2023**

	<u>Municipal Tax Fund</u>	<u>Gulf-Goldston Sanitary District Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>Assets:</b>				
Cash and cash equivalents	\$ 9,173	\$ 1,217	\$ 54,445	\$ 64,835
Taxes receivable for other governments, net	75,512	7,809	-	83,321
Other receivables	-	6	-	6
Due from other governments	<u>96,654</u>	<u>1,298</u>	<u>-</u>	<u>97,952</u>
Total assets	<u>181,339</u>	<u>10,330</u>	<u>54,445</u>	<u>246,114</u>
<b>Liabilities:</b>				
Due to other governments	<u>100,136</u>	<u>2,520</u>	<u>54,355</u>	<u>157,011</u>
<b>Net Position:</b>				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 81,203</u>	<u>\$ 7,810</u>	<u>\$ 90</u>	<u>\$ 89,103</u>

## CHATHAM COUNTY, NORTH CAROLINA

## CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Municipal Tax Fund</u>	<u>Gulf-Goldston Sanitary District Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>Total Custodial Funds</u>
<b>Additions:</b>				
Ad valorem taxes for other governments	\$ 11,961,553	\$ 154,711	\$ -	\$ 12,116,264
Collections on behalf of inmates	<u>-</u>	<u>-</u>	<u>278,016</u>	<u>278,016</u>
Total assets	<u>11,961,553</u>	<u>154,711</u>	<u>278,016</u>	<u>12,394,280</u>
<b>Deductions:</b>				
Tax distributions to other governments	11,986,054	153,976	-	12,140,030
Payments on behalf of inmates	<u>-</u>	<u>-</u>	<u>299,140</u>	<u>299,140</u>
Total liabilities	<u>11,986,054</u>	<u>153,976</u>	<u>299,140</u>	<u>12,439,170</u>
Net increase (decrease) in fiduciary net position	(24,501)	735	(21,124)	(44,890)
Net position, beginning	<u>105,704</u>	<u>7,075</u>	<u>21,214</u>	<u>133,993</u>
Net position, ending	<u>\$ 81,203</u>	<u>\$ 7,810</u>	<u>\$ 90</u>	<u>\$ 89,103</u>

**OTHER SUPPLEMENTAL SCHEDULES**

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## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2023

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2022</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	\$ -	\$ 96,802,355	\$ (96,110,284)	\$ 692,071
2021-2022	739,372	14,017	(546,070)	207,319
2020-2021	194,487	35	(90,417)	104,105
2019-2020	162,364	66	(48,096)	114,334
2018-2019	120,974	7,716	(31,295)	97,395
2017-2018	101,834	-	(13,205)	88,629
2016-2017	40,796	-	(5,688)	35,108
2015-2016	33,256	-	(5,068)	28,188
2014-2015	43,876	-	(3,458)	40,418
2013-2014	48,499	-	(3,075)	45,424
Prior Years	65,468	-	(65,464)	4
Total	<u>\$ 1,550,926</u>	<u>\$ 96,824,189</u>	<u>\$ (96,922,120)</u>	<u>1,452,995</u>
Plus: FY 2023-2024 ad valorem taxes receivable				134,053
Less: Allowance for uncollectible ad valorem taxes receivable				<u>(466,677)</u>
Ad valorem taxes receivable (net)				<u>\$ 1,120,371</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 96,757,366
Reconciling items:				
Interest collected and penalties				(94,814)
Releases and other credits				<u>259,568</u>
Total collections and credits				<u>\$ 96,922,120</u>

## CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2023

	County-Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
<b>Original Levy:</b>					
Property taxed at current year's rate	\$ 14,438,996,288	\$ 0.6650	\$ 96,047,923	\$ 88,273,066	\$ 7,774,857
Penalties	-		148,284	148,284	-
Total	<u>14,438,996,288</u>		<u>96,196,207</u>	<u>88,421,350</u>	<u>7,774,857</u>
<b>Discoveries:</b>					
Current year	20,567,736	0.6650	136,776	136,776	-
Prior years	<u>123,040,706</u>		<u>817,911</u>	<u>817,911</u>	<u>-</u>
Total	<u>143,608,442</u>		<u>954,687</u>	<u>954,687</u>	<u>-</u>
<b>Releases:</b>					
Current year	(18,794,278)	0.6650	(141,303)	(141,303)	-
Prior years	<u>(31,147,384)</u>		<u>(207,236)</u>	<u>(207,236)</u>	<u>-</u>
Total	<u>(49,941,662)</u>		<u>(348,539)</u>	<u>(348,539)</u>	<u>-</u>
Total property valuation	<u>\$ 14,532,663,068</u>				
<b>Net Levy</b>			96,802,355	89,027,498	7,774,857
Uncollected taxes at June 30, 2023			<u>692,071</u>	<u>657,534</u>	<u>34,537</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 96,110,284</u>	<u>\$ 88,369,964</u>	<u>\$ 7,740,320</u>
<b>Current Levy Collection Percentage</b>			<u>99.29%</u>	<u>99.26%</u>	<u>99.56%</u>

**CHATHAM COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2023**

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio (1)	100%
Real property	\$12,382,234,109
Personal property	1,915,133,596
Public service companies (2)	<u>235,295,363</u>
Total assessed valuation	<u>\$ 14,532,663,068</u>
Tax rate per \$100	<u>\$ 0.6650</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 96,802,355</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, 2023

Fire protection districts	<u>\$ 12,714,045</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 181

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 186

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

**Debt Capacity:** Page 190

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 194

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 197

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 56,918,805
Restricted	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	13,905,281
Unrestricted	(6,211,010)	13,294,826	39,657,533	37,622,231	40,059,289	14,025,920	(36,251,679)	(41,778,747)	(34,878,262)	12,491,129
Total governmental activities net assets	\$ 41,836,527	\$ 53,423,498	\$ 68,751,838	\$ 80,670,267	\$ 85,112,308	\$ 63,587,561	\$ 22,440,133	\$ 29,284,397	\$ 44,714,832	\$ 83,315,215
Business-type activities										
Net investment in capital assets	\$ 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	\$ 41,261,016
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	23,248,519	24,774,601	26,793,503	25,424,039	26,919,599	28,555,025	32,227,656	33,695,786	37,521,645	37,044,941
Total business-type activities	\$ 60,174,924	\$ 62,448,639	\$ 64,780,692	\$ 64,002,036	\$ 65,571,991	\$ 68,099,964	\$ 71,324,662	\$ 73,109,061	\$ 77,564,783	\$ 78,305,957
Primary government										
Net investment in capital assets	\$ 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	\$ 98,179,821
Restricted	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	13,905,281
Unrestricted	17,037,509	38,069,427	66,451,036	63,046,270	66,978,888	42,580,945	(4,024,023)	(8,082,961)	2,643,383	49,536,070
Total primary government net position	\$ 102,011,451	\$ 115,872,137	\$ 133,532,530	\$ 144,672,303	\$ 150,684,299	\$ 131,687,525	\$ 93,764,795	\$ 102,393,458	\$ 122,279,615	\$ 161,621,172

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental activities:										
General government:										
Public safety	\$ 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	\$ 22,450,287
Economic and physical development	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	41,277,569
Human Services	2,803,531	1,850,614	2,256,179	2,377,869	3,193,937	3,033,823	5,600,590	3,104,470	3,819,632	4,692,779
Cultural and recreation	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	18,575,711
Education	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	3,472,876
Interest on long term debt	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	50,602,853
Total governmental activities expenses	5,167,547	5,104,152	5,345,658	4,714,468	8,793,382	8,722,868	8,172,610	8,812,203	8,855,068	149,927,143
Business-type activities:										
Utility	128,783,908	65,866,299	94,732,282	99,787,271	108,743,656	147,443,969	172,983,147	136,310,359	145,673,125	149,927,143
Southeast Water District	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	8,380,829
Solid Waste Management	743,520	637,255	490,657	636,376	637,880	665,634	708,197	741,306	1,119,733	764,437
Total business-type activities expenses	2,991,862	2,796,983	2,711,885	3,117,342	3,079,844	3,487,136	3,305,691	3,184,821	3,469,754	4,094,937
Total primary government expenses	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	13,240,203
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 2,189,254
Public safety	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	3,753,197
Economic and physical development	310,837	247,520	401,448	345,467	584,700	446,578	632,541	593,457	774,984	734,709
Human Services	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	836,999
Cultural and recreation	384,243	450,328	431,225	443,285	534,520	277,460	637,520	205,227	435,020	188,857
Education	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	2,361,925
Operating grants and contributions:										
General government	326,456	694,923	6,831,278	1,663,292	4,774,069	3,071,043	616,476	4,120,199	1,367,375	11,806,490
Public safety	1,463,474	1,351,988	1,375,650	1,438,673	1,538,967	1,983,928	2,083,819	1,934,536	5,268,777	2,627,842
Economic and physical development	677,944	748,634	27,870	353,238	181,254	346,421	337,746	253,629	488,217	84,678
Human Services	6,973,557	7,420,434	7,328,809	7,561,735	5,584,283	6,822,116	6,275,999	6,925,884	7,664,387	12,942,692
Cultural and recreation	211,619	203,622	187,144	235,652	233,411	415,346	306,409	286,993	937,181	332,725
Education	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	17,266,344	17,006,556	23,576,308	22,949,136	21,741,660	20,510,116	18,843,806	24,336,225	26,879,262	37,859,368
Business-type activities:										
Utility:										
Charges for services	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	8,195,960
Operating grants and contributions	6,601	7,420	458	27,651	61,016	37	109,396	111,011	111,059	112,241
Southeast Water District:										
Charges for services	632,761	601,417	667,814	670,485	701,728	771,243	720,518	810,231	1,117,231	841,310
Waste Management:										
Charges for services	2,956,250	2,985,544	2,964,407	3,064,260	3,083,918	3,213,435	3,460,837	3,607,880	3,697,655	3,707,649
Operating grants and contributions	150,470	175,935	199,383	244,591	242,329	194,458	201,449	205,951	278,585	258,157
Total business-type activities program revenues	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	13,115,317
<b>Total primary government program revenues</b>	<b>\$ 27,647,632</b>	<b>\$ 28,123,464</b>	<b>\$ 35,046,799</b>	<b>\$ 34,588,308</b>	<b>\$ 33,494,833</b>	<b>\$ 33,517,878</b>	<b>\$ 31,895,144</b>	<b>\$ 36,355,300</b>	<b>\$ 42,922,942</b>	<b>\$ 50,974,685</b>

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (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)	\$ (112,067,775)
Business-type activities	1,436,865	2,329,400	2,165,975	(1,100,944)	1,423,208	1,784,191	2,660,149	1,446,308	4,228,109	(124,886)
Total primary government net (expense)/revenue	\$ (110,080,699)	\$ (66,530,343)	\$ (68,989,999)	\$ (77,939,079)	\$ (85,578,788)	\$ (125,149,662)	\$ (151,489,192)	\$ (110,527,826)	\$ (114,565,754)	\$ (112,192,661)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes levied for general purpose	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	110,557,782
Local option sales tax	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	28,313,275
Other taxes and licenses	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335	1,433,801	1,952,454	1,698,749
Grants and contributions not restricted to specific program	2,399,117	2,538,745	2,916,159	3,064,645	3,115,650	3,230,947	3,589,710	4,305,542	5,136,221	5,634,962
Unrestricted investment earnings	286,999	351,729	729,182	594,374	1,080,152	5,892,009	3,475,231	(179,005)	4,946,778	3,579,833
Miscellaneous	407,173	2,055,954	1,702,446	41,761	-	562,984	365,966	378,538	655,707	683,557
Extraordinary item - Insurance recovery	250,000	-	-	-	-	-	-	-	-	-
Extraordinary item - Sales of property	242,305	552,036	-	-	(12,455)	(26,532)	(13,624)	(152,460)	-	-
Transfers	79,057,517	82,648,506	85,944,966	90,282,915	95,090,908	105,409,106	113,001,913	118,762,089	143,520,457	150,668,158
Total governmental activities										
Business-type activities:										
Other taxes and licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	91,466	106,554	172,806	225,518	373,675	663,679	545,789	180,981	134,042	818,388
Miscellaneous	20,000	-	(6,728)	96,770	-	53,571	5,136	4,650	95,571	47,672
Transfers	(242,305)	-	-	-	12,455	26,532	13,624	152,460	-	-
Total business-type activities	(130,839)	106,554	166,078	322,288	386,130	743,782	564,549	338,091	229,613	866,060
Total primary government	\$ 78,926,678	\$ 82,755,060	\$ 86,111,044	\$ 90,605,203	\$ 95,477,038	\$ 106,152,888	\$ 113,566,462	\$ 119,100,180	\$ 143,750,070	\$ 151,534,218
<b>Change in Net Position</b>										
Governmental activities	(32,460,047)	13,788,763	14,788,982	13,444,780	8,088,912	(21,524,747)	(41,147,428)	6,787,955	24,726,594	38,600,383
Business-type activities	1,305,826	2,435,954	2,332,053	(778,656)	1,809,336	2,527,973	3,224,698	1,784,399	4,455,722	741,174
Total primary government	\$ (31,154,221)	\$ 16,224,717	\$ 17,121,045	\$ 12,666,124	\$ 9,898,250	\$ (18,996,774)	\$ (37,922,730)	\$ 8,572,354	\$ 29,182,316	\$ 39,341,557

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Fund</b>										
<b>Nonspendable:</b>										
Leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,057
<b>Restricted:</b>										
Stabilization by State Statute	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	11,469,973
Future Register of Deeds technology enhancements	294,320	320,759	348,617	380,812	334,815	353,346	371,615	385,064	-	-
Total restricted	5,167,313	5,063,914	6,841,054	6,324,504	6,478,368	7,436,841	9,110,140	10,443,118	11,042,979	11,469,973
<b>Committed:</b>										
LEO Special Separation Allowance	-	-	625,093	682,719	725,817	770,904	835,851	886,902	949,612	1,062,587
Tax Revaluation	-	-	-	-	-	175,889	1,452	1,452	347,077	635,094
Housing Trust	-	-	-	-	-	58,000	87,824	465,647	587,958	633,076
Recreation	-	-	-	-	-	-	-	322,851	322,851	968,553
Land Preservation	-	-	-	-	-	-	-	322,851	322,851	968,553
<b>Assigned:</b>										
Subsequent year's expenditures	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	9,000,000
<b>Unassigned</b>	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	44,611,811
<b>Total General Fund</b>	<b>\$30,454,236</b>	<b>\$35,795,857</b>	<b>\$42,953,668</b>	<b>\$42,455,965</b>	<b>\$45,176,573</b>	<b>\$48,458,846</b>	<b>\$48,496,048</b>	<b>\$54,180,685</b>	<b>\$56,724,946</b>	<b>\$69,408,704</b>
<b>All Other Governmental Funds</b>										
<b>Restricted:</b>										
Stabilization by State Statute	\$ 719,969	\$ 250,390	\$ 862,218	\$ 306,449	\$ 277,986	\$ 848,829	\$ 485,887	\$ 275,447	\$ 208,328	\$ 583,555
Special Revenue Funds	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	1,662,755
Capital Projects Funds	5,540,939	16,573,978	5,219,772	-	-	83,667,558	-	-	26,732,626	4,802,176
Total restricted	7,274,412	17,831,409	7,091,051	1,784,715	1,381,540	85,579,570	1,396,423	1,104,753	28,424,476	7,048,486
<b>Committed:</b>										
Capital Projects Funds	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	57,476,578
<b>Assigned:</b>										
Subsequent year's expenditures	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	25,158,469
Public Safety	-	-	-	-	-	-	-	77,038	127,467	129,499
Education	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	8,485,565
Cultural and Recreation	328,521	265,821	854,215	888,412	1,034,265	1,107,644	1,623,620	1,574,150	1,902,398	4,859,313
Total assigned	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	38,632,846
<b>Unassigned</b>	(5,131)	(3,251)	-	(41,792)	678,517	(1,303,624)	(1,965,122)	-	(43,767)	-
<b>Total all other governmental funds</b>	<b>\$42,347,540</b>	<b>\$56,462,916</b>	<b>\$46,771,014</b>	<b>\$49,143,697</b>	<b>\$47,501,553</b>	<b>\$142,522,168</b>	<b>\$106,360,525</b>	<b>\$84,859,760</b>	<b>\$103,661,132</b>	<b>\$103,157,910</b>

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Ad Valorem Taxes	\$ 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	\$ 110,478,803
Local Option Sales Tax	9,193,703	10,130,986	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600	20,376,820	25,697,393	28,513,275
Other Taxes	645,523	993,101	900,089	898,394	983,132	995,458	1,002,335	1,433,801	1,952,454	1,698,749
Unrestricted Intergovernmental	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	5,634,962
Restricted Intergovernmental	9,802,315	9,447,109	9,700,751	10,100,364	7,655,321	8,814,437	8,814,437	13,778,971	14,316,276	22,872,821
Permits and fees	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	6,363,633
Sales and Services	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	2,614,876
Interest	263,907	330,535	701,287	544,039	993,253	5,695,974	3,283,421	(221,064)	(4,386,026)	3,332,552
Other General Revenues	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	1,484,741
Total Revenues	96,700,211	99,182,038	109,438,663	112,102,241	115,849,312	125,198,113	129,931,441	142,796,688	159,501,994	182,994,412
<b>Expenditures</b>										
General Government	8,215,662	7,968,083	8,382,535	9,267,834	10,522,593	10,879,465	12,005,856	12,584,383	13,084,783	13,052,044
Public Safety	21,320,729	22,692,563	25,648,707	26,314,889	28,149,202	29,577,293	31,332,211	33,337,668	35,334,224	40,026,898
Economic and Physical Development	3,196,635	2,123,541	2,897,118	2,863,508	3,625,299	3,722,539	6,105,035	3,774,088	4,438,592	5,435,372
Human Services	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	19,685,883
Culture and Recreation	1,831,710	1,890,492	2,248,969	2,200,890	2,251,988	2,530,123	2,539,509	2,374,412	2,759,526	3,290,539
Education	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	51,280,492
Capital Outlay	14,273,016	9,237,064	13,011,854	5,319,680	1,412,977	1,860,947	8,086,606	17,344,419	18,095,907	14,278,567
Debt Service:										
Principal Retirement	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	16,839,472
Interest and fees	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	8,978,757
Total Expenditures	104,558,354	101,359,019	112,702,868	110,227,261	114,758,393	152,301,784	184,263,592	158,516,665	177,556,971	172,868,024
Excess of revenues Over (Under) Expenditures	(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)	10,126,388
<b>Other financing sources (uses):</b>										
Transfers from (to) other funds	242,305	-	-	-	(12,455)	(26,532)	(13,624)	(152,460)	-	-
Proceeds from borrowings	-	-	-	-	-	-	25,271,334	-	-	-
Debt obligations issued	-	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	-
Subscription liability issued	-	-	-	-	-	-	-	-	-	1,643,738
Lease liability issued	-	-	-	-	-	-	-	-	706,433	410,410
Premium on refunding bonds issued	-	-	2,281,528	-	-	-	-	-	-	-
Premium on limited obligation bonds issued	-	6,548,984	-	-	-	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)	242,305	21,633,978	190,766	-	(12,455)	125,406,559	18,207,710	(152,460)	39,400,610	2,054,148
Net change in fund balances	\$ (7,615,838)	\$ 19,456,997	\$ (3,073,439)	\$ 1,874,980	\$ 1,078,464	\$ 98,302,888	\$ (36,124,441)	\$ (15,872,437)	\$ 21,345,633	\$ 12,160,536
Debt service as a percentage of noncapital expenditures	11.10%	12.03%	10.67%	10.99%	9.96%	9.83%	8.47%	11.99%	14.87%	16.28%

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

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

	Fiscal Year 2023			Fiscal Year 2014		
	Type of Business	Assessed Valuation	Rank	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Mountaire Farms of NC Inc	Poultry	\$ 162,107,050	1	\$ 68,401,045	5	0.73%
Carolina Meadows Inc.	Assisted Living	140,735,485	2	108,364,422	2	1.16%
Duke Energy Progress	Public Utility - Electric	127,510,447	3	89,842,272	4	0.96%
Galloway Ridge Inc.	Retirement Community	116,743,443	4	113,648,270	1	1.21%
Arauco Panels USA	Mfg of Engineered Wood Products	95,916,400	5			
CP South LLC	Forestry Management	79,340,759	6			
Chatham Park Investors LLC	Real Estate	76,945,318	7	92,563,164	3	0.99%
Minnesota Mining & Manufacturing Co.	Mining	66,809,741	8	43,715,925	6	0.47%
Sanctuary at Powell Place LLC	Residential	37,147,517	9			
Southern Veneer Specialty	Plywood & Veneer Mfg	34,010,963	10			
General Shale Brick Inc.	Brick			37,753,168	8	0.40%
NNP Briar Chapel LLC	Brick			39,670,587	7	0.42%
Triangle Brick	Brick			21,816,397	10	0.23%
Public Service Co of NC	Public Utility - Natural Gas			24,442,412	9	0.26%
<b>Totals</b>		<b>\$ 937,267,123</b>		<b>\$ 640,217,662</b>		<b>6.83%</b>

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

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	SBITAs	General Obligation Bonds	Revenue Bonds	LOBS & Installment Loans	Capital Leases	SBITAs				
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	3.96%	
2022	-	231,224,527	467,395	-	2,693,000	1,557,000	6,264,484	74	-	242,206,480	3,101	4.04%	
2023	-	227,017,237	684,946	1,058,175	2,635,000	1,520,000	5,226,894	708	81,168	238,224,128	2,983	*	

\* 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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income(1)</b>	<b>Percentage of Actual Taxable Value of Property(2)</b>	<b>Per Capita(1)</b>
2014	\$ 6,007,000	0.17%	0.06%	90
2015	4,290,000	0.12%	0.05%	63
2016	2,996,000	0.08%	0.03%	44
2017	2,950,000	0.08%	0.03%	41
2018	2,902,000	0.07%	0.03%	41
2019	2,853,000	0.06%	0.03%	39
2020	2,802,000	0.06%	0.02%	38
2021	2,749,000	0.05%	0.02%	37
2022	2,693,000	0.04%	0.02%	34
2023	2,635,000	0.04%	0.02%	33

\* 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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Value of Property	\$9,376,365	\$9,418,243	\$9,737,933	\$10,062,281	\$10,686,458	\$11,181,508	\$11,612,454	\$12,165,785	\$13,933,718	\$14,532,663
Debt Limit, 8% of Assessed Value (Statutory Limitation)	750,109	753,459	779,035	804,982	854,917	894,521	928,996	973,263	1,114,697	1,162,613
Amount of Debt Applicable to Limit										
Gross debt	135,167	148,983	141,359	131,508	121,912	237,726	245,459	233,480	242,206	238,224
Less: Debt outstanding for water purposes	19,480	18,210	16,993	15,946	14,886	13,812	12,721	11,630	10,514	9,382
Total net debt applicable to limit	115,688	130,773	124,365	115,562	107,025	223,915	232,738	221,851	231,692	228,842
Legal Debt Margin	634,422	622,687	654,669	689,421	747,891	670,606	696,259	751,412	883,005	933,771
Total net debt applicable to the limit as a percentage of debt limit	15.42%	17.36%	15.96%	14.36%	12.52%	25.03%	25.05%	22.79%	20.79%	19.68%

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, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Direct Debt:</b> Chatham County	\$ 227,017,237	100.00%	\$ 227,017,237
<b>Other Debt:</b> Town of Cary	<u>197,008,458</u>	2.77%	<u>5,457,134</u>
<b>Total</b>	\$ <u><u>424,025,695</u></u>		\$ <u><u>232,474,371</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

Year	Population	Personal Income (C) (thousands of dollars)	Per Capita Personal Income (C)	Public School Enrollment (D)	Unemployment Rate (E)
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	5,890,292	75,624	8,588	3.60%
2022	78,111 A	5,998,165	76,790	8,767	3.40%
2023	79,864 A	6,370,657	79,769	8,921	3.00%

\* 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 2023		FY 2014	
	Employment Range (1)	Rank	Employment Range (2)	Rank
Chatham County Schools	1000+	1	1000+	1
Chatham County	500-999	2	500-999	2
Carolina Meadows Inc.	250-499	3	250-499	3
Mountaire Farms of NC Inc.	250-499	4	250-499	6
Galloway Ridge Inc	250-499	5	250-499	4
NC Health	250-499	6		
Wal-Mart Associates Inc.	250-499	7	250-499	7
NFI Interactive Logistics, Inc.	100-249	8		
Charter Furniture	100-249	9		
Flakeboard America Limited (subsidiary of Arauco Panels USA LLC)	100-249	10		
Arauco Panels USA LLC			250-499	5
Chatham Hospital Inc.			100-249	8
Fitch Creations Inc.			100-249	9
Performance Fibers Inc.			100-249	10

**Sources:**

- (1) NC Dept of Commerce, Labor and Economic Analysis (QE 12/31/22)
- (2) NC Dept of Commerce, Labor and Economic Analysis (QE 12/31/14)

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	68	70	70	74	79	87	87	87	86	100
Public Safety	162	171	176	181	184	194	195	196	206	212
Economic and Physical Development	16	17	19	20	22	22	23	22	26	29
Human Services	152	154	147	148	156	163	152	156	150	177
Cultural and Recreation	23	22	20	22	27	28	27	27	29	31
Water	22	22	20	23	23	23	25	24	25	20
Waste Management	12	12	14	13	10	11	11	11	12	32
Total	455	468	466	481	501	528	520	523	534	601

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>										
<b>General Government:</b>										
Land records recorded	12,707	12,717	12,800	14,617	14,113	12,673	14,713	20,014	17,725	12,140
Marriage licenses issued	286	343	330	304	322	292	308	434	359	316
New registered voters	2,530	3,046	4,949	5,511	3,934	4,833	8,114	6,397	4,328	4,312
<b>Public Safety:</b>										
Civil processes served	3,944	3,527	3,187	3,273	2,982	2,619	2,449	1,734	2,063	2,484
Applications for pistol permits	678	890	964	1,569	1,497	1,370	3,084	4,306	1,802	1,330
911 calls received	136,875	164,970	131,486	136,870	116,101	120,090	113,258	118,152	114,251	117,268
Fire inspections conducted	648	712	670	728	1,099	897	1,244	1,731	1,484	1,075
<b>Economic and Physical Development:</b>										
Zoning permits issued	1,558	1,805	1,819	2,094	1,986	1,945	2,124	1,978	2,853	2,996
Building permits issued (single-family dwellings)	636	674	756	870	713	632	581	818	797	574
<b>Human Services:</b>										
Total patients seen in health clinics	4,789	5,614	3,612	3,036	2,407	2,066	2,000	2,043	1,291	1,218
Children and families receiving Medicaid	7,012	5,777	5,017	5,606	5,679	5,874	5,693	6,089	7,133	7,886
Total child support collections	\$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	\$2,206,715
<b>Cultural and Recreational:</b>										
Library patron visits (3 branches)	189,074	178,820	180,771	181,494	171,177	177,403	118,890	5,822	57,829	73,366
Participants in youth sports	863	918	967	1,050	909	904	1,355	592	1,389	1,637
<b>Education:</b>										
Average daily membership	8,193	8,330	8,436	8,636	8,735	8,799	8,977	8,588	8,767	8,921
County appropriation per student (rounded)	\$4,276	\$4,019	\$4,175	\$4,252	\$4,386	\$4,890	\$4,991	\$5,561	\$ 6,359	\$ 6,392
<b>Business-Type Activities:</b>										
<b>Water:</b>										
Number of new connections	370	483	505	541	571	506	368	310	313	362
Gallons of water consumed (in thousands)	664,271	607,396	645,293	683,242	713,548	706,500	773,235	862,795	856,791	813,813
<b>Waste Management:</b>										
Tons of recyclables	4,249	4,627	4,910	2,691	3,015	3,160	3,209	3,582	1,291	3,500
Tons of waste managed	11,099	11,338	11,995	12,160	11,908	12,684	13,235	13,546	12,217	11,765

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									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Public Safety:</b>										
Jail Capacity	51	110	110	110	110	110	110	110	110	110
Total Sheriff Vehicles	111	126	131	147	151	151	162	162	167	179
<b>Cultural and Recreational:</b>										
Park Acreage	437	437	437	437	437	437	437	437	437	437
Libraries (branches)	3	3	3	3	3	3	3	3	3	3
<b>Business-Type:</b>										
<b>Water:</b>										
Miles of Water Main	395	415	415	419	419	419	435	440	440	428
Number of Storage Tanks	9	9	9	9	9	9	9	9	8	9
<b>Waste Management:</b>										
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, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2023. 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  
November 27, 2023

# MARTIN STARNES

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## & 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, 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 Governmental Commission that could have a direct and material effect on each of Chatham County's major federal programs for the year ended June 30, 2023. 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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  
November 27, 2023

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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 identifies as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Governmental Commission that could have a direct and material effect on each of Chatham County's major state programs for the year ended June 30, 2023. 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); 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  
November 27, 2023

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# CHATHAM COUNTY, NORTH CAROLINA

## SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 2023

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### Section I – Summary of Auditor’s Results

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#### 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
Foster Care, Adoption, and Guardianship Assistance Program Cluster	93.658, 93.659
Coronavirus State Local Fiscal Recovery Fund	21.027
Social Services Block Grant	93.667

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,087,578

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, 2023**

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**Section I – Summary of Auditor’s Results (continued)**

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**State Awards**

Internal control over major state 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 state programs: Unmodified

Any findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? \_\_\_\_\_ Yes  X  No

Identification of major state programs:

**Program Name**

Public School Building Capital Fund – Lottery Proceed  
Medicaid Cluster  
Foster Care, Adoption, and Guardianship  
Assistance Program Cluster

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, 2023**

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**Section II – Financial Statement Findings**

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None reported.

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**Section III – Federal Award Findings, Responses, and Questioned Costs**

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None reported.

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**Section IV – State Award Findings, Responses, and Questioned Costs**

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None reported.

**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

No prior year findings.

CHATHAM COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023

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
<b>Federal Awards:</b>					
<b>U.S. Department of Agriculture</b>					
<b>Food and Nutrition Service</b>					
Passed-through the NC Department of Health and Human Services					
Division of Social Services					
Administration:					
Supplemental Nutrition Assistance Program Cluster					
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program	10.561	185NC406S2514	\$ 509,181	\$ -	\$ -
Supplemental Nutrition Assistance Program-Fraud	10.561	185NC406S2514	2,484	-	-
Supplemental Nutrition Assistance Program-E&T	10.561	CHAT2020DSS1	17,132	-	-
Supplemental Nutrition Assistance Program-E&T & Depend	10.561	CHAT2020DSS2	16,611	-	-
Food and Nutrition Services - ARPA Funds	10.561	CHAT2020DSS2	56,678	-	-
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<b>602,086</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Agriculture</b>					
<b>Rural Housing Service</b>					
Community Facilities Loans and Grants Cluster					
NC-97-01 Loan	10.766		7,661,356	-	-
NC-97-02 Loan	10.766		7,661,356	-	-
NC-97-03 Loan	10.766		3,353,971	-	-
<b>Total Community Facilities Loans and Grants Cluster</b>			<b>18,676,683</b>	<b>-</b>	<b>-</b>
<b>Total U.S. Department of Agriculture</b>			<b>19,278,769</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Health &amp; Human Services</b>					
<b>Administration for Children and Families</b>					
Passed-through the NC Department of Health and Human Services					
Mental Health, Intellectual and Developmental Disabilities and Substance Abuse Services Cluster (note 4):					
Social Services Block Grant-CPS TANF	93.667	G1701NCSOSR; G1801NCSOSR	333,577	-	-
Social Services Block Grant-State In-Home Service	93.667	G1701NCSOSR; G1801NCSOSR	3,797	-	-
Social Services Block Grant-State In-Home Services over 6	93.667	G1701NCSOSR; G1801NCSOSR	13,053	-	-
Social Services Block Grant-Other Services and Training	93.667	G1701NCSOSR; G1801NCSOSR	243,005	-	-
COVID-19 - Social Services Block Grant-State Adult Day Care	93.667	G1701NCSOSR; G1801NCSOSR	480	-	-
<b>Total Mental Health, Intellectual and Developmental Disabilities and Substance Abuse Services Cluster</b>			<b>593,912</b>	<b>-</b>	<b>-</b>
Child Support Enforcement					
Child Support Enforcement Section-IV-D Administrator	93.563	1804NC4005	335,220	-	-
Child Support Enforcement Section-IV-D Offset Fees - ESC	93.563	1804NC4005	4	-	-
Child Support Enforcement Section-IV-D Offset Fees - Federa	93.563	1804NC4005	714	-	-
<b>Total Child Support Enforcement</b>			<b>335,938</b>	<b>-</b>	<b>-</b>
Low Income Home Energy Assistance					
Crisis Intervention Program	93.568	G17B1NCLIEA; G18B1NCLIEA	139,969	-	-
Administration	93.568	G17B1NCLIEA; G18B1NCLIEA	26,116	-	-
Low Income Home Energy Assistance	93.568	G17B1NCLIEA; G18B1NCLIEA	153,583	-	-
Low Income Energy Assistance Program - ARPA	93.568	G17B1NCLIEA; G18B1NCLIEA	43,699	-	-
Low Income Energy Assistance Program - ARPA Administration	93.568	G17B1NCLIEA; G18B1NCLIEA	12,544	-	-
Low Income Household Water Assistance Program - Administration	93.568	G17B1NCLIEA; G18B1NCLIEA	2,648	-	-
Low Income Household Water Assistance Program - CAA	93.568	G17B1NCLIEA; G18B1NCLIEA	36,974	-	-
<b>Total Low-Income Home Energy Assistance</b>			<b>415,533</b>	<b>-</b>	<b>-</b>
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Links - Administrative and Services	93.674	G1701NC1420; G1801NC1420	20,118	5,029	-
Links Transitional Funds - Benefit Payment	93.674	G1701NC1420; G1801NC1420	18,165	-	-
<b>Total John H. Chafee Foster Care Program for Successful Transition to Adulthood</b>			<b>38,283</b>	<b>5,029</b>	<b>-</b>
Special Children Adoption Fund Cluster (note 4)					
MaryLee Allen Promoting Safe and Stable Families Program					
MaryLee Allen Promoting Safe and Stable Families Program	93.556	G1701NCFPSS; G1801NCFPSS; G1711NCFPCV	37,105	-	-
<b>Total MaryLee Allen Promoting Safe and Stable Families Program</b>			<b>37,105</b>	<b>-</b>	<b>-</b>
Temporary Assistance for Needy Families					
Work First Administration	93.558	G1701NCTANF; G1801NCTANF	38,283	-	-
Work First Service	93.558	G1701NCTANF; G1801NCTANF	221,788	-	-
TANF	93.558	13A15151T219	5,990	-	-
<b>Total Temporary Assistance for Needy Families</b>			<b>266,061</b>	<b>-</b>	<b>-</b>
Stephanie Tubbs Jones Child Welfare Services Program					
Permanency Planning - Special	93.645	G1701NCCWSS; G1801NCCWSS	19,222	-	5,006
<b>Total Stephanie Tubbs Jones Child Welfare Services Program</b>			<b>19,222</b>	<b>-</b>	<b>5,006</b>
<b>Total Special Children Adoption Fund Cluster</b>			<b>322,388</b>	<b>-</b>	<b>5,006</b>
Foster Care, Adoption, and Guardianship Assistance Program Cluster (note 4)					
Adoption Assistance	93.659	1801NCADPT	118,391	-	-
Foster Care-Title IV-E Administrator	93.658	1801NCFOST	231,349	48,668	-
Foster Care-Title IV-E Family	93.658	1801NCFOST	218,672	48,793	-
Foster Care Title IV-E Training	93.658	1801NCFOST	591,550	-	-
<b>Total Foster Care, Adoption, and Guardianship Assistance Program Cluster</b>			<b>1,159,962</b>	<b>97,461</b>	<b>-</b>
State Subsidized Child Care Program Cluster (note 4):					
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	104,239	-	-
<b>Total State Subsidized Child Care Program Cluster / Child Care Development Fund Cluster</b>			<b>104,239</b>	<b>-</b>	<b>-</b>
Refugee and Entrant Assistance State Cluster (note 4):					
Refugee and Entrant Assistance State / Replacement Designee Administered Program	93.566	CHAT2020DSS3	31	-	-
<b>Total Refugee and Entrant Assistance State Cluster</b>			<b>31</b>	<b>-</b>	<b>-</b>
<b>Total Administration for Children and Families</b>			<b>2,970,286</b>	<b>102,490</b>	<b>5,006</b>

CHATHAM COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023

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
<b>Centers for Medicare and Medicaid Service</b>					
<b>Passed-through the NC Department of Health and Human Services</b>					
Division of Health Benefits					
Division of Social Services					
<b>Medicaid Cluster</b>					
<b>Administration:</b>					
Medical Assistance Program:					
Adt Cr Hm Cs Mgt/Spec	93.778	XIX-MAP18	14,561	7,280	-
Medical Assistance	93.778	XIX-MAP18	76,229	-	-
Medical Assistance Administration	93.778	XIX-MAP18	1,566,678	274,085	-
Medical Transportation Administration	93.778	XIX-MAP18	69,963	-	-
State County Special Assistance	93.778	XIX-MAP18	33,699	5,899	-
<b>Total Medicaid Cluster</b>			<b>1,761,130</b>	<b>287,264</b>	-
Division of Social Services					
<b>Administration:</b>					
Children's Health Insurance Program-NC Health Choice	93.767	CHIP18	66,004	4,361	-
<b>Total Division of Social Services</b>			<b>66,004</b>	<b>4,361</b>	-
<b>Total Centers for Medicare and Medicaid Service</b>			<b>1,827,134</b>	<b>291,625</b>	-
<b>Centers for Disease Control and Prevention</b>					
<b>Passed-through the NC Department of Health and Human Services</b>					
Division of Public Health:					
Public Health Emergency Preparedness	93.069	12642680EN; 12641680EQ 146022DNF; 1460272CNF; 1460272ANF;	34,122	-	-
Project Grants and Coop Agreements for Tuberculosis Control Programs	93.116	1460272ENF	2,021	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ; 1331631AEJ	108,007	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	1175870AWT; 1175878AHH	375,613	-	-
COVID-19 - Public Health Emergency Response Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354	12642680CP	10,315	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310AD719; 1320310CD7	5,320	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STL)	93.391	11617955LZ	63,190	-	-
Health Department Response to Public Health or Healthcare Crisis:	93.991	12615503PH; 13114536PF 1311462DNB19; 1311462ENB19;	31,615	-	-
Preventive Health and Health Services Block Grant	93.977	1311462CNCB19; 1311462ANB; 1311462BNB	58	-	-
Sexually Transmitted Disease (STD) Prevention and Control Grants	93.977	1311462CNCB19; 1311462ANB; 1311462BNB	58	-	-
<b>Total Centers for Disease Control and Prevention</b>			<b>630,261</b>	-	-
<b>Health Resources and Services Administration</b>					
<b>Passed-through the NC Department of Health and Human Services</b>					
Division of Public Health:					
Maternal and Child Health Services Block Grant to the States	93.994	13A15735AP19; 12715318AP19; 12715745AP19; 12715351AP19; 13A15740AP19; 13A15107AP19; 12715745AR; 13A15740AR	25,428	6,976	-
<b>Office of Assistant Secretary for Health</b>					
<b>Passed-through the NC Department of Health and Human Services:</b>					
<b>Office of Assistant Secretary for Health</b>					
Family Planning Services	93.217	13A15900FP	44,471	-	-
<b>Total Office of Assistant Secretary for Health</b>			<b>44,471</b>	-	-
<b>Administration for Community Living</b>					
<b>Division of Aging and Adult Services</b>					
<b>Passed through Triangle Regional Council</b>					
Special Programs for the Aging - Title III Part I	93.043	2018-3007-019	5,719	336	-
Disease Prevention and Health Promotion Service	93.052	2018-3007-019	29,950	1,997	-
National Family Caregiver Support, Title III Part I					
<b>Aging Cluster:</b>					
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-Access Service	93.044	2018-3007-019	91,561	11,039	-
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-In-Home Service	93.044	2018-3007-019	-	286,553	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Congregate Nutrition	93.045	2018-3007-019	102,738	6,043	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Home Delivered Meal	93.045	2018-3007-019	152,844	40,253	-
Nutrition Services Incentive Program	93.053	2018-3007-019	26,912	-	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Home Delivered Meals	93.045	2018-3007-019	7,073	-	-
<b>Total Aging Cluster</b>			<b>381,128</b>	<b>343,888</b>	-
<b>Total Administration for Community Living</b>			<b>416,797</b>	<b>346,221</b>	-
<b>Total U.S. Department of Health and Human Services</b>			<b>5,914,377</b>	<b>747,312</b>	<b>5,006</b>
<b>U.S. Department of Justice</b>					
<b>Direct Program:</b>					
Equitable Sharing Program	16.922	17-DEA-625415	54,544	-	-
Equitable Sharing Program	16.922	OCDEF-SENCM01221224	34,903	-	-
Comprehensive Opioid, Stimulant, and Substance Abuse Program	16.838	2020-AR-BX-0021	214,706	-	-
Justice Systems Response to Families	16.021	15JOVW-21-GG-00225-JFFX	174,006	-	-
Bulletproof Vest Partnership Program	16.607	K51128326	2,936	-	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0626	34,167	-	-
<b>Passed-through NC Department of Crime Control and Public Safety</b>					
Violence Against Women Formula Grants	16.588	2019-WF-AX-0021	81,977	-	-
Crime Victim Assistance	16.575	2017-VA-GX-0050; 2020-V2-GX-0057	195,458	-	-
<b>Total U.S. Department of Justice</b>			<b>792,697</b>	-	-
<b>U.S. Department of Homeland Security</b>					
<b>Passed-through NC Department of Crime Control and Public Safety:</b>					
<b>Federal Emergency Management Agency</b>					
Homeland Security Grant Program	97.067	EMW-2020-SS-0023-2041009	67,105	-	-
Emergency Management Performance Grant	97.042	EMPG-2021-EP-00015	53,407	-	-
<b>Total U.S. Department of Homeland Security</b>			<b>120,512</b>	-	-
<b>Institute of Museum and Library Services</b>					
Grants to States	45.310	LSTA 2019-2020 COVID-19	-	75,174	-
<b>Total Institute of Museum and Library Services</b>			-	<b>75,174</b>	-
<b>U.S. Department of the Treasury</b>					
<b>Direct Benefit Payments</b>					
Coronavirus State Local Fiscal Recovery Fund	21.027		10,074,541	-	-
Emergency Rental Assistance Program	21.023		62,122	-	-
<b>Total U.S. Department of the Treasury</b>			<b>10,136,663</b>	-	-
<b>National Institute of Health</b>					
<b>Passed through Duke University</b>					
Cardiovascular Diseases Research	93.837	A033411.SPS-250383	9,600	-	-
<b>Total National Institute of Health</b>			<b>9,600</b>	-	-
<b>Total Federal Awards</b>			<b>36,252,618</b>	<b>822,486</b>	<b>5,006</b>

CHATHAM COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2023

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>State Awards:</b>					
<b>NC Department of Natural and Cultural Resources</b>					
<b>Division of State Library</b>					
State Aid to Public Libraries		2018-STATEAID	-	106,052	-
<b>Total NC Department of Natural and Cultural Resources</b>			<b>-</b>	<b>106,052</b>	<b>-</b>
<b>NC Department of Environmental Quality</b>					
Electronics Management		536961-2395	-	7,967	-
Agricultural Cost Share-Technical Assistance		CHAT170	-	26,181	-
Education Grant		CHAT2018SWCD	-	3,600	-
<b>Total NC Department of Environmental Quality</b>			<b>-</b>	<b>37,748</b>	<b>-</b>
<b>NC Department of Health and Human Services</b>					
<b>Division of Social Services:</b>					
<b>Administration and Services</b>					
AFDC-Program Integrity		2018AFDC	-	113	-
State Child Welfare/CPS		2018CPS	-	96,027	-
Senior Center General Purpose		2018-J007-019	-	23,003	-
<b>Direct Benefit Payments:</b>					
State Foster Home		2018SFH	-	46,223	-
State Foster Home Maximization		2018SFHM	-	10,548	-
F/C /Max Non IV-E		2018FCAR	-	6,980	-
F/C At Risk Maximization		2018FCAR	-	2,895	-
<b>Total Division of Social Services</b>			<b>-</b>	<b>185,789</b>	<b>-</b>
<b>Division of Public Health</b>					
<b>Other Receipts / State Supported Expenditures</b>					
Food and Lodging Fees		11534752SZ19	-	25,795	-
PH Capacity Building			-	80,736	-
General Communicable Disease Control		117545100019	-	1,610	-
Breast and Cervical Cancer Program		13205590019; 1320335504	-	5,080	-
Child Health		127157450019	-	3,316	-
Family Planning		13A157350019	-	20,529	-
Maternal Health		13A157400019	-	17,238	-
HIV/STD State		13114536BN19; 13114536RQ19; 13114536RR	-	1,175	-
Healthy Community Activities		126155030019; 12615503PF19; 13114536PF19	-	3,747	-
School Nurse Funding Initiative		133253580019	-	100,000	-
Tuberculosis		146045510019; 146045540019	-	9,688	-
Women's Health Service Func		13A16018FR19; 13A16020FR	-	7,887	-
COVID-19 - Communicable Disease Pandemic Recovery		2SF1249NTT	-	122,478	-
<b>Total Division of Public Health</b>			<b>-</b>	<b>399,279</b>	<b>-</b>
<b>Total NC Department of Health and Human Services</b>			<b>-</b>	<b>585,068</b>	<b>-</b>
<b>NC Department of Military and Veteran Affairs</b>					
DMVA Community County Grants		DMVACNTYGRANT17	-	2,083	-
<b>Total NC Department of Military and Veteran Affairs</b>			<b>-</b>	<b>2,083</b>	<b>-</b>
<b>NC Department of Public Instruction</b>					
Public School Building Capital Fund-Lottery Proceed		CHATPSBCF	-	656,640	-
<b>Total NC Department of Public Instruction</b>			<b>-</b>	<b>656,640</b>	<b>-</b>
<b>NC Department of Public Safety</b>					
Juvenile Crime Prevention Program-Administration		536301-12409019	-	15,504	-
Juvenile Crime Prevention Program		536301-12409019	-	151,360	-
State Forfeiture Funds		USUB2018	-	42,302	-
State Computer Grant		PROJ015029	-	21,571	-
<b>Total NC Department of Public Safety</b>			<b>-</b>	<b>230,737</b>	<b>-</b>
<b>NC Department of Transportation</b>					
Rural Operating Assistance Program (ROAP) Cluster			-	-	-
ROAP-Elderly and Disabled Transportation Assistance Program		DOT-16CL-36220.10.11.1	-	55,783	-
ROAP Rural General Public Program		DOT-16CL-36228.22.11.1	-	109,331	-
ROAP Work First Transitional - Employment		DOT-16CL-36236.11.10.1	-	19,181	-
<b>Total N.C Department of Transportation</b>			<b>-</b>	<b>184,295</b>	<b>-</b>
<b>Other Financial Assistance</b>					
Opioid Settlement (note 6)			-	376,988	-
<b>Total State awards</b>			<b>-</b>	<b>2,179,611</b>	<b>-</b>
<b>Total Federal and State awards</b>			<b>\$ 36,252,618</b>	<b>\$ 3,002,097</b>	<b>\$ 5,006</b>

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, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Chatham County, 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 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, Adoption and Guardianship Assistance Program, Mental Health Intellectual Developmental Disabilities and Substance Abuse Services, Special Children Adoption Fund, Refugee and Entrant Assistance, and Subsidized Child Care Program.

**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.

<u>Program Title</u>	<u>AL</u>	<u>Federal</u>	<u>State</u>
Medicaid	93.778	\$ 69,053,223	\$ 26,414,356
CHIP	93.767	367,478	82,564
TANF-Special Children Adoption	93.558	42,911	-
TANF-Payments & Penalties	93.558	92,131	-
WIC	10.557	1,083,329	-
Adoption Assistance-IV-E Adopt Subsidy & Vendor	93.659	846,637	140,803
Child Welfare Services Adoption-Vendor Guar		-	199,673
State/County Special Assistance Program		-	192,178
Federal Jail Reimbursements		70	-

**Note 6: Opioid Settlement Fund**

The NC Department of Justice does not consider Opioid Settlement Funds either Federal or State Financial assistance since they are from a settlement with private major drug companies. Since these funds are subject to the State Single Audit Implementation Act, they are reported as "Other Financial Assistance" on the SEFSA, and considered State Awards for State single audit requirements.

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