

**CHATHAM COUNTY  
NORTH CAROLINA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2025**



# CHATHAM COUNTY, NORTH CAROLINA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025

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## **INTRODUCTORY SECTION**

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February 9, 2026

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, 2025.

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, 2025. 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 2024 population was estimated at 83,874. By 2033, 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 28.4 percent of residents living in a municipality. The Town of Pittsboro with a population of 4,989 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 or project basis and may be amended as changing conditions warrant.

The County's annually budgeted Major Funds include: General fund, Capital Improvement Project Reserve fund, and Capital Reserve fund. Major Special Revenue and Capital Funds are budgeted on a project basis and include: Facilities Improvement fund, School Construction fund, American Rescue Plan fund, and Opioid Settlement fund. The Emergency Telephone System, the Forfeited Property, the Recreation-Payment in Lieu, the Impact Fees, the Bynum Canoe Access/Easement Monitoring, the Courthouse Clock, the Library Foundation, the Representative Payee, the Fines and Forfeitures, and the Special Fire District funds are annually budgeted and reported as nonmajor special revenue funds. The Tech/System Improvement Project and County Wide Parks Project funds are budgeted on a project basis and are reported as nonmajor capital project funds. The Emergency Vehicle Replacement Capital Reserve Project fund is an annually budgeted nonmajor capital project fund.

### *Local economy*

For the 3<sup>rd</sup> time in 4 years, North Carolina has been ranked as the top State for Business by CNBC. As the geographic center of the #1 State for Business, Chatham County has and will continue to grow. Strong economic influences in surrounding areas, such as Greensboro, Cary, Chapel Hill, Durham, Raleigh, and the Research Triangle Park have a positive effect on the growth of the County's population and economy. 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. The Labor force age population is expected to grow 17.3% from 2022 to 2032, well above the State average of 3.0%

Within the County, health services remain 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.

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. VinFast has done significant site work, and the necessary utility upgrades are mostly complete. VinFast has delayed its start of production until 2028, but remains confident that the scope and scale of the project have not changed. Near the VinFast site, a 330,000 square foot FedEx Distribution center has been completed and created 300 jobs in the County.

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, investing \$5 billion and creating 1,800 jobs. The John Palmour Manufacturing Center is now complete and has 2.2 million square feet under roof. On June 28<sup>th</sup>, 2024 Wolfspeed began production at the site. While not growing as fast as originally expected, Wolfspeed still plans to meet its investment and job commitments as market conditions improve.

Apex Gateway Park has seen significant investment over the past year. The first business in this new industrial park, Rand Coca-Cola Beverages, has completed construction of its regional headquarters and distribution facility and is in operation. There have been 5 other shell buildings constructed, totaling over 1 million square feet. The developer has already leased 4 of these shell buildings to tenants such as Life Science Logistics, Capital Electric, Conklin Metal Industries, and Buckeye Trading. The new businesses in Apex Gateway Industrial Park have already created at least 500 new full-time jobs in Chatham County.

There are two additional buildings under construction that should be deliverable in Q1 2026. Interest in this area remains very high, and we expect Apex Gateway to continue to attract quality business to the County.

The Town of Pittsboro, the Town of Siler City, and Chatham County have all merged with Tri-River water to expand the utility capacity needed to meet the growth demand. The wastewater treatment plant in Siler City was near capacity before the Wolfsped announcement. The general assembly approved funding to upgrade Wastewater Treatment Plant in Siler City to provide additional capacity. The construction of the upgraded plant is underway and expected to be completed in 2027. Projects are also underway to provide additional capacity to the Town of Pittsboro and Chatham County. The merger with Tri-River and the utility upgrades underway will allow Chatham County and its municipalities to continue attracting new investment.

In addition to the major industrial sites, the EDC works with developers for Chatham Park, a 8,000-acre mixed-use development. The development is approved for 22,000 new residential units and 22 million square feet of non-residential space at full build-out. Progress at Chatham Park has remained steady, with new retail and commercial tenant announcements. On March 12<sup>th</sup>, the Chatham Park YMCA opened its 36,000 square foot facility. This state-of-the-art facility has significantly increased the membership of the YMCA and represents a \$30 million investment. On November 14<sup>th</sup>, the Hampton Inn & Suites had its grand opening in the Mosaic development of Chatham Park. This hotel was named in the Triangle Business Journal's 2025 Space Awards as one of the top commercial real estate developments in the Triangle.

In December of 2023, Disney announced it would develop its 2<sup>nd</sup> StoryLiving by Disney Community in Chatham Park. Plans include approximately 4,000 residences with a variety of single and multi-family options. Infrastructure work for this community has started and home sales are anticipated to begin in 2027.

Northwood Landing is also experiencing significant growth and development. The anchor tenant, Lowes Foods opened its doors to customers in June of 2023. Additional new tenants in the development include: Zaxbys, Hubies Car Wash, Dunkin Donuts, and First Health to name a few.

Overall, Chatham County's economy continues to demonstrate strong growth and resilience, driven by strategic location, robust regional influences, and significant private and public investment. Major industrial projects, expanding commercial developments, and continued utility infrastructure improvements position the County to accommodate future population and workforce growth while attracting new businesses. With a diverse mix of health services, manufacturing, logistics, and mixed-use developments, Chatham County is well-positioned to sustain long-term economic prosperity and enhance the quality of life for its residents.

Several major highways (US 15-501, US 1, US 64, and Future I-685) 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 at 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 cash receipts in the County for 2022 amounted to \$338,000,000, ranking 15<sup>st</sup> in the State. The most recent 2022 Census of Agriculture reported Chatham County as having 1,076 farms, of which 95% identified as family farms. Over one-third of the 1,800 agricultural producers within the county are

female. Most farms range in size from 10 to 179 acres, and the total land used for farming is 114,051 acres. The County currently ranks 1st in the State in beef cattle (4th in overall cattle production) and 14<sup>th</sup> in broiler chicken production out of the 100 counties. The county also ranks 9<sup>th</sup> in hay production, and 3<sup>rd</sup> in sheep and goat population, as compared to other North Carolina counties. There are four dairy operations in Chatham County currently, and the County ranks 7th 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, crinum, daylilies, orchids, exotic ferns, trees, and shrubs. Additionally, there are approximately 245,334 acres of private timberland in Chatham County, with an economic contribution of approximately \$438M 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 continues to grow in multiple industries, particularly the tourism and hospitality sector. The county's official destination marketing organization (DMO), the Pittsboro-Siler City Convention & Visitors Bureau (CVB), is responsible for promoting tourism, as well as providing visitor services and support. The team of two is the catalyst for visitor-related economic development. The CVB is the liaison between potential visitors, business travel coordinators, event planners, sporting event organizers, film scouts, traditional media, content creators, and the local travel industry. operates on a 24-month plan encompassing nearly two dozen projects spanning numerous initiatives and stakeholders: visitor services, accessibility and inclusion, ecotourism and local food systems, business travel, weddings and events, support for visitor businesses, digital and print marketing, sports, film development, press trips and media pitches, agritourism, relocation, and many others.

Domestic tourism in Chatham County generated an economic impact of **\$79.59** million in 2024. This was a 7.9% change from 2023.

#### **Tourism Impact Highlights for 2024 - 2025:**

- The travel and tourism industry directly employs more than 690 in Chatham County.
- Total payroll generated by the tourism industry in Chatham County was \$25.21 million.
- State tax revenue generated in Chatham County totaled \$3.5 million through state sales and excise taxes, and taxes on personal and corporate income. About \$3.15 million in local taxes were generated from sales and property tax revenue from travel-generated and travel-supported businesses.
- Visitor spending results in a \$85.91 tax savings per resident.

These statistics come from the "Economic Impact of Travel on North Carolina Counties 2024." 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, Women Impacting Public Policy – Small Business Saturday program, Meetings Mean Business Coalition, N.C. Department of Environment and Natural Resources, 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), Great Trails State, 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 a series of microsites that celebrate sporting events (golf, cycling), craft beverages and local getaway experiences, the America 250 nationwide effort for county County's efforts, plus its sports website ([ChathamSportsAlliance.com](#)).

The new hotel opened late November 2024. The focus for 2025 has been managing the increased demand for leisure and business travel, increased media coverage, 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.

Completed projects include revenue replacement through the “Standard Allowance” for payroll costs related to the Sheriff’s office, Emergency Management, and Emergency Communications; a COVID-19 vaccine incentive program for county employees; costs related to community engagement during the phase one of the county’s ARPA process; and a DSS Emergency Household Assistance Program for emergency housing assistance. Projects currently in progress include positions related to housing and diversion programs, a subaward to Chatham County Schools for HVAC improvements in school gymnasiums, and a hydrant repair project.

Additionally, a number of projects have been made possible using local dollars offset by revenue replacement. These include additional funding for capital projects such as Parker’s Ridge Park, fiber extension to county facilities in Siler City, and buildout of shell-space within the Detention Center. Non-capital projects include grants to nonprofits, an early childhood assessment, county match for state broadband programs, a contract with a local nonprofit for BIPOC entrepreneurship support, support for housing initiatives through the UNC Fellows program, funding for a Chatham focused Street Outreach Coordinator with CPRC, fiber for the Goldston Library, computers and supplies for new housing and diversion positions, administrative support for a homeless and housing instability working group. Additionally, these offset local dollars have been utilized to continue the emergency household assistance program after December 31<sup>st</sup>, 2024, as the program was not eligible for continued ARPA funding after U.S. Treasury’s Obligation Deadline.

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 2024-25**

Implementation activities related to the [Chatham Comprehensive Plan](#) continued to make progress countywide in Fiscal Year 2024-25. 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.

Chatham County has made significant strides in advancing our goals in four core areas: **Environment & Land Use, Governance & Public Safety, Resilience & Well-Being**, and **Economy & Infrastructure**. Achievements across these areas are a direct result of the ongoing collaboration among County departments, partner organizations, and our engaged community. Our commitment to aligning the values of smart growth with the preservation of our rural character has been central to all our efforts. By unifying diverse perspectives and fostering partnerships, we have ensured that our growth is sustainable, equitable, and mindful of Chatham’s unique environment.

### **HIGHLIGHTS OF MAJOR PROJECTS**

- Chatham County successfully implemented its merger with TriRiver Water after years of discussions, plans, and preparations. In November 2024, when Chatham County Board of Commissioners signed the agreement with the City of Sanford. On July 1, 2025, TriRiver Water took over all aspects of servicing the water and wastewater for Chatham County’s approximately 11,000 water utility customers.
- Chatham County launched a new Information Hub, a centralized online resource for exploring the county’s goals, services, and administration. The platform provides residents with a transparent view of both Commissioners’ priorities and county progress, while also offering clear information about how Chatham County Government operates day-to-day.
- Chatham County and the Town of Pittsboro are partnering to plan the future of several publicly owned properties in downtown Pittsboro. With the construction of a new county complex, existing government buildings will be vacated, creating a unique opportunity to reimagine these sites for

community benefit. The project aims to identify the best redevelopment options that support economic growth, community needs, and the character of downtown. Reenvisioning and developing strategies for repositioning and revitalizing these sites all together is a once-in-a-lifetime opportunity for downtown Pittsboro.

## CONSTRUCTION TRENDS

FY2025 was a transformative year for Chatham County, marked by the completion of major construction projects, the permitting of critical infrastructure, and strong residential growth — all signs of a community preparing for a dynamic future. From the grand opening of WolfSpeed’s 2.4 million square foot facility to hundreds of new homes taking shape across Pittsboro and the county, our built environment continues to reflect the growth and innovation reshaping our region. The project represents a major economic and infrastructural milestone for the county.

### **Other High-Impact Projects Also Reached Completion and Received their Certificates of Occupancy:**

- Inspire, a 150-unit age-restricted community
- O2 Fitness, which opened this spring
- YMCA, completed in March
- Hampton Inn, received Certificate of Occupancy in October
- Northwoods Landing, a 300+ unit development behind Lowe’s Foods, completed last fall

These projects reflect a diverse range of growth — from healthcare and hospitality to wellness and housing — each contributing to the county’s evolving landscape.

### **Laying the Groundwork: Key Permits Issued in FY25**

As the county grows, so does the infrastructure to support it. Several major developments were permitted this year, laying the foundation for future progress: Carolina Meadows began work on a new 90-bed skilled nursing facility, with completion anticipated by 2027. Siler City permitted an expansion of its wastewater facilities, a critical infrastructure improvement. Mountaire received permits to expand its pretreatment wastewater facility. Chase Bank in Pittsboro was permitted in the spring and is currently under construction. These permits signal both public and private sector confidence in Chatham County’s growth trajectory.

### **Residential Growth: A Changing Landscape**

Residential construction held steady in FY25, with 492 single-family homes permitted — nearly identical to FY24. However, a notable shift occurred: for the first time, more homes were permitted in Pittsboro than in the unincorporated areas of the county. This trend is directly tied to the growth of Chatham Park, which is reshaping the housing and development patterns across the region. Looking ahead, projections indicate an increase to 600+ single-family permits in FY26, with a more significant rise expected in FY27.

## EDUCATION

The 2024–2025 school year has been one of the most remarkable in the history of Chatham County Schools (CCS). Fueled by strategic leadership, empowered educators, and an unwavering belief in every student's potential, the district has achieved historic academic gains, earned statewide and national recognition, and welcomed new leadership to guide its next chapter. This year’s achievements reflect more than statistics—they tell the story of a community united in purpose: to ensure that every student, in every classroom, has the opportunity to thrive. From record-setting graduation rates to millions in scholarships earned, CCS continues to build a legacy of excellence grounded in equity, innovation, and opportunity.

### **Academic Growth that Sets Us Apart**

One of the most powerful indicators of district-wide success came with this year's assessment results: 100% of Chatham County Schools met or exceeded growth expectations—a feat accomplished by only three districts across North Carolina. This milestone is a reflection of rigorous instruction, data-informed practices, and a district culture committed to continuous improvement.

### **Graduation at an All-Time High**

The CCS Class of 2025 achieved a 90.4% four-year graduation rate, the highest in district history. This record marks a transformational moment for the district and speaks volumes about the collective efforts of educators, families, and students working in unison toward one goal—success beyond high school.

### **Chatham County Promise**

For six years, the Chatham Promise has opened doors for local students. More than 500 residents have benefited, many of them first-generation college students or from economically disadvantaged backgrounds. Roughly two-thirds of participants have pursued career and technical education, while the rest entered university transfer pathways. As the Class of 2025 steps into the program this fall, the College anticipates continued growth and success.

## **ECONOMIC DEVELOPMENT CORPORATION (EDC)**

### **Major Projects Cement Regional Growth**

2025 was a year of brick-and-mortar success. At Apex Gateway Park, six buildings totaling over 1 million square feet were completed, with tenants such as Durham Coca-Cola Bottling, US Autoforce, Emcor, and Life Sciences Logistics already occupying much of the space. Additional construction is underway, driven by ongoing high interest. In Siler City, Advanced Machinery Services (AMS) acquired the former AD Tubi facility, bringing their specialized industrial expertise to Chatham County and expanding the local employment base.

### **Asteria and Wolfsped: Defining the Future**

One of the most anticipated developments began to take shape as Disney broke ground on “Asteria,” a 200-acre mixed-use project that will include multi-family, single-family, and senior living units. With homes expected to hit the market in 2027, the project signals a new era of residential innovation in Chatham County.

Meanwhile, Wolfsped completed construction of the John Palmour Manufacturing Center, now officially the largest building in Chatham County at 2.2 million square feet. Production is underway, with hiring expected to ramp up as market conditions improve.

The EDC team reports sustained high interest from new projects, particularly in the life sciences and renewable energy sectors. As Chatham County continues to attract quality employers and investors, the focus remains on strategic recruitment, support for local businesses, and thoughtful community development.

With a solid foundation in place and momentum growing, 2025 was not just a year of progress—it was a turning point. The State of Chatham has never looked more promising.

## BROADBAND INITIATIVES

- **Broadband Grants:**
  - In May and June 2025, Chatham County received three new broadband grants through the Completing Access to Broadband (CAB) program, in partnership with the N.C. Department of Information Technology and private providers. All projects are set to finish by December 31, 2026. Combined with past efforts (RDOF, GREAT, and CAB 2024), over 10,000 locations will gain access. About 1,800 locations still lack service, and the County continues to seek funding.
    - These projects will bring high-speed internet to 2,043 homes and businesses:
      - Brightspeed: 879 homes, 127 businesses
      - Windstream: 418 homes, 59 businesses
      - Spectrum: 525 homes, 35 businesses
- **Digital Inclusion and Broadband Hub:**
  - In February of 2025, the Manager’s Office launched the Broadband Access and Digital Inclusion Hub to give residents a clear place to learn about internet service and availability in the community. The site highlights projects that are underway to expand broadband availability, including work supported by state and federal grants. The Hub connects to the County’s broader digital inclusion efforts which aim to bring service to unserved and underserved areas. By tracking these projects in one place, the Hub helps residents see how broadband access is growing across the county and what areas are being connected.
- **Digital Inclusion Plan:**
  - In December 2024, the Chatham County Board of Commissioners adopted the County’s first Digital Inclusion Plan to expand broadband access and improve digital literacy. Developed through a community-led effort beginning in 2021, the plan reflects input from local partners and public feedback. It will guide efforts to connect unserved areas and promote long-term digital equity. View the plan at [www.chathamcountync.gov/broadband](http://www.chathamcountync.gov/broadband).

## MAJOR LEADERSHIP NEWS

### **County Manager – Bryan Thompson**

At its September 16, 2024, meeting, the Chatham County Board of Commissioners announced the appointment of Chatham County Assistant County Manager Bryan Thompson as County Manager, following the retirement of Dan LaMontagne on December 27. Thompson received a Bachelor of Arts in Government/Public Administration from Campbell University and a Master of Public Administration in City and County Management from Appalachian State University. Thompson served as assistant manager beginning July 2019 and previously served as town manager in the communities of Mount Gilead, Erwin, and Siler City. Thompson is a graduate of the Duke North Carolina Leadership Forum, University of North Carolina School of Government’s Public Executive Leadership Academy (PELA), and the North Carolina Rural Economic Development Institute (REDI).

### **Assistant County Manager – Darrell Butts**

Chatham County Budget Director Darrell Butts was named Assistant County Manager on January 2, 2025. Butts served as budget director beginning August 2020 and previously served in the Budget Offices of Forsyth, Orange, and Chatham Counties. Butts received a Bachelor of Arts in Public Policy Analysis and a Master of Public Administration from the University of North Carolina at Chapel Hill. Butts is a Certified Local Government Budget Officer (CLGBO) through the North Carolina Local Government Budget Association (NCLGBA) and a 2022 CIVIC Fellow.

## OTHER BIG NEWS IN CHATHAM COUNTY

### Public Health

#### **Listening to Our Community: The 2024 Community Assessment**

In June, the release of the 2024 Community Assessment Report gave voice to the people of Chatham. Conducted in partnership with Chatham Health Alliance and Chatham Hospital, the assessment reflects thousands of resident perspectives gathered through surveys and focus groups. This community-driven process identified three pressing Health Impact Priorities:

- Substance Use Support and Treatment
- Healthcare Access
- Activities for Youth and Young Adults

These priorities will steer strategic efforts over the coming years, anchoring public health in the lived realities of the community.

#### **Improving Care Through Technology: EPIC Electronic Health Records**

In October, the Chatham County Public Health Department (CCPHD) transitioned to the EPIC Electronic Health Record system, aligning with healthcare providers statewide. This powerful upgrade is streamlining patient care through a new online patient portal, improving coordination with partner clinics, and achieving cost savings for the County. It's a leap forward in making care more accessible and efficient for both clients and providers.

#### **Building Mental Health Resilience: First Aid for the Mind**

In response to the national mental health crisis, CCPHD launched Mental Health First Aid (MHFA) training in August. The program trained 79 community members—36 in Youth MHFA and 43 in Adult MHFA—equipping them with the tools to recognize, understand, and respond to mental health challenges. This training is helping to build a network of everyday heroes ready to provide support when it's needed most.

#### **Combating the Opioid Crisis: A Lifesaving Kiosk**

A milestone moment came on November 15, with the unveiling of Chatham County's first 24/7 Naloxone Kiosk, offering no-cost access to the overdose-reversing drug. Located at the Siler City clinic, the kiosk is part of a broader strategy that distributed over 2,000 naloxone kits and trained 164 individuals in overdose response in 2024. Encouragingly, Chatham's overdose death rate declined for the first time in years—a hopeful sign of progress.

### Social Services

#### **Advancing Care: Medicaid Tailored Plan Implementation**

This year marked the rollout of North Carolina's new Medicaid Tailored Plan, designed to offer more coordinated care for individuals with significant behavioral health needs, intellectual or developmental disabilities, and traumatic brain injuries. In Chatham County, Vaya Health was named the Tailored Plan provider, helping to ensure that eligible residents receive the support they need through a more customized and responsive system of care.

#### **Modernizing Access: Transition to eCourts**

Chatham County successfully transitioned to eCourts, North Carolina's new digital platform for filing and accessing court documents. This shift directly impacted key Chatham County Department of Social Services (DSS) programs, including Adult Services, Children's Services, and Child Support Enforcement—requiring operational changes and staff training to ensure continued service delivery in a digital-first environment.

## **Empowering Older Adults: Elder Abuse Awareness and Legal Education**

In June, DSS's Adult Services Program hosted its annual Elder Abuse Awareness event at the Center for Active Living in Siler City. The 2025 theme, "Legal Rights and Planning," focused on empowering older adults with knowledge on:

- Elder law and legal protections
- Healthcare and end-of-life planning
- Mental health services
- In-home care options

This initiative fostered understanding and proactive planning, helping residents and caregivers make informed decisions about the future.

## **Housing and Community Development**

In 2025, Chatham County continued its commitment to protecting and uplifting residents through intentional investment in housing stability and community partnerships. With housing affordability becoming an increasingly urgent issue across the nation, Chatham's leadership took a proactive stance—focusing on immediate relief, long-term affordability, and community collaboration. This report highlights the county's key initiatives and outcomes in housing and community development over the past year. These efforts reflect not only fiscal responsibility but also a deep belief: that everyone deserves a safe and stable place to call home.

Chatham Habitat for Humanity was awarded \$120K to lay the groundwork for Robert's Run, a townhome community that will offer affordable homeownership options to working families. The townhome model is especially valuable in maximizing impact on limited land. Strategic Housing Efforts received \$10,000 to support community-facing engagement, including resident empowerment and outreach initiatives that ensure housing solutions are informed by the people they serve. These investments are shaping the physical and social infrastructure that will support Chatham's housing needs for years to come.

### **Chatham Housing Collective (CHC) - A Collaborative Force for Housing Stability**

Behind every successful housing initiative is a network of people working together. The Chatham Housing Collective (CHC) exemplifies this spirit. This active workgroup—comprised of housing providers, local officials, and community members—meets weekly with a shared mission: to support Chatham's unsheltered and unstably housed residents.

Over the past year, CHC spearheaded several key efforts:

- HUD Point-in-Time Count: Completed the annual survey to quantify and understand the region's unsheltered population, providing critical data for future planning.
- White Flag Sheltering: Mobilized emergency shelter services during extreme cold, offering life-saving refuge to the most vulnerable.
- Landlord Engagement Event: Hosted a "Lunch & Learn" to build relationships with local landlords and increase housing access through education and partnership.

### **Emergency Housing Assistance Program (EHAP) – Preventing Evictions, Preserving Stability**

Housing instability often begins with a single missed rent payment. Through the Emergency Housing Assistance Program (EHAP), Chatham County intervened before a missed payment turned into homelessness. Designed to serve residents at risk of eviction, EHAP delivered fast, targeted support — disbursing \$146,731 in direct payments to landlords on behalf of 98 families between July 2024 and June 2025. This critical funding not only stopped the eviction process but provided families with the breathing room they needed to regain stability. In many cases, it meant the difference between a family remaining in their home or entering crisis.

## **Housing Trust Fund (HTF) - Strategic Investments for Long-Term Affordability**

With housing costs rising and land becoming scarcer, Chatham County has continued to lean into strategic investments in long-term affordability. Since its inception in 2018, the Housing Trust Fund (HTF) has awarded a total of \$2.19 million to preserve and create affordable housing in the region.

In FY 2024–2025 alone, the County awarded \$300,000 in HTF grants to high-impact partners: Preserving Home received \$170,000 to provide home repairs and maintenance to 40–50 homes. This work helps vulnerable homeowners—including seniors, veterans, and people with disabilities—age in place safely and with dignity.

## **Elections**

### **Record Voter Turnout**

Chatham County led the state in voter turnout for the 2024 General Election—an outstanding 84%. This continued tradition of civic participation reflects the community’s deep commitment to democracy.

### **Expanding Access: Voter Outreach in Action**

Voter education and accessibility remained central to the department’s mission throughout the year. Highlights include:

- National Voter Registration Day (Sept 17, 2024): In collaboration with the Chatham County Library in Pittsboro, staff provided voter registration and ID services. Karen Brinson Bell, Executive Director of the NC State Board of Elections, made a special appearance.
- Carolina Meadows ADA Presentation (Aug 28, 2024): Staff presented the Hart Verity Touch Writer voting equipment to a VIP (Visually Impaired Persons) group, emphasizing inclusivity in voting.
- Chatham Center for Active Living (Oct 2, 2024): Offered Photo ID and voter registration assistance to older residents.
- MOSAIC Chatham Park (Oct 1, 2024): Held a voter information session at the 79 West Innovation Hub’s Breakfast Club.
- Chatham Library (May 27, 2025): Provided voter education and free photo IDs to ensure access ahead of upcoming elections.

### **Leadership and Oversight: Board Members Appointed and Sworn In**

The NC State Board of Elections and State Auditor appointed a new Board of Elections:

- Frank Dunphy (REP)
- Allan Tyson (REP)
- Laura Heise (DEM)
- Erika Lindemann (DEM)
- Chairman Tad VanDusen (REP)

All were officially sworn in on July 22, 2025, by Clerk of Superior Court Dana Hackney, marking the start of a new chapter in local election governance.

## **Tax Office**

### **Outstanding Tax Collection Performance**

As the 2024 tax year came to a close, the Tax Office reported a remarkable 99.48% collection rate on all property taxes levied. This figure not only underscores the efficiency of internal systems and collection procedures, but also reflects the confidence of Chatham County residents in the tax administration process. High collection rates like this are essential for ensuring that critical services—from public safety to infrastructure—remain fully funded and uninterrupted.

### **Reappraisal Year: A Commitment to Fairness**

In 2021, the entire reappraisal process was completed by a contractor. In 2025, a contractor completed the reappraisal with county staff processing all appeals. In 2029, county staff will be working hand in hand with a contractor to complete the reappraisal to transition completely to county staff conducting the 2033 reappraisal.

### **A Helping Hand for Homeowners: Chatham County’s Tax Relief Program**

In 2025, Chatham County launched the Low-Income Tax Relief Program (TRP), providing up to \$500 in property tax assistance to eligible longterm homeowners. The program supports residents who have lived in their primary homes for at least five years and earned at or below 60% of the county’s Area Median Income. Updates allowed participants receiving other tax relief or Food and Nutrition Services to qualify automatically, helping low-income households maintain stable homeownership.

### **Convention and Visitors Bureau**

#### **Pedaling Through Pittsboro: Cycle NC 2024**

On a crisp October morning, over 800 cyclists rolled into the heart of Chatham County for Cycle NC 2024, turning the Chatham County Agriculture & Conference Center into a bustling hub of energy, culture, and community. Planning began nearly a year in advance, and by the time the wheels hit the ground on October 9, 2024, every detail was set. Thanks to strong community support, the CVB raised \$4,400—fully covering event costs, while showcasing Pittsboro as a welcoming and well prepared destination.

#### **New Rooms, New Revenue: Hampton Inn Opens**

A major milestone arrived with the opening of the Hampton Inn & Suites by Hilton Pittsboro in November 2024. Increasing Chatham’s room inventory by 50%, this long anticipated addition enhances overnight options and is poised to significantly grow occupancy tax revenue, providing a stronger foundation for future destination marketing efforts.

#### **Chatham Concierge: Hospitality with a Local Touch**

FY 2025 also marked the official launch of Chatham Concierge, a front-line hospitality training initiative designed to keep visitor spending local. Training programs were successfully rolled out to Hampton Inn staff and the Downtown Pittsboro Hype Team, with widespread expansion planned for FY 2026. This grassroots program empowers front-line workers to become ambassadors for the Chatham experience.

### **Aging Services**

#### **A Community Answering the Call**

It was a year of powerful connection and impressive growth. Nearly 1,000 new individuals registered at the Pittsboro and Siler City Centers for Active Living—an 86% increase from the previous year. These centers evolved into hubs of health, purpose, and community. And in a moment of statewide recognition, the Siler City Center for Active Living received the Ann Johnson Senior Center of the Year Award—a milestone that underscored Chatham County’s leadership in the field of aging.

#### **Setting Records and Building Community: The Senior Games**

Another highlight of the year was the 2025 Chatham County Senior Games, which reached a record-breaking 408 participants, including 150 first-timers. This event continues to bring joy, competition, and community spirit to hundreds of residents aged 50 and better.

#### **Celebrating Those Who Give and Inspire**

In February 2025, the community came together to celebrate its champions. The third annual “6 over 60” awards honored six exceptional older adults—Mike Mannshardt, Gail Backof, Marianne McIver, Sandee Davis, Bill Alston, and Robert Pearson—who exemplify what it means to give back and lift others up.

## Libraries

### **Bringing Stories Outdoors: StoryWalks Come to Chatham Parks**

In summer 2024, the library turned a new page—outside. Thanks to a Library Services and Technology Act Grant from the State Library of North Carolina, four StoryWalks were installed across Chatham County, in partnership with Chatham County Parks & Recreation. These interactive installations invite families to read and explore together in local parks, with rotating books and activities that promote literacy, movement, and nature appreciation. Future installations are planned for Goldston and Boiling Lane Parks, expanding access to these outdoor reading experiences.

### **Planting Knowledge, Growing Community: Seed Libraries Take Root**

In collaboration with the NC Cooperative Extension—Chatham County Center, the library launched Seed Libraries at all three branches. Residents can "check out" seeds, grow plants, and return harvested seeds—fostering community gardening, biodiversity, and sustainability. Master Gardeners and Extension staff provided educational programs throughout the year, equipping residents with the knowledge to nurture their gardens and communities alike. This project is supported by the Friends of the Library and Cooperative Extension partners.

### **Engaging More Minds**

The library's programming reached new heights, with a 22.67% increase in participation. A total of 15,829 attendees across all age groups took part in enriching events—from storytimes and author talks to cooking demos and STEAM workshops. Whether in-branch, online, or out in the community, the library continues to spark curiosity and connection for all.

## Parks and Recreation

With over 414,000 Chatham County park visits, 2,500+ event participants, and new milestones in both programming and trail development, FY25 was a year defined by connection—between people, places, and possibilities.

### **Empowerment Through Experience: Innovative Programs for All**

FY25 marked significant growth in program offerings, with a focus on wellness, empowerment, safety, and the arts:

- Girls on the Run debuted in Chatham County, empowering young girls through movement and mentorship—growing from its Fall 2024 launch into Spring 2025.
- Outdoor recreation attracted 220 participants, offering kayaking, canoeing, paddle boarding, archery, and guided hikes—highlighting the county's natural beauty while promoting wellness.
- CPR certification classes equipped 58 community members and staff with life-saving skills, supporting safety across public spaces and services.
- Chatham County Challenge, now in its fifth year, engaged over 310 residents in a county-wide virtual run/walk/bike initiative—encouraging healthy lifestyles and personal goal-setting.
- Visual Arts programs launched in the new Arts Center, with 52 programs welcoming 166 participants of all ages into creative exploration.

### **Spaces That Serve: Park Access, Partnerships, and Enhancements**

Major facility upgrades and new initiatives reflected a commitment to accessibility, safety, and ecological stewardship:

- Facility upgrades at Northwest District Park included new flooring and interior painting in both the Dining Hall and Activity Building—now allowing reservations to have food in the Activity Building.
- Haw River Access at US 64 was officially designated as part of the Haw River State Trail, the first paddle access and state trail component recognized in Chatham County.

- Land conservation advanced with the acquisition of 0.7 acres near the South Bynum River Access, allowing for future expansion and access point relocation.
- A Recreational Trails Program grant was awarded for the Pegg Tract Improvements—Chatham’s first major project aligned with the Haw River Trail Feasibility Study. In partnership with NC State Parks, NCDOT, and NC Wildlife, the project includes:
  - Over one mile of new natural surface trail outside the floodplain
  - Formal paddle launch steps and a platform at the US 15/501 access site

## **AWARDS & HONORS**

### **35 Years of Financial Excellence**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Chatham County for its comprehensive annual financial report for the fiscal year 2023-2024. This was the 35<sup>th</sup> consecutive year that the County has received this award, and it is the highest form of recognition in governmental accounting and financial reporting. According to GFOA, its attainment represents a significant accomplishment by a government and its management.

### **Professional Distinction in Finance**

Jody Picarella earned the North Carolina Certified Local Government Finance Officer designation, a significant professional milestone that further strengthens the financial acumen within the department. This achievement reflects the County’s emphasis on maintaining the highest standards in public financial management.

### **Chatham County Leaders Earn Statewide Recognition for Budget Excellence**

In December 2024, Chatham County’s commitment to strong fiscal leadership was on full display as Will Curvin and Erik Lindley earned certification as Local Government Budget Officers. The recognition, awarded through the NC Local Government Budget Association and UNC School of Government, reflects the County’s dedication to excellence in budgeting and public service.

### **A Statewide Spotlight: Siler City Center Takes Top Honors**

April brought a crowning achievement. The Ann Johnson Award recognized the Siler City Center’s exceptional programming, advocacy, and impact. Serving 831 individuals in 2024—an 84% increase from two years prior—the center has become a beacon for older adults seeking connection, activity, and support.

### **Marvin Caracol Earns State Election Administrator Credential**

On June 17, 2025, Voting Equipment Technician Marvin Caracol became a Certified North Carolina Election Administrator after successfully passing the State Board of Elections certification exam. This achievement highlights Marvin’s commitment to election integrity and technical excellence, while reinforcing Chatham County’s dedication to secure, transparent, and professionally managed elections.

### **A Culture of Safety and Excellence**

Chatham County was once again recognized for outstanding workplace safety, with nine departments earning Gold Safety Awards, many for multiple consecutive years. This achievement reflects our strong commitment to safe, supportive environments for employees and residents alike.

- Recognized departments include:
  - Buildings & Grounds - 5th year gold - 2024 Safety Award
  - Health - 5th year gold - 2024 Safety Award
  - Recreation - 5th year gold - 2024 Safety Award
  - Sheriff/Jail - 3rd year gold - 2024 Safety Award
  - Telecommunications - 3rd year gold - 2024 Safety Award
  - Waste management - 7th year gold - 2024 Safety Award

- Social Services - 7th year gold - 2024 Safety Award
- Tax - 12th year gold - 2024 Safety Award
- Library - 12th year gold - 2024 Safety Award

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,



Bryan Thompson  
County Manager



Roy Lynch  
Finance Officer

*Board of County Commissioners*

<i>Karen Howard</i>	<i>Chair</i>
<i>Katie Kenlan</i>	<i>Vice Chair</i>
<i>David Delaney</i>	<i>Commissioner</i>
<i>Franklin Gomez Flores</i>	<i>Commissioner</i>
<i>Amanda Robertson</i>	<i>Commissioner</i>

*County Officials:*

<i>Bryan Thompson</i>	<i>County Manager</i>
<i>Darrell Butts</i>	<i>Assistant County Manager</i>
<i>Carolyn Miller</i>	<i>Assistant County Manager</i>
<i>Roy Lynch</i>	<i>Finance Officer</i>
<i>Jody Picarella</i>	<i>Deputy Finance Officer</i>
<i>William Curvin</i>	<i>Assistant 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>Renita Foxx</i>	<i>Court Programs Director</i>
<i>Mike Reitz</i>	<i>Communications 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 &amp; Construction Director</i>
<i>Christy Bondy</i>	<i>Library Services Director</i>
<i>Kevin Smith</i>	<i>Information Technology Director</i>
<i>Tracy Burnett</i>	<i>Parks and Recreation Director</i>
<i>David Camp</i>	<i>Permits and Inspections Director</i>
<i>Neha Shah</i>	<i>Pittsboro-Siler City CVB Director</i>
<i>Jason Sullivan</i>	<i>Planning Director</i>
<i>Blake Mills</i>	<i>Utility Director</i>
<i>Rachael Thorn</i>	<i>Watershed Protection Director</i>



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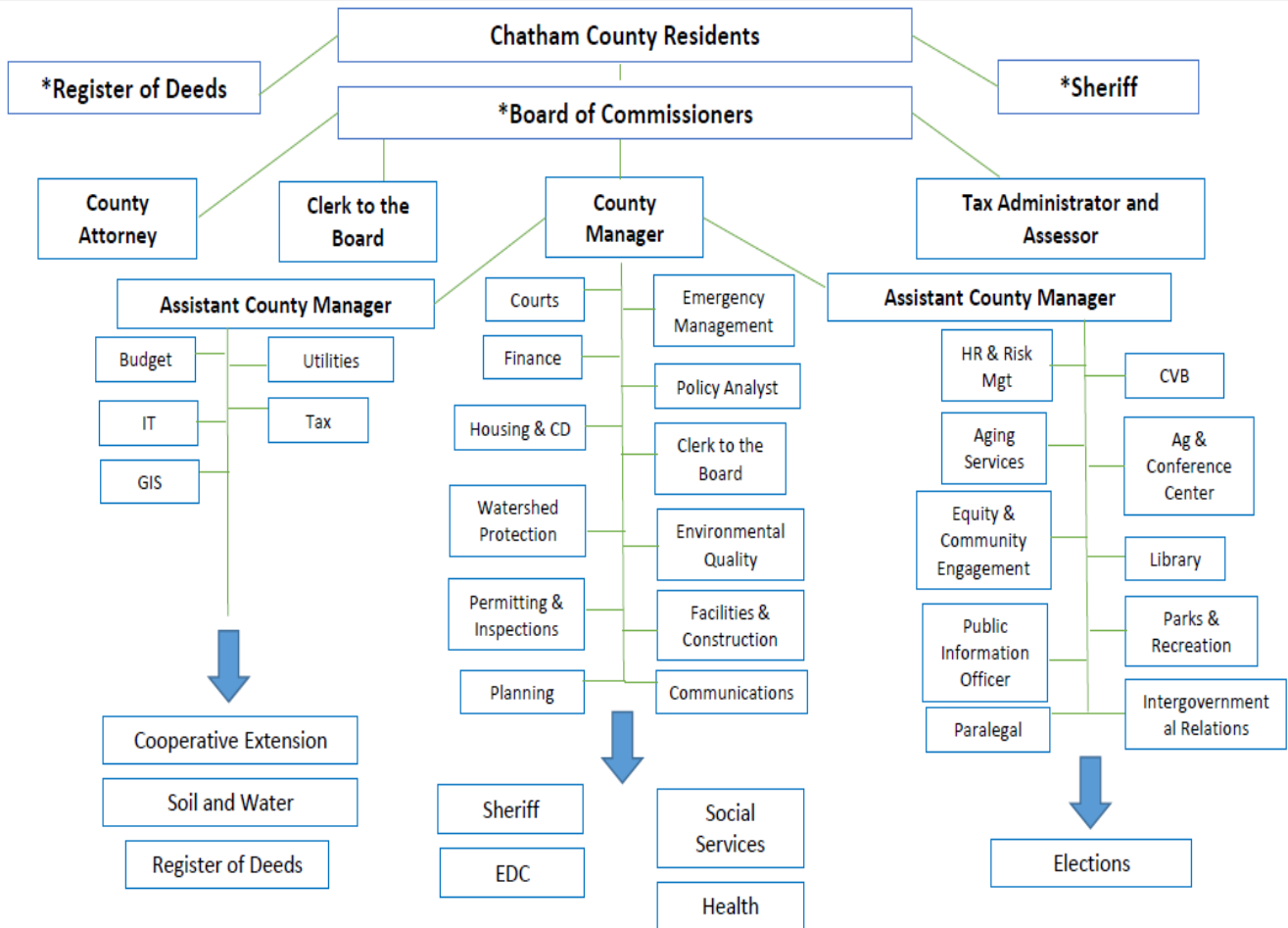
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*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, 2025, 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 remaining fund information of Chatham County, North Carolina, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Chatham County ABC Board, which represents 100%, 100% and 100%, respectively, of the assets, net position, and revenues of the discretely presented component units as of June 30, 2025, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Chatham County ABC Board, is based solely on the report of the other auditors.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Chatham County ABC Board were not audited in accordance with *Government Auditing Standards*.

### ***Change in Accounting Principle***

As discussed in Note X to the financial statements, in 2025 the County adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based

on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2026 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  
February 9, 2026

## 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, 2025. 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.

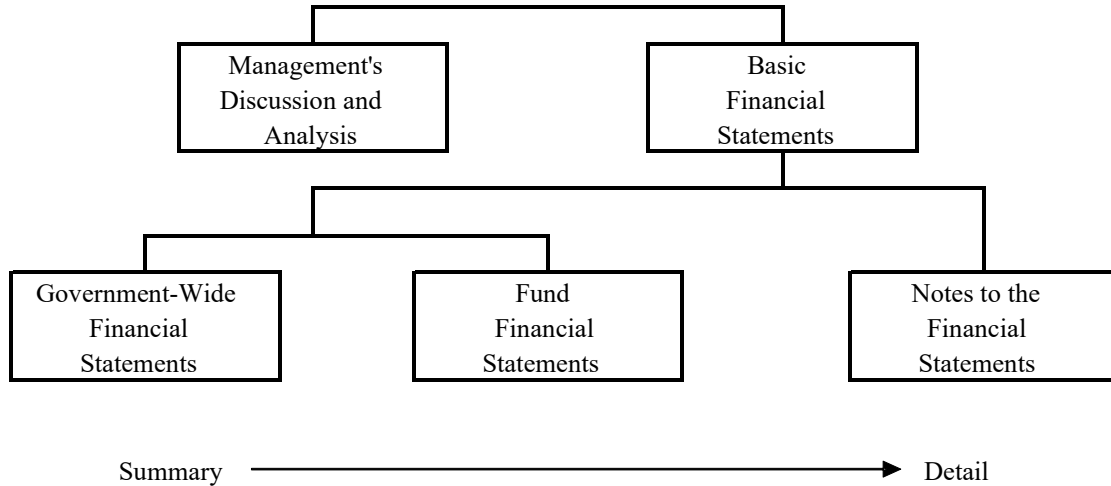
### Financial Highlights

- 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 \$172,489,404 (*net position*).
- Long term liabilities decreased by \$16,527,250. The decrease can be attributed to the annual retirement of long-term debt.
- The government's total net position decreased by \$19,464,483. The governmental activities increased primarily due to property tax revenue and the transfer in from the water and wastewater utility funds. While the business-type activities decreased with the closing and transfer of the water and wastewater utilities.
- As of the close of the current fiscal year, Chatham County's governmental funds reported combined ending fund balance of \$225,509,963 a net increase in fund balance of \$36,641,944. Approximately 20.1% of this total amount, or \$45,252,711, is nonspendable or restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$51,717,765 or 27.2%, of total General Fund expenditures and transfers to other funds, net of debt issued, for the fiscal year.

### Overview of the Financial Statements

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

Required Components of Annual Financial Report  
Figure 1



**Basic Financial Statements**

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

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

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

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

**Government-wide Financial Statements**

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

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

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

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

### **Fund Financial Statements**

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

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

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

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

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

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Chatham County has three custodial funds reported as 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.

**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 \$172,489,404.

During the 2024-2025 fiscal year, the County's net position decreased by \$19,464,483. This decrease is primarily due to the merger agreement of the County's Utility Fund and Southeast Water District with the City of Sanford, TriRiver Water. A portion of Chatham County's net position \$45,197,096 (26.2%) represents resources that are non-spendable and subject to external restrictions on how they may be used.

**Chatham County's Net Position**  
**Figure 2**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Assets:</b>						
Current and other assets	\$ 255,220,705	\$ 217,701,995	\$ 7,613,430	\$ 39,033,677	\$ 262,834,135	\$ 256,735,672
Capital assets	149,497,325	144,469,243	2,535,483	51,480,204	152,032,808	195,949,447
Total assets	404,718,030	362,171,238	10,148,913	90,513,881	414,866,943	452,685,119
<b>Deferred Outflows of Resources</b>	21,320,594	20,819,078	789,706	1,514,268	22,110,300	22,333,346
<b>Liabilities:</b>						
Long-term liabilities outstanding	244,153,376	251,243,529	1,778,305	11,215,402	245,931,681	262,458,931
Other liabilities	12,265,443	12,001,568	209,047	1,196,485	12,474,490	13,198,053
Total liabilities	256,418,819	263,245,097	1,987,352	12,411,887	258,406,171	275,656,984
<b>Deferred Inflows of Resources</b>	5,956,502	6,274,512	125,166	288,394	6,081,668	6,562,906
<b>Net Position:</b>						
Net investment in capital assets	79,072,847	67,531,636	2,480,356	43,173,622	81,553,203	110,705,258
Restricted	45,197,096	17,176,130	-	-	45,197,096	17,176,130
Unrestricted	39,393,360	28,762,941	6,345,745	36,154,246	45,739,105	64,917,187
Total net position	\$ 163,663,303	\$ 113,470,707	\$ 8,826,101	\$ 79,327,868	\$ 172,489,404	\$ 192,798,575

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 99.48%.
- 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.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 8,454,452	\$ 12,465,069	\$ 11,210,348	\$ 13,604,514	\$ 19,664,800	\$ 26,069,583
Operating grants and contributions	14,010,325	17,050,634	398,129	772,610	14,408,454	17,823,244
General revenues:						
Property taxes	132,440,048	119,758,549	-	-	132,440,048	119,758,549
Sales taxes	30,558,312	31,538,819	-	-	30,558,312	31,538,819
Other taxes and licenses	1,615,630	1,462,396	-	-	1,615,630	1,462,396
Grants and contributions not restricted	5,458,174	5,121,400	-	-	5,458,174	5,121,400
Unrestricted investment earnings	10,683,065	5,980,540	1,309,050	1,192,486	11,992,115	7,173,026
Other	2,350,901	3,556,708	222,070	-	2,572,971	3,556,708
Total revenues	<u>205,570,907</u>	<u>196,934,115</u>	<u>13,139,597</u>	<u>15,569,610</u>	<u>218,710,504</u>	<u>212,503,725</u>
<b>Expenses:</b>						
General government	32,677,023	29,166,020	-	-	32,677,023	29,166,020
Public safety	47,633,718	53,141,250	-	-	47,633,718	53,141,250
Economic and physical development	5,613,640	4,989,302	-	-	5,613,640	4,989,302
Human services	24,195,166	21,532,770	-	-	24,195,166	21,532,770
Cultural and recreational	4,616,594	4,007,929	-	-	4,616,594	4,007,929
Education	52,697,765	48,246,320	-	-	52,697,765	48,246,320
Interest on long-term debt	7,583,149	8,097,636	-	-	7,583,149	8,097,636
Utility	-	-	8,806,746	8,941,404	8,806,746	8,941,404
Southeast water district	-	-	739,007	761,705	739,007	761,705
Solid waste management	-	-	4,846,075	4,844,590	4,846,075	4,844,590
Total expenses	<u>175,017,055</u>	<u>169,181,227</u>	<u>14,391,828</u>	<u>14,547,699</u>	<u>189,408,883</u>	<u>183,728,926</u>
Change in net position	30,553,852	27,752,888	(1,252,231)	1,021,911	29,301,621	28,774,799
Transfers	20,449,398	2,402,604	(20,449,398)	-	-	2,402,604
Special item	-	-	(48,766,104)	-	(48,766,104)	-
Change in net position, after transfers and special item	<u>51,003,250</u>	<u>30,155,492</u>	<u>(70,467,733)</u>	<u>1,021,911</u>	<u>(19,464,483)</u>	<u>31,177,403</u>
<b>Net Position:</b>						
Beginning of year, as previously reported	113,470,707	83,315,215	79,327,868	78,305,957	192,798,575	161,621,172
Restatement	(810,654)	-	(34,034)	-	(844,688)	-
Beginning of year - July 1	<u>112,660,053</u>	<u>83,315,215</u>	<u>79,293,834</u>	<u>78,305,957</u>	<u>191,953,887</u>	<u>161,621,172</u>
End of year - June 30	<u>\$ 163,663,303</u>	<u>\$ 113,470,707</u>	<u>\$ 8,826,101</u>	<u>\$ 79,327,868</u>	<u>\$ 172,489,404</u>	<u>\$ 192,798,575</u>

**Governmental activities.** Governmental activities increased the County's net position by \$51,003,250.

Key elements affecting net position:

- Property tax revenue increased 10.6% for the year based on the prior year revaluation. Property valuations saw an increase of nearly 48.0% on the higher end, and the county continues to see a robust real estate market develop.
- Unrestricted investment earnings increased 78.6% based on higher interest rates over the fiscal year period.
- Transfers in to the Governmental Activities included \$20,449,398 from the Business-Type Activities due to the merger of the Water and Wastewater Utilities with the City of Sanford. These funds were transferred between activities to close out the Utility fund at year-end and will be transferred to the City of Sanford.
- Sales Tax distributions declined at an average rate of 7.20% lower than the statewide average increase of 3.27%. The decline is due to a flattening in consumer spending returning to pre-Covid trends and the completion of a multi-million dollar industrial project within the County.

**Business-type activities.** Business-type activities decreased the County's net position by \$70,467,733. This decrease is mostly attributed to the transfer of the County's utilities to the City of Sanford Tri-River Water.

### **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, 2025, the governmental funds of Chatham County reported a combined fund balance of \$225,509,963 a 19.4% 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 \$102,805,360, while total fund balance was \$116,048,774. The County currently has an available fund balance of 54.2% of General Fund expenditures and transfers out, net of debt issued. Total fund balance represents 61.1% 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, 2025, this percentage was 27.7%.

The American Rescue Plan Fund a fund balance increase of \$174,931 related to investment earnings in the fiscal year. The County spent and transferred out a total of \$1,023,516.

The County received an additional \$446,284 in fiscal year 2025 in Opioid Settlement funds to be used toward collaborative strategic planning, early intervention, post-overdose response teams, reentry programs and evidence-based addiction treatment. The County spent some of the settlement funding in the current year, bringing the total spent from inception to date of \$360,212.

The Capital Reserve Fund had a fund balance increase of \$4,351,891. Transfers into the fund exceeded transfer out by \$3,257,747. This was \$5,592,047 less transferred out than budgeted. These funds will be used for future projects.

The Capital Improvement Project Reserve Fund had a fund balance increase of \$9,671,471. Transfers into the fund increased \$6,508,453 more than the prior year. This was \$5,782,781 more transferred than budgeted. These funds will be used for future projects.

The Facilities Improvement Projects Fund decreased \$5,767,524 primarily from the expenditures related to the construction of the Emergency Operations Center and other related projects.

The School Construction Fund decreased by \$1,981,367 primarily from transfers out for CIP debt reserve.

**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 \$1,408,248 and increased expenditures and transfers out by \$15,593,395.

**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 \$6,345,745 for the Solid Waste and Recycling Fund. The total increase in net position for the Solid Waste and Recycling fund was \$5,947. The decrease in net position for the Utility Fund and Southeast Water District was \$70,473,680 as a result of the merger agreement with City of Sanford TriRiver Water. Proprietary Funds in total had a decrease of \$70,467,733.

### **Capital Asset and Debt Administration**

**Capital assets.** Chatham County's capital assets for its governmental and business-type activities as of June 30, 2025, totaled \$152,032,808 (net of accumulated depreciation and amortization). These assets include buildings, land, machinery and equipment, park facilities, vehicles, right-to-use leased assets and subscriptions, and infrastructure for solid waste management services.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
<b>Non-Depreciable Assets:</b>						
Land	\$ 13,180,457	\$ 13,364,018	\$ 483,930	\$ 980,258	\$ 13,664,387	\$ 14,344,276
Construction in progress	46,807,726	40,081,565	-	13,011,484	46,807,726	53,093,049
<b>Depreciable Assets:</b>						
Buildings	80,323,906	82,722,769	1,363,560	1,514,109	81,687,466	84,236,878
Equipment and vehicles	7,257,870	6,287,853	631,617	68,412	7,889,487	6,356,265
Infrastructure:						
Water lines	-	-	-	35,818,548	-	35,818,548
Right-to-use leased assets	763,552	578,923	6,479	27,044	770,031	605,967
Right-to-use subscription assets	1,163,814	1,014,521	49,897	60,349	1,213,711	1,074,870
Total assets	<u>\$ 149,497,325</u>	<u>\$ 144,049,649</u>	<u>\$ 2,535,483</u>	<u>\$ 51,480,204</u>	<u>\$ 152,032,808</u>	<u>\$ 195,529,853</u>

Major capital asset transactions during the year include:

- Continued acquisition and work on the radio replacement project.
- Transfer of all assets for the Utility Fund and Southeast Water District to the City of Sanford Tri-River Water

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

**Long-term Debt.** As of June 30, 2025, Chatham County had total long-term obligations of \$245,931,681 all of which is debt backed by the full faith and credit of the County.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ -	\$ -	\$ -	\$ 2,575,000	\$ -	\$ 2,575,000
Revenue bonds	-	-	-	1,482,000	-	1,482,000
Other long-term obligations	155,930,006	165,986,111	-	3,543,890	155,930,006	169,530,001
Direct placement/borrowings	29,858,244	33,068,460	-	622,923	29,858,244	33,691,383
Permium on long-term obligations	10,385,153	11,052,728	-	-	10,385,153	11,052,728
Leases	787,908	1,018,857	6,714	27,713	794,622	1,046,570
Subscriptions	998,746	812,210	48,413	55,056	1,047,159	867,266
Compensated absences	4,212,332	2,809,211	150,263	199,147	4,362,595	3,008,358
LGERS pension	26,918,222	23,289,939	1,099,601	1,897,991	28,017,823	25,187,930
LEOSSA pension	3,461,754	3,246,005	-	-	3,461,754	3,246,005
OPEB	11,601,011	9,960,008	473,314	811,682	12,074,325	10,771,690
Total	<u>\$ 244,153,376</u>	<u>\$ 251,243,529</u>	<u>\$ 1,778,305</u>	<u>\$ 11,215,402</u>	<u>\$ 245,931,681</u>	<u>\$ 262,458,931</u>

Chatham County's total general obligation bonds, revenue bonds, other long-term obligations, direct placement borrowings, leases and subscriptions decreased by \$21,562,189 (10.3%) 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. 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 approximately \$1,088,590,000.

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

### **Accounting Change**

During fiscal year 2025, the County implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. This standard requires governments to recognize a liability for certain types of compensated absences when the leave is earned, rather than when it is taken. The application of GASB 101 resulted in a restatement of \$810,654 and \$34,034 to the beginning net position of the governmental activities and business-type activities, respectively. As a result, amounts reported in Management's Discussion and Analysis for fiscal year 2025 are not comparable to those reported for fiscal year 2024, which have not been restated in the prior year comparative information. See Note X for additional information regarding the impact of this standard on the current year's financial statements.

### **Economic Factors and Fiscal Year End 2026 Budgets and Rates**

- Chatham continues to maintain a AAA rating from Standard and Poor's. Only twelve counties in North Carolina maintain a AAA rating from Standard and Poor's. The County also maintained a Aa1 rating from Moody's.
- As of 2023, the latest data available, Chatham County has the highest per capita income in the state, 39% higher than the state average.
- Chatham County's seasonally unadjusted unemployment rate (3.5% in June 2025, latest data available) continues to trend below the state (3.7%).
- The County's FY 2025 property tax rate increased by 4 cents/\$100 valuation to a total of 72.5 cents/\$100 valuation.
- In FY 2025, locally collected sales tax (Article 39), which is distributed based on where the tax is collected, declined 7.20% compared to about 3.27% statewide growth (Article 40). Locally, FY 2025 sales tax revenues (Articles 39 and 42) were 14.16% below FY 2024 collections. While sales tax collections remained strong through the pandemic, collections are projected to have a reduced rate of growth compared to previous years of historical peaks in sales tax locally collected. Article 46 revenue realized approximately \$3.3 million in FY 2025. 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.

- FY 2025 building permit revenue was estimated to decrease 12.50% below the prior year due to several commercial and industrial projects, including a large-scale industrial project, which began development in FY 2023, substantially increasing new permit issuance in FY 2024. The expected decrease from FY 2024's novel revenues, coupled with slower residential development, resulted in a 64.97% decrease in FY 2025 actual collections from the prior year. Register of Deeds stamps, which are paid when properties are sold within the County, collected 86.10% of the FY 2025 budgeted amount. Although stamps revenue increased 6.39% over FY 2024 collections, these revenues were directly affected by higher interest rates and a slowdown in the real estate market and residential development. However, 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, 2026**

- **Governmental Activities:** Chatham's FY 2026 budget was prepared during a very unique time for Chatham County. Chatham has seen marked changes in consumer spending and a slowdown in new residential development, while the county as a whole is still in the midst of significant growth and change. Over the last several years, major economic development projects, including Wolfsped and Vinfast, announced they would be coming to Chatham County and those projects are now underway. Chatham continues to be seen as a competitive location for both residential and commercial/industrial growth. The revaluation of county property confirmed that the real estate market in Chatham continues to be robust. Our real property values are projected to increase 50% over the FY 2025 budgeted amount for FY 2026, due to residential and industrial development. Although the recommended county property tax rate for FY 2026 is decreasing 12.50 cents from 72.50 to 60.00 cents per \$100 of property valuation, the recommended rate is 7.04 cents above the revenue-neutral tax rate of 52.96 cents. Revenue from ad valorem taxes is projected to increase by 20.09%. As the county moves forward into the next fiscal year, the FY 2026 budget will enable Chatham to address current challenges, seize opportunities for growth and innovation, and continue building a stronger, more resilient community. 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 residential growth has slowed recently, we have seen a marked increase in commercial development. Throughout this budget, you will see we are focused on ensuring the development that is occurring is well monitored and aligns with the long-term vision that Plan Chatham has laid out for Chatham County. Additionally, this budget shows that the County is enhancing and expanding services in order to meet the needs of our growing population.
- The county continues to prioritize support for education. The budget funds an additional \$2,954,800 for Chatham County Schools. Of the additional funds, \$2,154,800 is an increase to current expense to fund estimated state salary adjustments expected in the next state budget, anticipated increases in employee benefits and retirement costs, a small increase in operating expenses, restore additional compensation that was removed by the state nearly a decade ago for teachers who have a master's degree, support the continuation of the district's free breakfast and lunch program for all students, fund the continuation of the substitute teacher contract to allow greater access to license and qualified substitute teachers, address benefit costs associated with the district's unified stipend schedule, and fund an increase in the required transfer to charter schools. An additional 250,000 will be added to capital outlay expenses, and \$550,000 to teacher pay supplement costs to increase the base salary for all certified staff by \$400 and all classified staff by \$100 annually. This budget funds the "hybrid" supplement model for a fourth year, where teachers 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 allows 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, 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, and Durham 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 2026. The program requires \$260,000 in FY 2026. Overall, the FY26 budget will provide an additional \$176,652 for CCCC current expense needs, an increase moderated by a reduction in capital outlay funding requested.
- The FY 2026 budget includes \$1.65 million to fund seventeen additional positions (both full and part-time) to meet current and future workload demand; one accreditation analyst; six deputy sheriffs; one elections coordinator; one emergency operations systems technician; one event services leader; one family services administrative support position; one food and nutrition services (FNS) supervisor; one human resources (HR) analyst; one information technology (IT) security analyst; one aging services office administrator; one diversion programs parenting educator; and one tax revenue supervisor.

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

- An additional \$104,000 for the implementation of a mobile device management software platform. This software will allow IT staff to actively manage and update Chatham County owned phones, provide a partition managed by IT on personal phones that are used for County email, manage future softphone usage, and manage iPads and other tablets utilized in the field. This will provide further protection of County information and email storage on County phones as well as the ability to remove County email and applications from a personal phone that is used for County business.
- An additional \$56,820 to increase the County's on-call pay rate. The rate of pay for on-call work has not increased since 2003 and has not kept pace with inflation or the market. Currently, the on-call rate does not align with the heightened expectations and complexities associated with being on standby. Employees are often required to respond promptly to emergencies, resolve critical issues, or provide expertise in high-pressure situations. Additionally, \$9,000 is recommended to implement on-call pay for the County Parks staff who are required to be available to address issues at the parks after regular operating hours.
- An additional \$16,000 for software to assist with the automation and streamlining of the poll worker management process in the Elections office. This software will reduce administrative workload, improve response time, and ensure that all polling locations are adequately staffed. This will enhance efficiency, reduce errors, and ultimately provide a smoother voting experience for county residents.
- An additional \$200,000 is included to establish an activities-based day program for adults with intellectual and developmental disabilities. This program would be operated by an external agency (Monarch Behavioral Health) not the County; however, County start-up support is necessary to bring this to fruition.

- An additional \$5,000 to meet the increasing need for car seats for the Health Department's Child Passenger Safety Program. Since the program started in 2022, demand for services has been on the rise and there is a lengthy waitlist for car seats due to a lack of available funding.
- An additional \$10,000 for the Planning Department to contract with an arborist/landscape architect. This contract will be utilized to help meet the goals of the Unified Development Ordinance (UDO), specifically around tree coverage and tree protection.
- Additional funds are included for technology upgrades for the Sheriff's Office, including the purchase of Cellebrite Premium software (\$34,722), Penlink system (\$45,000), and Berla software (\$18,995). The Cellebrite Premium will allow the Sheriff's Office to use their current data extraction program (Cellebrite) to extract data from locked cellular devices for investigative purposes. Currently, when a device is locked, deputies are required to take the device to another jurisdiction in order to utilize another agency's software that can bypass passcodes. The Penlink system consists of hardware and software that consolidates information from multiple open-source sites into one platform to aid in investigations. The Sheriff's Office does not currently have any systems that have a similar capability and Penlink would be a new system that will assist the agency in furthering/solving investigations. The Berla software program will enable the Sheriff's Office to extract data from a vehicle's on-board computer system and assist investigators with criminal investigations. Currently, the Sheriff's Office is relying on assistance from other agencies (including transporting vehicles to those agencies) to get this type of data.
- An additional \$100,000 is included to enhance mental health services within the Sheriff's Office. This enhanced funding will provide on and off-site services for employees of the Sheriff's Office, including pre-employment psychological screenings, providing assistance in fostering resilience, emotional wellness, critical incident response and debriefing, employee mental health programs, consultation and training, and program evaluation and reporting.
- The budget also includes a 4% pay increase for employees pay raises. The salaries of the County Manager, Director of Elections, Register of Deeds, Sheriff, and Board of Commissioners will increase 4% over salaries in FY 2024-2025, and is consistent with the increases the County employees will receive.

### **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 Officer, Chatham County, Post Office Box 608, Pittsboro, North Carolina 27312. You can also call (919)-542-8471 or visit our website [www.chathamcountync.gov](http://www.chathamcountync.gov) for more information.

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## **BASIC FINANCIAL STATEMENTS**

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2025

	Primary Government			Chatham County Board of Alcoholic Beverage Control
	Governmental Activities	Business-Type Activities	Total	
<b>Assets:</b>				
Cash, cash equivalents and investments	\$ 202,604,255	\$ 7,454,302	\$ 210,058,557	\$ 693,576
Property taxes receivable, net	1,163,087	-	1,163,087	-
Accounts receivable, net	4,952,636	63,271	5,015,907	-
Due from other governments	11,964,418	65,892	12,030,310	-
Lease receivable	2,091,569	-	2,091,569	-
Other receivables	-	29,715	29,715	-
Inventories	-	-	-	1,186,777
Prepaid items	-	-	-	52,137
Cash - restricted	32,357,996	250	32,358,246	-
Net pension asset	86,744	-	86,744	-
Capital assets:				
Right to use leased and subscription assets, net of amortization	1,927,366	56,376	1,983,742	1,183,576
Land, improvements and construction in progress	59,988,183	483,930	60,472,113	206,623
Other capital assets, net of depreciation	87,581,776	1,995,177	89,576,953	2,332,078
Total capital assets	149,497,325	2,535,483	152,032,808	3,722,277
Total assets	404,718,030	10,148,913	414,866,943	5,654,767
<b>Deferred Outflows of Resources:</b>				
Pension deferrals	16,021,703	623,670	16,645,373	201,467
OPEB deferrals	4,069,575	166,036	4,235,611	-
Charge on refunding	1,229,316	-	1,229,316	-
Total deferred outflows of resources	21,320,594	789,706	22,110,300	201,467
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	7,593,000	208,797	7,801,797	650,295
Liabilities to be paid from restricted assets	1,051,278	250	1,051,528	-
Unearned revenues	3,102,112	-	3,102,112	-
Due to other governments	519,053	-	519,053	-
Total current liabilities	12,265,443	209,047	12,474,490	650,295
Long-term liabilities:				
Due within one year	19,167,463	62,166	19,229,629	452,060
Due in more than one year	224,985,913	1,716,139	226,702,052	2,827,704
Total long-term liabilities	244,153,376	1,778,305	245,931,681	3,279,764
Total liabilities	256,418,819	1,987,352	258,406,171	3,930,059

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
JUNE 30, 2025

	Primary Government			Chatham
	Governmental Activities	Business-Type Activities	Total	County Board of Alcoholic Beverage Control
<b>Deferred Inflows of Resources:</b>				
Pension deferrals	761,093	5,795	766,888	72,528
OPEB deferrals	2,925,803	119,371	3,045,174	-
Leases	1,949,210	-	1,949,210	-
Prepaid taxes	320,396	-	320,396	-
Total deferred inflows of resources	<u>5,956,502</u>	<u>125,166</u>	<u>6,081,668</u>	<u>72,528</u>
<b>Net Position:</b>				
Net investment in capital assets	79,072,847	2,480,356	81,553,203	951,503
Restricted for:				
Stabilization by state statute	13,694,938	-	13,694,938	-
Register of Deeds	515,113	-	515,113	-
General government	25,128,312	-	25,128,312	-
Register of Deeds' pension plan	86,744	-	86,744	-
Courthouse clock	77,994	-	77,994	-
Emergency telephone	251,432	-	251,432	-
Economic and physical development	16,446	-	16,446	-
Public Safety	1,991,747	-	1,991,747	-
Fire protection	736,656	-	736,656	-
Human services	2,249,380	-	2,249,380	-
Law enforcement	448,334	-	448,334	-
Working capital	-	-	-	254,256
Unrestricted	<u>39,393,360</u>	<u>6,345,745</u>	<u>45,739,105</u>	<u>647,888</u>
Total net position	<u>\$ 163,663,303</u>	<u>\$ 8,826,101</u>	<u>\$ 172,489,404</u>	<u>\$ 1,853,647</u>

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

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	\$ 32,677,023	\$ 1,907,895	\$ 2,186,049	\$ -
Public safety	47,633,718	2,786,481	1,980,618	-
Economic and physical development	5,613,640	820,914	34,246	-
Human services	24,195,166	1,016,673	9,246,210	-
Cultural and recreational	4,616,594	311,389	307,565	-
Education	52,697,765	1,611,100	255,637	-
Interest on long-term debt	7,583,149	-	-	-
Total governmental activities	<u>175,017,055</u>	<u>8,454,452</u>	<u>14,010,325</u>	<u>-</u>
<b>Business-Type Activities:</b>				
Utility	8,806,746	6,162,339	130,080	-
Southeast sater district	739,007	763,116	-	-
Solid waste management	4,846,075	4,284,893	268,049	-
Total business-type activities	<u>14,391,828</u>	<u>11,210,348</u>	<u>398,129</u>	<u>-</u>
Total primary government	<u>\$ 189,408,883</u>	<u>\$ 19,664,800</u>	<u>\$ 14,408,454</u>	<u>\$ -</u>
<b>Component Unit:</b>				
Chatham County Board of Alcoholic Beverage Control	\$ 6,717,863	\$ 6,610,647	\$ -	\$ -

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

CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2025

Functions / Programs	Net (Expense) Revenue and Changes in Net Position			Chatham County Board of Alcoholic Beverage Control
	Primary Government		Total	
	Governmental Activities	Business Type Activities		
<b>Primary Government:</b>				
<b>Governmental Activities:</b>				
General government	\$ (28,583,079)	\$ -	\$ (28,583,079)	
Public safety	(42,866,619)	-	(42,866,619)	
Economic and physical development	(4,758,480)	-	(4,758,480)	
Human services	(13,932,283)	-	(13,932,283)	
Cultural and recreational	(3,997,640)	-	(3,997,640)	
Education	(50,831,028)	-	(50,831,028)	
Interest on long-term debt	(7,583,149)	-	(7,583,149)	
Total governmental activities	<u>(152,552,278)</u>	<u>-</u>	<u>(152,552,278)</u>	
<b>Business-Type Activities:</b>				
Utility	-	(2,514,327)	(2,514,327)	
Southeast water district	-	24,109	24,109	
Solid waste management	-	(293,133)	(293,133)	
Total business-type activities	<u>-</u>	<u>(2,783,351)</u>	<u>(2,783,351)</u>	
Total primary government	<u>(152,552,278)</u>	<u>(2,783,351)</u>	<u>(155,335,629)</u>	
<b>Component Unit:</b>				
Chatham County Board of Alcoholic Beverage Control				\$ <u>(107,216)</u>
<b>General Revenues:</b>				
Taxes:				
Property taxes, levied for general purposes	132,440,048	-	132,440,048	-
Local option sales tax	30,558,312	-	30,558,312	-
Other taxes	1,615,630	-	1,615,630	-
Grants and contributions not restricted	5,458,174	-	5,458,174	-
Unrestricted investment earnings	10,683,065	1,309,050	11,992,115	5,429
Miscellaneous	2,350,901	222,070	2,572,971	14,250
Total general revenues	<u>183,106,130</u>	<u>1,531,120</u>	<u>184,637,250</u>	<u>19,679</u>
Special item - TriRiver Merger Agreement	-	(48,766,104)	(48,766,104)	-
Transfers	20,449,398	(20,449,398)	-	-
Total general revenues, special item and transfers	<u>203,555,528</u>	<u>(67,684,382)</u>	<u>135,871,146</u>	<u>19,679</u>
Change in net position	<u>51,003,250</u>	<u>(70,467,733)</u>	<u>(19,464,483)</u>	<u>(87,537)</u>
<b>Net Position:</b>				
Net position, beginning	113,470,707	79,327,868	192,798,575	1,941,184
Restatement	(810,654)	(34,034)	(844,688)	-
Net position, beginning, as restated	<u>112,660,053</u>	<u>79,293,834</u>	<u>191,953,887</u>	<u>1,941,184</u>
Net position, ending	<u>\$ 163,663,303</u>	<u>\$ 8,826,101</u>	<u>\$ 172,489,404</u>	<u>\$ 1,853,647</u>

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025

	Major Funds				
	General	American Rescue Plan	Opioid Settlement Fund	Capital Reserve	Capital Improvements Project Reserve
<b>Assets:</b>					
Cash, cash equivalents, and investments	\$ 82,641,057	\$ -	\$ -	\$ 31,185,457	\$ 54,267,283
Cash - restricted	27,748,519	3,261,154	1,348,323	-	-
Property taxes receivable, net	1,013,134	-	-	-	-
Due from other governments	11,781,370	-	-	-	-
Lease receivables	2,091,569	-	-	-	-
Other receivables	915,850	15,889	3,069,312	114,730	243,779
Total assets	<u>\$ 126,191,499</u>	<u>\$ 3,277,043</u>	<u>\$ 4,417,635</u>	<u>\$ 31,300,187</u>	<u>\$ 54,511,062</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ 5,164,520	\$ -	\$ 12,450	\$ -	\$ -
Liabilities to be paid from restricted assets	1,051,278	-	-	-	-
Unearned revenues	-	3,102,112	-	-	-
Due to other governments	519,053	-	-	-	-
Total liabilities	<u>6,734,851</u>	<u>3,102,112</u>	<u>12,450</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	320,326	-	-	-	-
Leases	1,949,210	-	-	-	-
Unavailable revenues	-	-	2,298,154	-	-
Property taxes receivable	1,013,134	-	-	-	-
Health clinic receivable	125,204	-	-	-	-
Total deferred inflows of resources	<u>3,407,874</u>	<u>-</u>	<u>2,298,154</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Nonspendable:					
Leases	142,359	-	-	-	-
Restricted:					
Stabilization by state statute	13,101,055	-	-	114,730	243,779
Register of Deeds	515,113	-	-	-	-
General government	25,128,312	-	-	-	-
Courthouse clock	-	-	-	-	-
Emergency telephone	-	-	-	-	-
Economic and physical development	-	-	-	-	-
Public safety	1,991,747	-	-	-	-
Fire protection	-	-	-	-	-
Human services	26,683	-	2,107,031	-	-
Law enforcement	-	-	-	-	-
Committed:					
LEO Special Separation Allowance	1,354,107	-	-	-	-
Tax revaluation	1,049,876	-	-	-	-
Housing trust	1,753,731	-	-	-	-
Education	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Economic and physical development	6,642,916	-	-	-	-
Capital projects	-	-	-	31,185,457	54,267,283
Public safety	-	-	-	-	-

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025

	<u>Major Funds</u>		<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>Facilities Improvements</u>	<u>School Construction Fund</u>		
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 8,448,782	\$ 9,299	\$ 13,021,821	\$ 189,573,699
Cash - restricted	-	-	-	32,357,996
Property taxes receivable, net	-	-	149,953	1,163,087
Due from other governments	-	-	183,048	11,964,418
Lease receivables	-	-	-	2,091,569
Other receivables	-	-	52,326	4,411,886
Total assets	<u>\$ 8,448,782</u>	<u>\$ 9,299</u>	<u>\$ 13,407,148</u>	<u>\$ 241,562,655</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 206,493	\$ 9,297	\$ 131,438	\$ 5,524,198
Liabilities to be paid from restricted assets	-	-	-	1,051,278
Unearned revenues	-	-	-	3,102,112
Due to other governments	-	-	-	519,053
Total liabilities	<u>206,493</u>	<u>9,297</u>	<u>131,438</u>	<u>10,196,641</u>
<b>Deferred Inflows of Resources:</b>				
Prepaid taxes	-	-	70	320,396
Leases	-	-	-	1,949,210
Unavailable revenues	-	-	-	2,298,154
Property taxes receivable	-	-	149,953	1,163,087
Health clinic receivable	-	-	-	125,204
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>150,023</u>	<u>5,856,051</u>
<b>Fund Balances:</b>				
Nonspendable:				
Leases	-	-	-	142,359
Restricted:				
Stabilization by state statute	-	-	235,374	13,694,938
Register of Deeds	-	-	-	515,113
General government	-	-	-	25,128,312
Courthouse clock	-	-	77,994	77,994
Emergency telephone	-	-	251,432	251,432
Economic and physical development	-	-	16,446	16,446
Public safety	-	-	-	1,991,747
Fire protection	-	-	736,656	736,656
Human services	-	-	115,666	2,249,380
Law enforcement	-	-	448,334	448,334
Committed:				
LEO Special Separation Allowance	-	-	-	1,354,107
Tax revaluation	-	-	-	1,049,876
Housing trust	-	-	-	1,753,731
Education	-	-	6,710,418	6,710,418
Cultural and recreation	-	-	4,409,578	4,409,578
Economic and physical development	-	-	-	6,642,916
Capital projects	8,242,289	2	-	93,695,031
Public safety	-	-	138,995	138,995

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025

	<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	12,625,110	-	-	-	-
Public safety	-	174,931	-	-	-
Unassigned	<u>51,717,765</u>	-	-	-	-
Total fund balances	<u>116,048,774</u>	<u>174,931</u>	<u>2,107,031</u>	<u>31,300,187</u>	<u>54,511,062</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 126,191,499</u>	<u>\$ 3,277,043</u>	<u>\$ 4,417,635</u>	<u>\$ 31,300,187</u>	<u>\$ 54,511,062</u>

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

CHATHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2025

	Major Funds		Total Nonmajor Funds	Total Governmental Funds
	Facilities Improvements	School Construction Fund		
Assigned:				
Subsequent year's expenditures	-	-	-	12,625,110
Public safety	-	-	-	174,931
Unassigned	-	-	(15,206)	51,702,559
Total fund balances	<u>8,242,289</u>	<u>2</u>	<u>13,125,687</u>	<u>225,509,963</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 8,448,782</u>	<u>\$ 9,299</u>	<u>\$ 13,407,148</u>	<u>\$ 241,562,655</u>

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

Total fund balance - governmental funds	\$ 225,509,963
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	147,900,776
Right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	1,596,549
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.	12,752,554
Charges related to advance refunding bond issue	1,229,316
Net pension asset	86,744
Pension related deferred outflows	16,021,703
OPEB related deferred outflows	4,069,575
Net pension liability - LGERS	(26,918,222)
Total pension liability - LEOSSA	(3,461,754)
Net OPEB liability	(11,601,011)
Deferred inflows of resources for taxes and other receivables	3,586,445
Pension related deferred inflows	(761,093)
OPEB related deferred inflows	(2,925,803)
Compensated absences not expected to be materially liquidated with expendable available resources.	(4,212,332)
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.	(199,210,107)
Net position of governmental activities	<u>\$ 163,663,303</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, 2025

	Major Funds				
	General	American Rescue Plan	Opioid Settlement Fund	Capital Reserve	Capital Improvement Project Reserve
<b>Revenues:</b>					
Ad valorem taxes	\$ 116,418,086	\$ -	\$ -	\$ -	\$ -
Local option sales tax	30,558,312	-	-	-	-
Other taxes	1,615,630	-	-	-	-
Unrestricted intergovernmental	5,458,174	-	-	-	-
Restricted intergovernmental	10,984,699	1,023,516	1,212,335	-	736,475
Permits and fees	2,779,776	-	-	-	-
Sales and services	3,336,532	-	-	-	-
Investment earnings	6,433,232	174,931	48,047	1,094,144	1,853,346
Other general revenues	2,231,056	-	-	-	-
Total revenues	<u>179,815,497</u>	<u>1,198,447</u>	<u>1,260,382</u>	<u>1,094,144</u>	<u>2,589,821</u>
<b>Expenditures:</b>					
Current:					
General government	21,281,335	-	-	-	-
Public safety	36,865,574	104,386	-	-	-
Economic and physical development	6,374,127	-	-	-	-
Human services	25,232,511	-	196,919	-	-
Cultural and recreational	4,423,115	-	-	-	-
Intergovernmental:					
Education	52,974,108	-	-	-	-
Debt service:					
Principal retirement	17,077,065	-	-	-	-
Interest and fees	7,673,657	-	-	-	-
Total expenditures	<u>171,901,492</u>	<u>104,386</u>	<u>196,919</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>7,914,005</u>	<u>1,094,061</u>	<u>1,063,463</u>	<u>1,094,144</u>	<u>2,589,821</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds	41,108,385	-	-	3,665,700	23,448,695
Transfers (to) other funds	<u>(21,670,856)</u>	<u>(919,130)</u>	<u>-</u>	<u>(407,953)</u>	<u>(16,367,045)</u>
Total transfers from (to) other funds	<u>19,437,529</u>	<u>(919,130)</u>	<u>-</u>	<u>3,257,747</u>	<u>7,081,650</u>
Issuance of debt:					
Limited obligation bonds	2,766,360	-	-	-	-
Subscription liability issued	985,573	-	-	-	-
Lease liability issued	14,398	-	-	-	-
Total proceeds	<u>3,766,331</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>23,203,860</u>	<u>(919,130)</u>	<u>-</u>	<u>3,257,747</u>	<u>7,081,650</u>
Net change in fund balances	31,117,865	174,931	1,063,463	4,351,891	9,671,471
<b>Fund Balances:</b>					
Fund balances, beginning	84,930,909	-	1,043,568	26,948,296	44,839,591
Fund balances, ending	<u>\$ 116,048,774</u>	<u>\$ 174,931</u>	<u>\$ 2,107,031</u>	<u>\$ 31,300,187</u>	<u>\$ 54,511,062</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, 2025

	Major Funds		Total Nonmajor Funds	Total Governmental Funds
	Facilities Improvement Projects	School Construction Fund		
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ 16,023,219	\$ 132,441,305
Local option sales tax	-	-	-	30,558,312
Other taxes	-	-	-	1,615,630
Unrestricted intergovernmental	-	-	-	5,458,174
Restricted intergovernmental	-	-	1,021,689	14,978,714
Permits and fees	-	-	1,699,240	4,479,016
Sales and services	-	-	-	3,336,532
Investment earnings	142,639	-	455,979	10,202,318
Other general revenues	-	-	1,000	2,232,056
Total revenues	<u>142,639</u>	<u>-</u>	<u>19,201,127</u>	<u>205,302,057</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	625,817	21,907,152
Public safety	2,314,556	-	16,428,342	55,712,858
Economic and physical development	-	-	-	6,374,127
Human services	-	-	223,960	25,653,390
Cultural and recreational	-	-	689,138	5,112,253
Intergovernmental:				
Education	-	114,920	276,312	53,365,340
Debt service:				
Principal retirement	-	-	-	17,077,065
Interest and fees	-	-	-	7,673,657
Total expenditures	<u>2,314,556</u>	<u>114,920</u>	<u>18,243,569</u>	<u>192,875,842</u>
Revenues over (under) expenditures	<u>(2,171,917)</u>	<u>(114,920)</u>	<u>957,558</u>	<u>12,426,215</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	213,849	115,088	950,579	69,502,296
Transfers (to) other funds	<u>(3,809,456)</u>	<u>(1,981,535)</u>	<u>(3,896,923)</u>	<u>(49,052,898)</u>
Total transfers from (to) other funds	<u>(3,595,607)</u>	<u>(1,866,447)</u>	<u>(2,946,344)</u>	<u>20,449,398</u>
Issuance of debt:				
Limited obligation bonds	-	-	-	2,766,360
Subscription liability issued	-	-	-	985,573
Lease liability issued	-	-	-	14,398
Total proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,766,331</u>
Total other financing sources (uses)	<u>(3,595,607)</u>	<u>(1,866,447)</u>	<u>(2,946,344)</u>	<u>24,215,729</u>
Net change in fund balances	<u>(5,767,524)</u>	<u>(1,981,367)</u>	<u>(1,988,786)</u>	<u>36,641,944</u>
<b>Fund Balances:</b>				
Fund balances, beginning	<u>14,009,813</u>	<u>1,981,369</u>	<u>15,114,473</u>	<u>188,868,019</u>
Fund balances, ending	<u>\$ 8,242,289</u>	<u>\$ 2</u>	<u>\$ 13,125,687</u>	<u>\$ 225,509,963</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, 2025**

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

Net changes in fund balances - total governmental funds	\$ 36,641,944
<p>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.</p>	
Expenditures for capital assets	11,974,711
Current year's depreciation/amortization	(6,580,449)
Cost of capital asset disposed of during the year, not recognized on modified accrual basis	(366,180)
<p>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.</p>	
Principal payment, payments to escrow agent and amortization on long-term debt	17,744,640
Decrease in accrued interest payable	90,508
Debt proceeds, lease proceeds, subscription proceeds and premium	(3,766,331)
Deferred charge on refunding	(106,365)
<p>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.</p>	
Compensated absences	(592,467)
OPEB plan expense	(1,006,711)
Pension expense - LGERS	(3,035,728)
Pension expense - ROD	(37,613)
Pension expense - LEOSA	(225,559)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.	(850,801)
Net revenue of the Self-Insurance Internal Service Fund determined to be governmental-type.	<u>1,119,651</u>
Total change in net position of governmental activities	<u>\$ 51,003,250</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, 2025

	General Fund			Variance With Final Budget Over/Under
	Original Budget	Final Budget	Actual	
<b>Revenues:</b>				
Ad valorem taxes	\$ 113,155,908	\$ 113,155,908	\$ 116,418,086	\$ 3,262,178
Local option sales tax	30,555,483	30,555,483	30,558,312	2,829
Other taxes	1,788,071	1,788,071	1,615,630	(172,441)
Unrestricted intergovernmental	4,576,384	4,576,384	5,458,174	881,790
Restricted intergovernmental	9,060,451	10,113,572	10,984,699	871,127
Permits and fees	3,246,186	3,246,186	2,779,776	(466,410)
Sales and services	2,915,494	3,022,216	3,336,532	314,316
Investment earnings	710,000	710,000	6,105,824	5,395,824
Other general revenues	1,158,227	1,352,916	2,167,788	814,872
Total revenues	<u>167,166,204</u>	<u>168,520,736</u>	<u>179,424,821</u>	<u>10,904,085</u>
<b>Expenditures:</b>				
General government	20,182,871	24,579,047	20,505,059	4,073,988
Public safety	38,071,736	39,336,407	36,979,507	2,356,900
Economic and physical development	5,299,939	6,655,252	6,047,580	607,672
Human services	26,537,182	29,239,184	25,232,511	4,006,673
Cultural and recreational	4,357,757	5,017,211	4,423,115	594,096
Intergovernmental:				
Education	53,184,003	53,184,003	52,974,108	209,895
Debt service:				
Principal retirement	16,337,825	17,241,204	17,077,065	164,139
Interest and fees	<u>7,766,062</u>	<u>7,793,176</u>	<u>7,673,657</u>	<u>119,519</u>
Total expenditures	<u>171,737,375</u>	<u>183,045,484</u>	<u>170,912,602</u>	<u>12,132,882</u>
Revenues over (under) expenditures	<u>(4,571,171)</u>	<u>(14,524,748)</u>	<u>8,512,219</u>	<u>23,036,967</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds	20,578,305	20,632,021	41,108,385	20,476,364
Transfers to other funds	<u>(22,129,581)</u>	<u>(24,414,867)</u>	<u>(23,314,866)</u>	<u>1,100,001</u>
Total transfers	<u>(1,551,276)</u>	<u>(3,782,846)</u>	<u>17,793,519</u>	<u>21,576,365</u>
Issuance of debt:				
Limited obligation bonds	-	-	2,766,360	2,766,360
Subscription liability issued	-	1,032,616	985,573	(47,043)
Lease liability issued	-	22,342	14,398	(7,944)
Total proceeds	<u>-</u>	<u>1,054,958</u>	<u>3,766,331</u>	<u>2,711,373</u>
Total other financing sources (uses)	<u>(1,551,276)</u>	<u>(2,727,888)</u>	<u>21,559,850</u>	<u>24,287,738</u>
Appropriated fund balance	<u>6,122,447</u>	<u>17,252,636</u>	<u>-</u>	<u>(17,252,636)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>30,072,069</u>	<u>\$ 30,072,069</u>
<b>Fund Balances:</b>				
Fund balance, beginning			74,878,045	
Fund balance, ending			<u>\$ 104,950,114</u>	

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

## CHATHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2025

	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	\$ -	\$ -	\$ 7,454,302	\$ 7,454,302	\$ 13,030,556
Cash - restricted	-	-	250	250	-
Receivables, net	-	-	63,271	63,271	488,107
Due from other governments	-	-	65,892	65,892	-
Other receivables	-	-	29,715	29,715	52,643
Total current assets	-	-	7,613,430	7,613,430	13,571,306
Non-current assets:					
Capital assets:					
Right to use assets, net of amortization	-	-	56,376	56,376	-
Land, improvements, and construction in progress	-	-	483,930	483,930	-
Other capital assets, net of depreciation and amortization	-	-	1,995,177	1,995,177	-
Total capital assets, net	-	-	2,535,483	2,535,483	-
Total non-current assets	-	-	2,535,483	2,535,483	-
Total assets	-	-	10,148,913	10,148,913	13,571,306
<b>Deferred Outflows of Resources:</b>					
Pension deferrals	-	-	623,670	623,670	-
OPEB deferrals	-	-	166,036	166,036	-
Total deferred outflows of resources	-	-	789,706	789,706	-
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable and accrued liabilities	-	-	208,797	208,797	818,752
Liabilities to be paid from restricted assets	-	-	250	250	-
Compensated absences payable	-	-	22,094	22,094	-
Total OPEB liability payable	-	-	21,998	21,998	-
Installment notes payable	-	-	18,074	18,074	-
Total current liabilities	-	-	271,213	271,213	818,752
Non-current liabilities:					
Compensated absences payable	-	-	128,169	128,169	-
Net pension liability	-	-	1,099,601	1,099,601	-
Total OPEB liability	-	-	451,316	451,316	-
Installment notes payable	-	-	37,053	37,053	-
Total non-current liabilities	-	-	1,716,139	1,716,139	-
Total liabilities	-	-	1,987,352	1,987,352	818,752
<b>Deferred Inflows of Resources:</b>					
Pension deferrals	-	-	5,795	5,795	-
OPEB deferrals	-	-	119,371	119,371	-
Total deferred inflows of resources	-	-	125,166	125,166	-
<b>Net Position:</b>					
Net investment in capital assets	-	-	2,480,356	2,480,356	-
Unrestricted	-	-	6,345,745	6,345,745	12,752,554
Total net position	\$ -	\$ -	\$ 8,826,101	\$ 8,826,101	\$ 12,752,554

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, 2025

	<b>Business-Type Activities - Enterprise</b>				<b>Governmental Activities</b>
	<b>Utility</b>	<b>Southeast Water District</b>	<b>Solid Waste and Recycling</b>	<b>Total</b>	<b>Self-Insurance Internal Service</b>
<b>Operating Revenues:</b>					
Charges for services	\$ 6,162,339	\$ 763,116	\$ 4,284,893	\$ 11,210,348	\$ 10,555,682
Other operating revenues	109,849	-	-	109,849	-
Total operating revenues	<u>6,272,188</u>	<u>763,116</u>	<u>4,284,893</u>	<u>11,320,197</u>	<u>10,555,682</u>
<b>Operating Expenses:</b>					
Operating expenses	7,334,499	500,000	4,522,347	12,356,846	9,916,778
Depreciation and amortization	1,316,450	106,339	322,777	1,745,566	-
Total operating expenses	<u>8,650,949</u>	<u>606,339</u>	<u>4,845,124</u>	<u>14,102,412</u>	<u>9,916,778</u>
Operating income (loss)	<u>(2,378,761)</u>	<u>156,777</u>	<u>(560,231)</u>	<u>(2,782,215)</u>	<u>638,904</u>
<b>Non-Operating Revenues (Expenses):</b>					
Investment earnings	1,007,644	25,124	276,282	1,309,050	480,747
Interest and other charges	(155,797)	(132,668)	(951)	(289,416)	-
Gain on disposal of assets	199,272	-	22,798	222,070	-
Other grants and revenue	20,231	-	268,049	288,280	-
Total non-operating revenues (expenses)	<u>1,071,350</u>	<u>(107,544)</u>	<u>566,178</u>	<u>1,529,984</u>	<u>480,747</u>
Income before special item and transfers	(1,307,411)	49,233	5,947	(1,252,231)	1,119,651
Special item - TriRiver Merger Agreement	(44,946,778)	(3,819,326)	-	(48,766,104)	-
Transfer to (from) other funds, net	<u>(23,219,278)</u>	<u>2,769,880</u>	<u>-</u>	<u>(20,449,398)</u>	<u>-</u>
Change in net position	<u>(69,473,467)</u>	<u>(1,000,213)</u>	<u>5,947</u>	<u>(70,467,733)</u>	<u>1,119,651</u>
<b>Net Position:</b>					
Beginning of year - July 1	69,473,467	1,000,213	8,854,188	79,327,868	11,632,903
Restatement	-	-	(34,034)	(34,034)	-
Beginning of year - July 1, as restated	<u>69,473,467</u>	<u>1,000,213</u>	<u>8,820,154</u>	<u>79,293,834</u>	<u>11,632,903</u>
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,826,101</u>	<u>\$ 8,826,101</u>	<u>\$ 12,752,554</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, 2025

	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	\$ 9,745,640	\$ 1,004,440	\$ 4,299,716	\$ 15,049,796	\$ 10,092,394
Cash paid for goods and services	(6,007,803)	(512,555)	(1,694,040)	(8,214,398)	(9,805,026)
Cash paid to or on behalf of employees for services	(2,672,661)	-	(2,565,452)	(5,238,113)	-
Customer deposits	(481,141)	-	250	(480,891)	-
Net cash provided (used) by operating activities	<u>584,035</u>	<u>491,885</u>	<u>40,474</u>	<u>1,116,394</u>	<u>287,368</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Intergovernmental non-operating revenues	74,059	-	275,341	349,400	-
Transfers (to)from other funds	(25,985,632)	2,769,880	-	(23,215,752)	-
Net cash provided (used) by non-capital financing activities	<u>(25,911,573)</u>	<u>2,769,880</u>	<u>275,341</u>	<u>(22,866,352)</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Acquisition and construction of capital assets	(1,022,912)	-	(595,738)	(1,618,650)	-
Proceeds from capital debt	-	-	29,541	29,541	-
Principal paid on bonds, notes and capital leases	(1,436,288)	(4,057,000)	(21,354)	(5,514,642)	-
Proceeds for sale of assets	199,272	-	22,798	222,070	-
Interest paid on bonds, notes and capital leases	(172,701)	(132,668)	(951)	(306,320)	-
Net cash provided (used) by capital and related financing activities	<u>(2,432,629)</u>	<u>(4,189,668)</u>	<u>(565,704)</u>	<u>(7,188,001)</u>	<u>-</u>
<b>Cash Flows from Investing Activities:</b>					
Interest on investments	<u>1,007,644</u>	<u>25,124</u>	<u>276,282</u>	<u>1,309,050</u>	<u>480,747</u>
Net increase (decrease) in cash and cash equivalents	(26,752,523)	(902,779)	26,393	(27,628,909)	768,115
<b>Cash and Cash Equivalents:</b>					
Beginning of year - July 1	<u>26,752,523</u>	<u>902,779</u>	<u>7,428,159</u>	<u>35,083,461</u>	<u>12,262,441</u>
End of year - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,454,552</u>	<u>\$ 7,454,552</u>	<u>\$ 13,030,556</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>					
Operating income (loss)	<u>\$ (2,378,761)</u>	<u>\$ 156,777</u>	<u>\$ (560,231)</u>	<u>\$ (2,782,215)</u>	<u>\$ 638,904</u>
<b>Adjustment to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Depreciation and amortization	1,316,450	106,339	322,777	1,745,566	-
Changes in assets and liabilities, and deferred outflows and inflows of resources:					
(Increase) decrease in accounts receivable	3,473,452	282,069	14,823	3,770,344	(463,288)
(Increase) decrease in deferred outflows of resources- pension	575,630	-	2,015	577,645	-
(Increase) decrease in deferred outflows of resources- OPEB	149,957	-	(3,040)	146,917	-
Increase (decrease) in net pension liability	(909,454)	-	111,064	(798,390)	-
Increase (decrease) in OPEB liability	(388,931)	-	50,563	(338,368)	-
Increase (decrease) in deferred inflows of resources- pension	(8,127)	-	(3,039)	(11,166)	-
Increase (decrease) in deferred inflows of resources- OPEB	(130,062)	-	(22,000)	(152,062)	-
Increase (decrease) in accounts payable and accrued liabilities	(522,352)	(12,555)	97,584	(437,323)	111,752
Increase (decrease) in customer deposits	(481,141)	(40,745)	250	(521,636)	-
Increase (decrease) in accrued vacation pay	(112,626)	-	29,708	(82,918)	-
Total adjustments	<u>2,962,796</u>	<u>335,108</u>	<u>600,705</u>	<u>3,898,609</u>	<u>(351,536)</u>
Net cash provided (used) by operating activities	<u>\$ 584,035</u>	<u>\$ 491,885</u>	<u>\$ 40,474</u>	<u>\$ 1,116,394</u>	<u>\$ 287,368</u>
<b>Non-Cash Investing and Capital Activities:</b>					
Special item - TriRiver Merger Agreement	<u>\$ (44,946,778)</u>	<u>\$ (3,819,326)</u>	<u>\$ -</u>	<u>\$ (48,766,104)</u>	<u>\$ -</u>

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

**CHATHAM COUNTY, NORTH CAROLINA**

**FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2025**

	<u>Custodial Funds</u>
<b>Assets:</b>	
Cash and cash equivalents	\$ 18,161
Taxes receivable for other governments, net	74,919
Other receivables	12
Due from other governments	<u>135,896</u>
Total assets	<u>228,988</u>
<b>Liabilities:</b>	
Accounts payable and accrued liabilities	3,046
Due to other governments	<u>149,125</u>
Total liabilities	<u>152,171</u>
<b>Net Position:</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>\$ 76,817</u>

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

## CHATHAM COUNTY, NORTH CAROLINA

**FIDUCIARY FUNDS**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Custodial Funds</u>
<b>Additions:</b>	
Ad valorem taxes for other governments	\$ 13,389,497
Collections on behalf of inmates	<u>256,008</u>
Total assets	<u>13,645,505</u>
<b>Deductions:</b>	
Tax distributions to other governments	13,384,300
Payments on behalf of inmates	<u>256,008</u>
Total liabilities	<u>13,640,308</u>
Net increase (decrease) in fiduciary net position	5,197
<b>Net Position:</b>	
Net position, beginning	<u>71,620</u>
Net position, ending	<u>\$ 76,817</u>

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **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. 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, 2025

### **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 schools.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

*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 reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

*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 Gulf-Goldston 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, 2025

During the course of operations, the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. Activity occurs during the year involving transfers of resources between funds, which are reported at gross amounts as transfers in/out. While these balances are reported in the fund financial statements, certain eliminations are made for the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only net amounts are included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only net amounts are included as transfers in the business-type activities column. In accordance with North Carolina General Statutes (NCGS), 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 and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the 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, (including lease and subscription liabilities), 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 information technology subscriptions are reported as other financing sources.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

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 American Rescue Plan and Opioid Settlement funds), and the enterprise funds. All annual appropriations lapse at the fiscal year-end. Grant or project ordinances are adopted for the general capital projects funds, the American Rescue Plan fund, Opioid Settlement Fund, 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 grant or 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **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.

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 County'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) Government Portfolio is an SEC-registered money market mutual fund that is certified by the Local Government Commission under the provisions of G.S. 159-30(c)(8) and the North Carolina Administrative Code. The Government Portfolio is a 2a7 fund that invests in treasuries, government agencies, and repurchase agreements collateralized by treasuries. It is rated AAAM by S&P and AAA-mf by Moody's Investor Services and reported at fair value.

#### **2. Cash and Cash Equivalents**

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with a maturity date of 90 days or less at the time of purchase to be cash and cash equivalents.

#### **3. Restricted Assets**

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. Money related to the defeased 2012 LOBS is unavailable for use and therefore restricted. Money due to Tri-River Water is also restricted under the utility merger agreement.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Restricted Cash
<b>Governmental Activities:</b>		
General Fund	Tax revaluation	\$ 1,049,876
	Customer deposits	93,435
	Financial guarantees	957,843
	Defeased 2012 LOBS	4,673,915
	Tri-River Water	20,973,450
American Rescue Plan Fund	Unexpended grant proceeds	3,261,154
Opioid Settlement Fund	Unexpended settlement proceeds	1,348,323
Total governmental activities		32,357,996
 <b>Business-Type Activities:</b>		
Solid Waste and Recycling	Customer deposits	250
Total restricted cash		\$ 32,358,246

#### **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, 2024.

#### **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. For the Opioid Settlement receivable, the County has estimated an uncollectible allowance using the term over which the amounts are to be paid and the possibility of bankruptcies or going concern issues of the corporations' party to the settlement. The initial allowance estimate has been established as 20.00% of the present value of the outstanding receivable balance. 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **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.

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 and subscription 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

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

### **9. Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net 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 Net 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, pension related deferrals and OPEB related deferrals. In addition certain related unavailable revenues related to property taxes receivable, health clinic receivables, and opioid settlement receivables are reported, but only on the Balance Sheet of the Governmental Funds.

### **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. Principal and interest requirement are appropriated when due.

### **11. Compensated Absences**

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example, paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, petty and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements and includes salary-related benefits, where applicable. An estimate has been made based on prior years’ records of the current portion of compensated absences.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 thirty days earned vacation leave. Vacation leave over thirty days is transferred to an employee's sick leave balance at the end of each calendar year.

The petty leave policy of the County provides up to 16 hours of annual petty leave for employee's personal use. Petty leave does not vest and does not carry over at the end of the calendar year. However, since petty leave balances on June 30<sup>th</sup> are more likely than not to be used as time off prior to December 31<sup>st</sup>, a liability for the estimated value of petty leave that will be used by employees is included in the liability for compensated absences.

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. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. The County has accrued for sick leave in accordance with GASB 101 and is based on historical usage.

### **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.

#### **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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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,” defined as follows: “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 Register of Deeds – portion of fund balance that is legally restricted for computer and imaging technology in the Register of Deeds’ office.

Restricted for General Government – portion of fund balance related to the merger agreement of the Utility Fund to Tri-River Water.

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 Public Safety – portion of fund balance restricted for inspections.

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

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

Restricted for Human Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security’s Representative Payee Program and McKinsey opioid funds.

The difference in restricted fund balance on Exhibit C from restricted net position on Exhibit A is ROD pension plan of \$86,744.

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

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 Education - portion of fund balance to be used for Board designated future education expenditures.

Committed for Economic and Physical Development – portion of fund balance to be used for Board designated farmland preservation projects and coal ash clean up. The governing board has adopted plans to commit the use of these funds.

Committed for Cultural and Recreation – portion of fund balance to be used for Board designated recreation projects. The governing board has adopted an ordinance committing these funds to these projects.

Committed for Public Safety – portion of fund balance to be used for Board designated future emergency vehicle expenditures.

*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 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 County funds. For purposes of fund balance classification,

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

### **13. Defined Benefit Pension Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the state: the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been 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. The County is required by State law to administer a public employee retirement system, a single employer defined benefit pension plan, to provide benefits to certain sworn law enforcement officers, the Law Enforcement Officers' Special Separation Allowance (LEOSSA). Investments for all plans are reported at fair value.

## **II. Detail Notes on All Funds**

### **A. Assets**

#### **1. Deposits**

All 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 its name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the state Treasurer's agent in the name of the state Treasurer. Since the state Treasurer is acting in a fiduciary capacity for the County and the ABC Board, these deposits are held by its agents in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the state Treasurer the adequacy of their pooled collateral covering uninsured deposits. The state Treasurer does not confirm this information with the 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The state Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the ABC Board relies on the state Treasurer to monitor those financial institutions. The County analyzes the financial soundness on any other financial institution used by the County. The County complies with the provisions, G.S. 159-31, when designating official depositories and verifying that deposits are properly secured. The County and the ABC Board does not have a policy regarding custodial credit risk for deposits.

At June 30, 2025, the County's deposits had a carrying amount of \$10,441,315 and a bank balance of \$6,815,230. Of the bank balance, \$648,684 was covered by federal depository insurance and the remaining was covered by collateral held under the Pooling Method. The County had \$2,010 cash on hand at year-end.

At June 30, 2025, the carrying amount of deposits for Chatham County ABC Board was \$575,062 and the bank balance was \$558,198. All of the bank balance was covered by federal depository insurance except for \$59,673.

### 2. Investments

As of June 30, 2025, 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>
Wells Fargo:					
US Government Agencies	Fair Value - Level 2	\$ 81,586,069	\$ 19,370,689	\$ 14,989,002	\$ 47,226,378
US Government Treasuries	Fair Value - Level 1	32,365,792	1,882,390	8,411,908	22,071,494
Commercial Paper	Fair Value - Level 2	8,117,902	4,241,468	3,876,434	-
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	109,921,876	109,921,876	-	-
<b>Total</b>		<u>\$ 231,991,639</u>	<u>\$ 135,416,423</u>	<u>\$ 27,277,344</u>	<u>\$ 69,297,872</u>

At June 30, 2025, the ABC Board had \$118,514 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, they are presented as an investment with a maturity of less than 6 months. 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

*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, 2025, 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 AAAmf by Standard & Poor's and AAA-mf by Moody's Investors Service as of June 30, 2025. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

*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, 2025, 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	25.63%
Federal Home Loan Bank	27.48%
Federal Home Loan Mortgage Corporation	6.22%
Federal National Mortgage Association	9.90%

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2022	\$ 6,388,900	\$ 2,092,364	\$ 8,481,264
2023	6,416,012	1,523,803	7,939,815
2024	6,618,190	976,183	7,594,373
2025	7,010,527	403,105	7,413,632
Total	<u>\$ 26,433,629</u>	<u>\$ 4,995,455</u>	<u>\$ 31,429,084</u>

### 4. Receivables

Receivables at the government-wide level at June 30, 2025 were as follows:

	<u>Taxes Receivable</u>	<u>Accounts Receivable</u>	<u>Interest Receivable</u>	<u>Lease Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
<b>Governmental Activities:</b>						
General	\$ 1,587,939	\$ 1,869,278	\$ 384,155	\$ 2,091,569	\$ 11,781,370	\$ 17,714,311
Other governmental	149,953	3,064,206	431,830	-	183,048	3,829,037
Total	1,737,892	4,933,484	815,985	2,091,569	11,964,418	21,543,348
Allowance for doubtful accounts	574,805	796,833	-	-	-	1,371,638
Total governmental activities	<u>\$ 1,163,087</u>	<u>\$ 4,136,651</u>	<u>\$ 815,985</u>	<u>\$ 2,091,569</u>	<u>\$ 11,964,418</u>	<u>\$ 20,171,710</u>
<b>Business-Type Activities:</b>						
Solid waste management	\$ -	\$ 87,935	\$ 29,715	\$ -	\$ 65,892	\$ 183,542
Allowance for doubtful accounts	-	24,664	-	-	-	24,664
Total business-type activities	<u>\$ -</u>	<u>\$ 63,271</u>	<u>\$ 29,715</u>	<u>\$ -</u>	<u>\$ 65,892</u>	<u>\$ 158,878</u>

**CHATHAM COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

**Governmental Activities:**

Local option sales tax	\$ 7,753,712
Sales tax refunds	658,191
Motor vehicle tax	1,072,343
Local municipalities	43,250
Federal and state grants	2,421,716
Other	<u>15,206</u>
Total governmental activities	<u>\$ 11,964,418</u>

**Business-Type Activities:**

Solid waste disposal tax	\$ 15,926
White goods disposal tax	10,517
Scrap tire tax	<u>39,449</u>
Total business-type activities	<u>\$ 65,892</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### Lease Receivable

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

As of June 30, 2025, Chatham County had 7 active leases. The leases have receipts that range from \$1,330 to \$61,041 and interest rates that range from 0.9800% to 3.7090%. As of June 30, 2025, the total combined value of the lease receivable is \$2,091,569, the total combined value of the short-term lease receivable is \$130,155, and the combined value of the deferred inflow of resources is \$1,949,210.

<b>Year Ending</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest</b>
<b>June 30</b>		
2026	\$ 130,155	\$ 54,425
2027	114,257	51,875
2028	104,509	49,389
2029	98,178	46,967
2030	112,339	44,490
2031-2035	617,342	178,542
2036-2040	393,948	113,285
2041-2045	174,930	79,247
2046-2050	208,922	43,172
2051-2055	136,989	10,846
Total	<u>\$ 2,091,569</u>	<u>\$ 672,238</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### 5. Capital Assets

Governmental capital asset activity for the year ended June 30, 2025 was as follows:

	<b>Balance</b>		<b>Increases</b>		<b>Decreases</b>		<b>Transfers</b>		<b>Balance</b>
	<b>July 1, 2024</b>						<b>In (Out)</b>		<b>June 30, 2025</b>
<b>Governmental activities:</b>									
<b>Non-Depreciable Assets:</b>									
Land	\$ 13,364,018	\$	44,931	\$	228,492	\$	-	\$	13,180,457
Construction in progress	40,081,565	8,429,123	-	(1,702,962)	-	-	-	-	46,807,726
Total	53,445,583	8,474,054	228,492	(1,702,962)	-	-	-	-	59,988,183
<b>Depreciable/Amortizable Assets:</b>									
Buildings	104,049,760	-	176,084	-	-	-	-	-	103,873,676
Equipment and vehicles	28,785,856	2,445,699	670,154	1,702,962	-	-	-	-	32,264,363
Right-to-use leased buildings	908,396	-	-	-	-	-	-	-	908,396
Right-to-use leased equipment	506,252	22,342	-	-	-	-	-	-	528,594
Right-to-use subscription assets	2,004,317	1,032,616	168,190	-	-	-	-	-	2,868,743
Total	136,254,581	3,500,657	1,014,428	1,702,962	-	-	-	-	140,443,772
<b>Less Accumulated</b>									
<b>Depreciation/Amortization:</b>									
Buildings	21,326,991	2,261,175	38,396	-	-	-	-	-	23,549,770
Equipment and vehicles	22,498,003	3,178,644	670,154	-	-	-	-	-	25,006,493
Right-to-use leased buildings	329,473	146,188	-	-	-	-	-	-	475,661
Right-to-use leased equipment	86,658	111,119	-	-	-	-	-	-	197,777
Right-to-use subscription assets	989,796	883,323	168,190	-	-	-	-	-	1,704,929
Total	45,230,921	6,580,449	876,740	-	-	-	-	-	50,934,630
Depreciable/Amortizable assets, net	91,023,660	(3,079,792)	137,688	1,702,962	-	-	-	-	89,509,142
Total governmental activities capital assets, net	\$ 144,469,243	\$ 5,394,262	\$ 366,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,497,325

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

<b>Governmental Activities:</b>	
General government	\$ 2,835,885
Public safety	2,838,319
Human services	326,091
Economic and physical development	161,430
Cultural and recreational	418,724
Total	\$ 6,580,449

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Enterprise Fund capital asset activity for the year ended June 30, 2025 was as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>Utility Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 484,753	\$ -	\$ -	\$ (484,753)	\$ -
Construction in progress	13,011,484	875,141	-	(13,886,625)	-
Total	<u>13,496,237</u>	<u>875,141</u>	<u>-</u>	<u>(14,371,378)</u>	<u>-</u>
<b>Depreciable/Amortizable Assets:</b>					
Buildings	5,474,057	-	-	(5,474,057)	-
Equipment and vehicles	3,182,837	147,771	-	(3,330,608)	-
Distribution lines	49,354,350	-	220,000	(49,134,350)	-
Right-to-use leased equipment	22,342	-	-	(22,342)	-
Right-to-use subscription assets	47,044	-	-	(47,044)	-
Total	<u>58,080,630</u>	<u>147,771</u>	<u>220,000</u>	<u>(58,008,401)</u>	<u>-</u>
<b>Less Accumulated Depreciation/Amortization:</b>					
Buildings	5,375,399	47,184	-	(5,422,583)	-
Equipment and vehicles	3,182,837	186,715	-	(3,369,552)	-
Distribution lines	17,708,326	1,061,747	179,874	(18,590,199)	-
Right-to-use leased equipment	3,900	-	-	(3,900)	-
Right-to-use subscription assets	25,963	20,804	-	(46,767)	-
Total	<u>26,296,425</u>	<u>1,316,450</u>	<u>179,874</u>	<u>(27,433,001)</u>	<u>-</u>
Depreciable/Amortizable assets, net	<u>31,784,205</u>	<u>(1,168,679)</u>	<u>40,126</u>	<u>(30,575,400)</u>	<u>-</u>
Total Utility Fund capital assets, net	<u>\$ 45,280,442</u>	<u>\$ (293,538)</u>	<u>\$ 40,126</u>	<u>\$ (44,946,778)</u>	<u>\$ -</u>
	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>July 1, 2025</u>
<b>Southeast Water District:</b>					
<b>Depreciable Assets:</b>					
Distribution lines	\$ 5,307,500	\$ -	\$ -	\$ (5,307,500)	\$ -
<b>Less Accumulated Depreciation:</b>					
Distribution lines	1,381,835	106,339	-	(1,488,174)	-
Depreciable assets, net	<u>3,925,665</u>	<u>(106,339)</u>	<u>-</u>	<u>(3,819,326)</u>	<u>-</u>
Total Southeast Water District Fund capital assets, net	<u>\$ 3,925,665</u>	<u>\$ (106,339)</u>	<u>\$ -</u>	<u>\$ (3,819,326)</u>	<u>\$ -</u>

**CHATHAM COUNTY, NORTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	<u>Balance</u> <u>July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u> <u>In (Out)</u>	<u>Balance</u> <u>July 1, 2025</u>
<b>Solid Waste &amp; Recycling Fund:</b>					
<b>Non-Depreciable Assets:</b>					
Land	\$ 495,505	\$ -	\$ 11,575	\$ -	\$ 483,930
Total	<u>495,505</u>	<u>-</u>	<u>11,575</u>	<u>-</u>	<u>483,930</u>
<b>Depreciable/Amortizable Assets:</b>					
Buildings	3,497,036	-	-	-	3,497,036
Equipment and vehicles	2,735,244	566,197	237,535	-	3,063,906
Right-to-use leased equipment	10,427	-	-	-	10,427
Right-to-use subscription assets	71,227	29,541	-	-	100,768
Total	<u>6,313,934</u>	<u>595,738</u>	<u>237,535</u>	<u>-</u>	<u>6,672,137</u>
<b>Less Accumulated</b>					
<b>Depreciation/Amortization:</b>					
Buildings	2,081,585	51,891	-	-	2,133,476
Equipment and vehicles	2,419,973	249,851	237,535	-	2,432,289
Right-to-use leased equipment	1,825	2,123	-	-	3,948
Right-to-use subscription assets	31,959	18,912	-	-	50,871
Total	<u>4,535,342</u>	<u>322,777</u>	<u>237,535</u>	<u>-</u>	<u>4,620,584</u>
Depreciable/Amortizable assets, net	<u>1,778,592</u>	<u>272,961</u>	<u>-</u>	<u>-</u>	<u>2,051,553</u>
<b>Total Solid Waste Management</b>					
Fund capital assets, net	<u>\$ 2,274,097</u>	<u>\$ 272,961</u>	<u>\$ 11,575</u>	<u>\$ -</u>	<u>\$ 2,535,483</u>
Total Enterprise Fund capital assets	<u>\$ 51,480,204</u>	<u>\$ (126,916)</u>	<u>\$ 51,701</u>	<u>\$ (48,766,104)</u>	<u>\$ 2,535,483</u>

**6. Net Investment in Capital Assets**

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>
Capital assets, net of depreciation/amortization	\$ 147,569,959	\$ 2,479,107
Right to use leased assets, net of accumulated amortization	1,927,366	56,376
Capital assets, net of depreciation/amortization	<u>149,497,325</u>	<u>2,535,483</u>
Less:		
Gross debt	(187,574,904)	(55,127)
Premium on long-term obligations	(10,385,153)	-
Debt related to assets not owned by the County	127,535,579	-
Net capital debt	<u>(70,424,478)</u>	<u>(55,127)</u>
Net investment in capital assets	<u>\$ 79,072,847</u>	<u>\$ 2,480,356</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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. Discretely Presented Component Units

Activity for the ABC Board for the year ended June 30, 2025 was as follows:

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2025</u>
<b>ABC Board:</b>				
<b>Non-Depreciable Assets:</b>				
Land	\$ 206,623	\$ -	\$ -	\$ 206,623
 <b>Depreciable and Amortizable Assets:</b>				
Buildings	2,252,111	-	-	2,252,111
Leasehold improvements	404,211	2,430	-	406,641
Furniture/equipment	534,135	-	18,708	515,427
Right-to-use leased buildings	1,999,075	-	-	1,999,075
Total	<u>5,189,532</u>	<u>2,430</u>	<u>18,708</u>	<u>5,173,254</u>
 <b>Less Accumulated Depreciation and Amortization:</b>				
Furniture/equipment, buildings and leasehold improvements	700,348	160,461	18,708	842,101
Right-to-use leased buildings	583,139	232,360	-	815,499
Total	<u>1,283,487</u>	<u>392,821</u>	<u>18,708</u>	<u>1,657,600</u>
Total ABC Board capital assets, net	<u>\$ 4,112,668</u>	<u>\$ (390,391)</u>	<u>\$ -</u>	<u>\$ 3,722,277</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **B. Liabilities**

#### **1. Payables**

Payables at the government-wide level at June 30, 2025 were as follows:

	<b>Vendors</b>	<b>Salaries and Benefits</b>	<b>Total</b>
<b>Governmental Activities:</b>			
General	\$ 4,897,830	\$ 2,335,492	\$ 7,233,322
Other governmental	356,098	3,580	359,678
Total governmental activities	\$ 5,253,928	\$ 2,339,072	\$ 7,593,000
<b>Business-Type Activities:</b>			
Solid waste management	\$ 116,521	\$ 92,276	\$ 208,797

#### **2. Pension Plan and Other Post-Employment Obligations**

##### **a. Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in 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, local law enforcement officers (LEOs) of participating local governmental entities, firefighters and rescue squad workers. 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 ACFR 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).

*Benefits Provided.* LGERS provides retirement, disability 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. General employee plan members are eligible to retire with unreduced retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with reduced retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters and rescue squad workers). Disabled members may qualify for disability benefits at earlier ages. Survivor benefits are available to eligible beneficiaries of general employee plan 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 (15 years of creditable service for firefighters and rescue squad workers who are killed in the line of duty) or have

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases. Cost of living benefit increases are contingent upon investment gains of the plan at the discretion of the LGERS Board of Trustees, except as authorized by the General Assembly.

LGERS plan members who are LEOs are eligible to retire with unreduced 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 reduced retirement benefits at age 50 with 15 years of creditable service as an officer. LEOs who complete 25 years of creditable service with 15 years as an officer are eligible to retire with reduced retirement benefits. 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 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 in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members.

*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 annual pay. 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, 2025 was 15.04% of compensation for law enforcement officers and 13.65% 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 \$5,908,529 for the year ended June 30, 2025.

*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 include interest (currently 4% per year) regardless of the number of years of retirement service credit or for the reason for separation from service. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by LGERS.

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

At June 30, 2025, the County reported a liability of \$28,017,823 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County's proportion was 0.416% (measured as of June 30, 2024), which was an increase of 0.035% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

For the year ended June 30, 2025, the County recognized pension expense of \$8,712,347. At June 30, 2025, 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	\$ 4,909,784	\$ 33,011
Net difference between projected and actual earnings on pension plan investments	3,809,007	-
Changes in proportion and difference between County contributions and proportionate share of contributions	1,263,780	114,655
County contributions subsequent to the measurement date	5,908,529	-
Total	<u>\$ 15,891,100</u>	<u>\$ 147,666</u>

The \$5,908,529 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, 2026. 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>
2026	\$ 3,071,836
2027	5,939,755
2028	1,254,003
2029	(430,689)
Total	<u>\$ 9,834,905</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 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	6.50 percent, net of pension plan investment expense, including inflation

The plan actuary currently uses mortality tables that vary by age, gender, employee group (i.e., general and 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions and methods used in the December 31, 2023 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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 returns 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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	33.0%	2.4%
Global equity	38.0%	6.9%
Real estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Opportunistic fixed income	7.0%	5.3%
Inflation sensitive	6.0%	4.3%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with an investment consulting firm's 2024 long term capital market assumptions. 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 2.38%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annual amounts.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. 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 benefits payments to determine the total pension liability.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

*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 one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	<b>1% Decrease (5.50%)</b>	<b>Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
County's proportionate share of the net pension liability (asset)	<u>\$49,648,403</u>	<u>\$28,017,823</u>	<u>\$10,223,696</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 (ACFR) for the state of North Carolina.

### **b. Law Enforcement Officers' Special Separation Allowance**

#### ***1. Plan Description***

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

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2023 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	8
Active plan members	<u>90</u>
Total	<u><u>98</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 and refunds 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### *3. Actuarial Assumptions*

The entry age normal actuarial cost method was used in the December 31, 2023 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	4.28 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, 2023 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.

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

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

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

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

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

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

### *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 \$128,592 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

At June 30, 2025, the County reported a total pension liability of \$3,461,754. The total pension liability was measured as of December 31, 2024 based on a December 31, 2023 actuarial valuation. The total pension liability was rolled forward to December 31, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of \$361,030.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 307,904	\$ 150,506
Changes of assumptions	319,179	467,165
County benefit payments and plan administrative expense made subsequent to the measurement date	78,220	-
Total	<u>\$ 705,303</u>	<u>\$ 617,671</u>

The County paid \$78,220 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, 2026. Other amounts reported as deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year Ending June 30</b>	<b>Amount</b>
2026	\$ 63,519
2027	16,838
2028	(86,799)
2029	(14,280)
2030	27,327
Thereafter	2,807
Total	<u>\$ 9,412</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 4.28%, 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 (3.28%) or 1-percentage-point higher (5.28%) than the current rate:

	<b>1% Decrease (3.28%)</b>	<b>Discount Rate (4.28%)</b>	<b>1% Increase (5.28%)</b>
Total pension liability	<u>\$ 3,799,781</u>	<u>\$ 3,461,754</u>	<u>\$ 3,158,918</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	<u>2025</u>
Beginning balance	\$ 3,246,005
Service cost	176,022
Interest on the total pension liability	127,268
Differences between expected and actual experience	132,022
Changes of assumptions or other inputs	(90,971)
Benefit payments	<u>(128,592)</u>
Net pension obligation, end of year	<u>\$ 3,461,754</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 4.00% at June 30, 2024 to 4.28% at June 30, 2025.

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, 2025 were \$405,468, which consisted of \$326,281 from the County and \$79,187 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

*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, 2025 were \$2,372,151, which consisted of \$1,804,793 from the County and \$567,358 from employees. No amounts were forfeited.

### **e. Deferred Compensation Plan**

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

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

*Funding Policy.* The County does not contribute to the deferred compensation plan. Employees may make voluntary contributions to the plan. Contributions from employees for the year ended June 30, 2025 were \$58,859.

### **f. Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined 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 and has met the statutory eligibility requirements. 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 (ACFR) for the state of North Carolina. The state's ACFR 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. The plan does not provide for automatic post-retirement benefit increases.

*Contributions.* Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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. Contributions to the pension plan from the County were \$6,568 for the year ended June 30, 2025.

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

At June 30, 2025, the County reported an asset of \$86,744 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County's proportion was 0.753% (measured as of June 30, 2024), which was a decrease of 0.045% from its proportion as of June 30, 2024 (measured as of June 30, 2023).

For the year ended June 30, 2025, the County recognized pension expense of \$44,177. At June 30, 2025, 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	\$ 1,905	\$ 1,551
Net difference between projected and actual earnings on pension plan investments	33,499	-
Changes in proportion and difference between County contributions and proportionate share of contributions	6,998	-
County contributions subsequent to the measurement date	6,568	-
Total	\$ 48,970	\$ 1,551

\$6,568 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, 2026. 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>
2026	\$ 20,642
2027	17,047
2028	3,041
2029	121
Total	\$ 40,851

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 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, 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 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 returns 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 adopted asset allocation policy for the RODSPF is 99.8% 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, 2024, is 2.4%.

The information above is based on 30-year expectations developed with an investment consulting firm. 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 2.38%. Return projections do not include any excess return expectations over benchmark averages for public markets. All rates of return and inflation are annual amounts.

*Discount Rate.* The discount rate used to measure the total pension liability was 3.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension asset is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. 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 benefits payments to determine the total pension liability.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

*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:

	<b>1% Decrease (2.00%)</b>	<b>Discount Rate (3.00%)</b>	<b>1% Increase (4.00%)</b>
County's proportionate share of the net pension liability (asset)	\$ (57,476)	\$ (86,744)	\$ (111,398)

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

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

The net pension liability for LGERS and ROD was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability for LEOSSA was measured as of June 30, 2024, with an actuarial valuation date of December 31, 2023. 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 expense:

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
Proportionate share of net pension (asset) liability	\$ 28,017,823	\$ (86,744)	n/a	\$ 27,931,079
Proportion of the net pension asset (liability)	0.41560%	-0.75279%	n/a	-
Total pension liability	-	-	3,461,754	3,461,754
Pension expense	8,712,347	44,177	361,030	9,117,554

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

At June 30, 2025, 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	\$ 4,909,784	\$ 1,905	\$ 307,904	\$ 5,219,593
Changes of assumptions	-	-	319,179	319,179
Net difference between projected and actual earnings on pension plan investments	3,809,007	33,499	-	3,842,506
Changes in proportion and differences between County contributions and proportionate share of contributions	1,263,780	6,998	-	1,270,778
County contributions (LGERS,ROD)/benefits payments and administration costs (LEOSSA) subsequent to the measurement date	<u>5,908,529</u>	<u>6,568</u>	<u>78,220</u>	<u>5,993,317</u>
	<u>\$ 15,891,100</u>	<u>\$ 48,970</u>	<u>\$ 705,303</u>	<u>\$ 16,645,373</u>
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 33,011	\$ 1,551	\$ 150,506	\$ 185,068
Changes of assumptions	-	-	467,165	467,165
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>114,655</u>	<u>-</u>	<u>-</u>	<u>114,655</u>
	<u>\$ 147,666</u>	<u>\$ 1,551</u>	<u>\$ 617,671</u>	<u>\$ 766,888</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.

*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, 27 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-

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

Years of County Service at Retirement	County Contribution
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, 2024, the date of the latest actuarial valuation:

Retirees receiving benefits	27
Active plan members	631
Total	658

### Total OPEB Liability

The County's total OPEB liability of \$12,074,325 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2024.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2024 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	3.65%
Measurement date	3.93%
Healthcare cost trends, pre-Medicare	7.00% for 2024 decreasing to an ultimate rate of 4.50% by 2034

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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, 2024</b>	<u>\$ 10,771,689</u>
Changes for the year:	
Service cost	582,813
Interest	404,290
Differences between expected and actual experience	818,766
Changes of assumptions or other inputs	57,948
Benefit payments	<u>(561,181)</u>
Net changes	<u>1,302,636</u>
<b>Total OPEB Liability as of June 30, 2025</b>	<u><u>\$ 12,074,325</u></u>

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, 2024 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, 2024 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2024 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 (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	<b>1% Decrease (2.93%)</b>	<b>Discount Rate (3.93%)</b>	<b>1% Increase (4.93%)</b>
Total OPEB liability	<u>\$ 13,553,967</u>	<u>\$ 12,074,325</u>	<u>\$ 10,782,275</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

	1% Decrease	Current	1% Increase
Total OPEB liability	\$ 10,535,523	\$ 12,074,325	\$ 13,934,744

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

For the year ended June 30, 2025, the County recognized OPEB expense of \$1,268,605. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,777,442	\$ 2,008,277
Changes of assumptions	1,896,988	1,036,897
Benefit payments and administrative costs made subsequent to the measurement date	561,181	-
Total	\$ 4,235,611	\$ 3,045,174

\$561,181 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, 2026. Other amounts reported as deferred inflows or outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2026	\$ 304,172
2027	233,341
2028	108,858
2029	72,254
2030	55,789
Thereafter	(145,158)
Total	\$ 629,256

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### 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 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.

### 3. 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	\$ 1,229,316	\$ -
Pension deferrals	16,645,373	766,888
OPEB deferrals	4,235,611	3,045,174
Leases	-	1,949,210
Prepaid taxes not yet earned (general)	-	320,326
Prepaid taxes not yet earned (special revenue)	-	70
Total	<u>\$ 22,110,300</u>	<u>\$ 6,081,668</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **4. 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, 2025 were approximately \$40,288. 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.

### **5. 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 \$209,811,640. 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 \$180,000 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 and Deputy Finance Officer were 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.

### **6. Contingent Liabilities and Commitments**

At June 30, 2025, 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The County self-insures for employee health coverage. The County has recorded a liability in its Self-Insurance Internal Service Fund for estimated unfilled 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, 2024	\$ 707,000
Additions	8,301,558
Benefits paid	<u>(8,316,558)</u>
Accrued claims and judgments, June 30, 2025	<u>\$ 692,000</u>

### 7. Long-Term Obligations

#### a. Leases

The County and the ABC Board have 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 June 30, 2025, Chatham County has 8 active leases. The leases have payments that range from \$3,600 to \$110,202 and interest rates that range from 0.9800% to 3.4510%. As of June 30, 2025, the total combined value of the lease liability is \$794,622, and the total combined value of the short-term lease liability is \$254,514. The combined value of the right to use asset as of June 30, 2025 is \$1,447,417 with accumulated amortization of \$677,386.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

<u>Year Ending</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2026	\$ 252,436	\$ 16,364	\$ 2,078	\$ 153
2027	253,254	10,374	2,106	98
2028	214,647	4,631	2,163	41
2029	<u>67,571</u>	<u>570</u>	<u>367</u>	<u>1</u>
Total	<u>\$ 787,908</u>	<u>\$ 31,939</u>	<u>\$ 6,714</u>	<u>\$ 293</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### ABC Board

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 \$166,306 at June 30, 2025.

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 \$70,785 at June 30, 2025.

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 \$946,485 at June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments for the ABC Board as of June 30, 2025, were as follows:

<b>Year Ending</b>		
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 223,552	\$ 56,362
2027	189,815	46,698
2028	146,893	38,867
2029	117,446	33,302
2030	127,455	27,813
Thereafter	548,039	47,233
Total	<u>\$ 1,353,200</u>	<u>\$ 250,275</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.

As of June 30, 2025, Chatham County had 23 active subscriptions. The subscriptions have payments that range from \$0 to \$219,443 and interest rates that range from 0.6860% to 3.1770%. As of June 30, 2025, the total combined value of the subscription liability is \$1,047,159, and the total combined value of the short-term subscription liability is \$498,811. The combined value of the right to use asset as of June 30, 2025 is \$2,969,511 with accumulated amortization of \$1,755,800. Short-term subscription liability is \$498,811. The combined value of the right to use asset as of June 30, 2025 is \$2,969,511 with accumulated amortization of \$1,755,800.

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The future minimum subscription obligations and the net present value of the minimum subscription payments as of June 30, 2025 were as follows:

<b>Year Ending June 30</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 482,814	\$ 22,043	\$ 15,996	\$ 693
2027	234,589	11,161	16,129	875
2028	142,598	6,266	5,778	466
2029	138,745	3,030	5,944	300
2030	-	-	4,566	131
<b>Total</b>	<b>\$ 998,746</b>	<b>\$ 42,500</b>	<b>\$ 48,413</b>	<b>\$ 2,465</b>

#### **c. 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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Other long-term debt payables by the County at June 30, 2025 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 \$ 17,894,644

\$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 2,595,000

\$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. 9,075,525

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%. 293,075

Total direct placements 29,858,244

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### 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	4,305,006
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	26,845,000
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	6,555,000
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	20,080,000
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>86,890,000</u>
Total other long-term obligations	<u>155,930,006</u>
Total governmental activities	<u>\$ 185,788,250</u>

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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

Year Ending June 30	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2026	\$ 16,867,624	\$ 7,241,414
2027	16,552,343	6,438,696
2028	16,575,538	5,732,002
2029	15,599,150	5,046,613
2030	13,458,178	4,447,837
2031-2035	56,121,691	14,328,640
2036-2040	37,254,439	4,775,160
2041-2045	6,607,501	1,480,254
2046-2050	4,032,572	810,683
2051-2055	2,719,214	171,218
Total	<u>\$ 185,788,250</u>	<u>\$ 50,472,517</u>

#### **d. 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, 2025:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2025</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
Other long-term obligations	\$ 165,986,111	\$ 2,766,360	\$ 12,822,465	\$ 155,930,006	\$ 14,372,519
Direct placement installment purchase	33,068,460	-	3,210,216	29,858,244	2,495,105
Premium on long-term obligations	11,052,728	-	667,575	10,385,153	667,574
Leases	1,018,857	14,398	245,347	787,908	252,436
Subscriptions	812,210	985,573	799,037	998,746	482,814
Net pension liability - LGERS	23,289,940	3,628,282	-	26,918,222	-
Total pension liability - LEOSSA	3,246,005	215,749	-	3,461,754	78,220
Total OPEB liability	9,960,007	1,641,004	-	11,601,011	518,924
Compensated absences	3,619,865	592,467	-	4,212,332	299,871
Total governmental activities	<u>\$ 252,054,183</u>	<u>\$ 9,843,833</u>	<u>\$ 17,744,640</u>	<u>\$ 244,153,376</u>	<u>\$ 19,167,463</u>

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Balance</u> <u>July 1, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2025</u>	<u>Current</u> <u>Portion</u>
<b>Business-Type Activities:</b>					
<b>Solid Waste and Recycling:</b>					
Leases	\$ 8,816	\$ -	\$ 2,102	\$ 6,714	\$ 2,078
Subscriptions	38,124	29,541	19,252	48,413	15,996
Net pension liability - LGERS	988,537	111,064	-	1,099,601	-
Total OPEB liability	422,751	50,563	-	473,314	21,998
Compensated absences	120,555	29,708	-	150,263	22,094
Total solid waste management	<u>1,578,783</u>	<u>220,876</u>	<u>21,354</u>	<u>1,778,305</u>	<u>62,166</u>
<b>Southeast Water District:</b>					
General obligation bonds	2,575,000	-	2,575,000	-	-
Direct placement revenue bonds	1,482,000	-	1,482,000	-	-
Total southeast water district	<u>4,057,000</u>	<u>-</u>	<u>4,057,000</u>	<u>-</u>	<u>-</u>
<b>Utility:</b>					
Other long-term obligations	3,543,890	-	3,543,890	-	-
Direct borrowings	622,923	-	622,923	-	-
Leases	18,897	-	18,897	-	-
Subscriptions	16,932	-	16,932	-	-
Net pension liability - LGERS	909,454	102,179	1,011,633	-	-
Total OPEB liability	388,931	46,952	435,883	-	-
Compensated absences	112,626	-	112,626	-	-
Total utility	<u>5,613,653</u>	<u>149,131</u>	<u>5,762,784</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ 11,249,436</u>	<u>\$ 370,007</u>	<u>\$ 9,841,138</u>	<u>\$ 1,778,305</u>	<u>\$ 62,166</u>

At June 30, 2025, Chatham County had a legal debt margin of \$1,088,590,000.

The County's outstanding notes from direct placements related to governmental activities of \$29,858,244 contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

The County's outstanding other long-term obligations related to governmental activities of \$155,930,006 contain provisions that in an event of default the lender may exercise any or all of the following remedies. The lender can declare the entire outstanding balance due, take appropriate court action to enforce performance, exercise all rights and remedies of a secured party or creditor under the Uniform Commercial Code of NC, and terminate the contract as to all or any part of the equipment/facility use at the lender's sole discretion.

**Debt Related to Capital Activities** – Of the total governmental activities debt listed, \$127,535,579 is debt related to assets to which the County does not hold title.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### ABC Board

The ABC Board had long-term net pension liability as of June 30, 2025 of \$339,366.

The ABC Board had long-term notes payable as of June 30, 2025 of \$1,587,198.

The ABC Board had long-term lease liabilities as of June 30, 2025 of \$1,353,200.

### C. Interfund Balances and Activity

Transfers to/from other funds during the year ended June 30, 2025, consist of the following:

<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
General	\$ 3,436,973	\$ -	
Impact Fees	-	3,436,973	Fund debt on planned capital
General	16,367,045	-	
Capital Improvement Project Reserve	-	16,367,045	Fund debt on planned capital
School Construction	115,088	-	
ARPA Funds	-	115,088	Fund ARPA strategy - HVAC
General	776,135	-	
ARPA Funds	-	776,135	Fund ARPA strategy - positions
General	-	3,504,952	Fund pay-go capital projects
Capital Reserve	3,504,952	-	
General Fund	-	499,990	Fund pay-go technology
Tech/System Improvement Project	499,990	-	improvements
General	-	17,665,914	Fund debt on planned capital
Capital Improvement Project Reserve	17,665,914	-	
Capital Reserve	-	217,012	Fund pay-go parks projects
County Wide Parks Projects	217,012	-	
Recreation Fees	-	233,577	Fund Briar Chapel Park Project
County Wide Parks Projects	233,577	-	
Capital Reserve	-	185,942	Fund pay-go facilities projects
Facilities Improvements	185,942	-	
Housing Trust	841,939	-	
General	-	841,939	Fund pay-go housing initiatives
General	-	506,485	Fund pay-go land preservation
Land Preservation	506,485	-	initiatives

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>Fund Name</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
Capital Improvement Project Reserve Facilities Improvements	3,801,246 -	- 3,801,246	Closeout health sciences building project
Capital Improvement Project Reserve School Construction	1,981,535 -	- 1,981,535	Closeout Seaforth and Chatham Grove school projects
Capital Reserve Facilities Improvements	8,210 -	- 8,210	Closeout annex renovation project
Capital Reserve Tech/System Improvement Project	152,538 -	- 152,538	Closeout tax software project
Revaluation General	295,586 -	- 295,586	Fund revaluation
General Recreation Fees	73,835 -	- 73,835	Fund recreation land purchases
Facilities Improvements ARPA Funds	27,907 -	- 27,907	Fund ARPA strategy - hydrants
Capital Reserve Utility Projects	- 4,999	4,999 -	Fund utility project
General Utility Fund	20,454,397 -	- 20,454,397	Closeout Utility Fund
Utility Fund Utility Capital Reserve	16,266,289 -	- 16,266,289	Closeout Utility Capital Reserve
Utility Fund Utility Equipment Reserve	529,700 -	- 529,700	Closeout Utility Equipment Reserve
Utility Projects Utility Capital Reserve	855,141 -	- 855,141	Fund utility projects
Southeast Water District Utility Fund	2,769,880 -	- 2,769,880	Closeout Southeast Water District
	<u>\$ 91,572,315</u>	<u>\$ 91,572,315</u>	

### **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, and 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.

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.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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	\$ 116,048,774
Less:	
Nonspendable:	
Leases	142,359
Restricted:	
Stabilization by state statute	13,101,055
General government	25,643,425
Human services	26,683
Committed:	
LEO Special Separation Allowance	1,354,107
General government	1,049,876
Economic and physical development	6,642,916
Housing trust	1,753,731
Assigned:	
Subsequent year's expenditures	12,625,110
County fund balance policy minimum	38,731,643
Remaining fund balance	\$ 14,977,869

Outstanding encumbrances represent amounts needed to pay commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances at June 30, 2025 are detailed as follows:

	<b>General</b>
	<b>Fund</b>
Encumbrances	\$ 529,039

### **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, 2025.

### **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 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

## CHATHAM COUNTY, NORTH CAROLINA

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

interest in the Authority; therefore, no equity interest has been reflected in the financial statements at June 30, 2025. The County contributed \$424,517 to the Authority to supplement its activities for the year ended June 30, 2025.

Complete financial statements for Vaya Health may be obtained from their administrative offices at 200 Ridgefield Court, Suite 218, Asheville, North Carolina 28806.

#### **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 \$1,599,299 to the Community College for operating purposes during the fiscal year ended June 30, 2025. 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, 2025.

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 \$456,558 to the Corporation during the fiscal year ended June 30, 2025. 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, 2025.

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 \$311,447 to the Council during the fiscal year ended June 30, 2025.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **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. Special Item – Merger of Utility Fund and Southeast Water District with City of Sanford, TriRiver Water**

Chatham County successfully implemented its merger with TriRiver Water after years of discussions, plans, and preparations in November 2024, when Chatham County Board of Commissioners signed the agreement with the City of Sanford. June 30, 2025, is the final reporting of the Utility Funds and Southeast Water District for Chatham County. On July 1, 2025, TriRiver Water took over all aspects of servicing the water and wastewater for Chatham County's approximately 11,000 water utility customers.

As a result of the agreement, all debt of the Utility Fund and Southeast Water District was paid off or defeased. The General Fund assumed one lease liability valued at \$14,398, pension liability of \$1,011,633 and OPEB liability of \$435,883. The Utility Fund net position totaling \$20,454,397 was transferred in to the General Fund for future distribution to the City of Sanford and is reflected as Restricted Net Position in the Statement of Net Position.

### **VIII. 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. The North Carolina MOA between the State and local governments allocates funds 15% to the State, 80% to local governments, and 5% to a County incentive fund.

In July 2025, Secondary Opioid Manufacturer Settlements were reached with Alvogen Inc., Amneal Pharmaceuticals LLC, Apotex Corp., Hikma Pharmaceuticals USA, Indivior Inc., Sun Pharmaceutical Industries Inc., and Zydus Pharmaceuticals Inc. A settlement was also reached with Purdue Pharma L.P.'s bankruptcy plan for \$7.4 billion. The Secondary Settlements are subject to the terms of the existing Memorandum of Agreement (MOA) with the State.

The County received \$376,988 in fiscal year 2023, \$798,229 in fiscal year 2024 and \$446,284 in fiscal year 2025 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. To date, \$360,407 of these funds have been expended as of June 30, 2025. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows a wide array of strategies to address the impact of the opioid epidemic.

# CHATHAM COUNTY, NORTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

### **IX. 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 the funds during fiscal years 2022 and 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 in fiscal year 2023. An additional \$1,362,812 has been spent or transferred to other funds for eligible expenditures as of June 30, 2025. The County encumbered all remaining funds by the December 31, 2024 deadline and is on track to expend all remaining funds prior to December 31, 2026.

### **X. Adjustments and Restatements of Beginning Balances in Net Position**

For the year ended June 30, 2025, the financial statements included a change in accounting principle to beginning net position of both the Governmental Activities and Business-Type Activities on the Statement of Activities in the amount of \$810,654 and \$34,034, respectively. The restatement is from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, in the fiscal year ended June 30, 2025. The effect of these changes to or within the reporting entity are shown in the table below.

	<b>Reporting Units Affected by Adjustments to and Restatements of Beginning Balances</b>		
	<b>Solid Waste and Recycling</b>	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
6/30/24, as previously reported	\$ 8,854,188	\$ 113,470,707	\$ 79,327,868
Change in accounting principle	(34,034)	(810,654)	(34,034)
6/30/24, restated	<u>\$ 8,820,154</u>	<u>\$ 112,660,053</u>	<u>\$ 79,293,834</u>

### **XI. Subsequent Event**

In September 2025, the County approved and entered into a plan of refunding its outstanding limited obligation bonds Series 2014 originally issued on October 15, 2014 and Series 2015 originally issued on July 1, 2015, with an aggregate principal amount of \$27,585,000. The new refunding bonds Series 2025 will have a par amount of \$25,335,000, bearing interest at a rate of 5.000%, and mature in 2036 (or with maturities as scheduled). The proceeds of the refunding bonds will be used to (i) pay the principal of and interest due on the refunded bonds (and any redemption premium), (ii) pay costs of issuance, and (iii) deposit any residual into an irrevocable trust for future debt service. Management expects that the refunding will result in net present value savings of approximately \$1,531,856.

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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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset) %	0.416%	0.380%	0.366%	0.369%	0.376%
County's proportionate share of the net pension liability (asset) \$	\$ 28,017,823	\$ 25,187,931	\$ 20,647,062	\$ 5,654,675	\$ 13,447,159
County's covered payroll	\$ 39,184,340	\$ 31,569,944	\$ 26,804,771	\$ 25,815,562	\$ 25,097,535
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	71.503%	79.785%	77.028%	21.904%	53.580%
Plan fiduciary net position as a percentage of the total pension liability **	83.300%	82.490%	84.144%	95.510%	88.610%

\* 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset) %	0.369%	0.369%	0.367%	0.366%	0.341%
County's proportionate share of the net pension liability (asset) \$	\$ 10,090,211	\$ 8,759,161	\$ 5,607,813	\$ 7,760,106	\$ 1,534,786
County's covered payroll	\$ 24,085,796	\$ 22,889,672	\$ 22,413,231	\$ 20,498,220	\$ 20,508,359
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	41.893%	38.267%	25.020%	37.857%	7.484%
Plan fiduciary net position as a percentage of the total pension liability **	90.860%	91.630%	94.180%	91.470%	98.090%

## CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 5,908,529	\$ 5,101,903	\$ 3,870,389	\$ 3,076,931	\$ 2,662,144
Contributions in relation to the contractually required contribution	<u>5,908,529</u>	<u>5,101,903</u>	<u>3,870,389</u>	<u>3,076,931</u>	<u>2,662,144</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 42,723,036	\$ 39,184,340	\$ 31,569,944	\$ 26,804,771	\$ 25,815,562
Contributions as a percentage of covered payroll	13.830%	13.020%	12.260%	11.479%	10.312%

## CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 2,289,955	\$ 1,912,737	\$ 1,763,243	\$ 1,675,171	\$ 1,401,182
Contributions in relation to the contractually required contribution	<u>2,289,955</u>	<u>1,912,737</u>	<u>1,763,243</u>	<u>1,675,171</u>	<u>1,401,182</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 25,097,535	\$ 24,085,796	\$ 22,889,672	\$ 22,413,231	\$ 20,498,220
Contributions as a percentage of covered payroll	9.124%	7.941%	7.703%	6.836%	7.140%

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>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
County's proportion of the net pension liability (asset) %	0.753%	0.797%	0.825%	1.139%	0.841%
County's proportionate share of the net pension liability (asset) \$	\$ (86,744)	\$ (95,825)	\$ (109,210)	\$ (218,878)	\$ (192,692)
Plan fiduciary net position as a percentage of the total pension liability**	133.61%	135.74%	139.04%	156.53%	173.62%

\* 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
County's proportion of the net pension liability (asset) %	0.726%	0.878%	0.876%	0.820%	0.840%
County's proportionate share of the net pension liability (asset) \$	\$ (143,297)	\$ (145,431)	\$ (149,543)	\$ (153,131)	\$ (194,731)
Plan fiduciary net position as a percentage of the total pension liability**	164.11%	153.31%	153.77%	160.17%	197.29%

**CHATHAM COUNTY, NORTH CAROLINA**

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 6,568	\$ 6,477	\$ 7,116	\$ 9,456	\$ 13,672
Contributions in relation to the contractually required contribution	<u>6,568</u>	<u>6,477</u>	<u>7,116</u>	<u>9,456</u>	<u>13,672</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 8,051	\$ 6,899	\$ 7,514	\$ 7,612	\$ 7,299
Contributions in relation to the contractually required contribution	<u>8,051</u>	<u>6,899</u>	<u>7,514</u>	<u>7,612</u>	<u>7,299</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 NINE FISCAL YEARS \***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Beginning balance	\$ 3,246,005	\$ 2,802,608	\$ 3,423,021	\$ 3,488,326	\$ 2,216,411
Service cost	176,022	150,754	203,648	239,356	163,282
Interest on the total pension liability	127,268	117,807	75,891	66,188	70,574
Differences between expected and actual experience in the measurement of the total pension liability	132,022	225,080	(164,164)	(136,756)	161,407
Changes of assumptions or other inputs	(90,971)	88,289	(635,630)	(116,255)	979,751
Benefit payments	<u>(128,592)</u>	<u>(138,533)</u>	<u>(100,158)</u>	<u>(117,838)</u>	<u>(103,099)</u>
Ending balance of the total pension liability	<u>\$ 3,461,754</u>	<u>\$ 3,246,005</u>	<u>\$ 2,802,608</u>	<u>\$ 3,423,021</u>	<u>\$ 3,488,326</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 NINE FISCAL YEARS \*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635	\$ 1,716,137
Service cost	143,014	153,127	128,004	134,235
Interest on the total pension liability	74,805	63,277	68,070	60,310
Differences between expected and actual experience in the measurement of the total pension liability	(92,897)	32,315	(22,711)	-
Changes of assumptions or other inputs	83,421	(102,044)	153,782	(52,457)
Benefit payments	<u>(94,031)</u>	<u>(94,031)</u>	<u>(82,325)</u>	<u>(53,590)</u>
Ending balance of the total pension liability	<u>\$ 2,216,411</u>	<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 NINE FISCAL YEARS\***

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 3,461,754	\$ 3,246,005	\$ 2,802,608	\$ 3,423,021	\$ 3,488,326
Covered-employee payroll**	5,716,538	5,134,234	4,748,140	5,223,248	5,224,374
Total pension liability as a percentage of covered-employee payroll	60.56%	63.22%	59.03%	65.53%	66.77%

**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 NINE FISCAL YEARS\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,216,411	\$ 2,102,099	\$ 2,049,455	\$ 1,804,635
Covered-employee payroll**	4,854,871	4,875,211	4,749,118	4,818,486
Total pension liability as a percentage of covered-employee payroll	45.65%	43.12%	43.15%	37.45%

CHATHAM COUNTY, NORTH CAROLINA

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB liability:				
Service cost	\$ 582,813	\$ 579,256	\$ 949,078	\$ 865,417
Interest	404,290	377,766	314,412	269,013
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	818,766	126,889	(3,008,283)	511,429
Changes of assumptions	57,948	(138,400)	(1,355,796)	1,213,844
Benefit payments	<u>(561,181)</u>	<u>(527,234)</u>	<u>(304,480)</u>	<u>(812,264)</u>
Net change in total OPEB liability	1,302,636	418,277	(3,405,069)	2,047,439
Total OPEB liability - beginning	<u>10,771,689</u>	<u>10,353,412</u>	<u>13,758,481</u>	<u>11,711,042</u>
Total OPEB liability - ending	<u>\$ 12,074,325</u>	<u>\$ 10,771,689</u>	<u>\$ 10,353,412</u>	<u>\$ 13,758,481</u>
Covered-employee payroll	\$ 38,351,316	\$ 26,232,508	\$ 26,232,508	\$ 27,440,950
Total OPEB liability as a percentage of covered-employee payroll	31.48%	41.06%	39.47%	50.14%

**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%
2024	3.65%
2025	3.93%

\*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.

CHATHAM COUNTY, NORTH CAROLINA

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

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

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**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.

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, 2025

	<u>General Fund</u>	<u>Revaluation Fund</u>	<u>Coal Ash Fund</u>	<u>Housing Trust Fund</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ 116,418,086	\$ -	\$ -	\$ -
Local option sales taxes	30,558,312	-	-	-
Other taxes	1,615,630	-	-	-
Unrestricted intergovernmental revenues	5,458,174	-	-	-
Restricted intergovernmental revenues	10,984,699	-	-	-
Permits and fees	2,779,776	-	-	-
Sales and services	3,336,532	-	-	-
Interest earned on investments	6,105,824	-	171,128	63,634
Other general revenues	2,167,788	-	63,268	-
Total revenues	<u>179,424,821</u>	<u>-</u>	<u>234,396</u>	<u>63,634</u>
<b>Expenditures:</b>				
General government	20,505,059	176,276	600,000	-
Public safety	36,979,507	-	-	-
Economic and physical development	6,047,580	-	33,873	225,174
Human services	25,232,511	-	-	-
Cultural and recreation	4,423,115	-	-	-
Intergovernmental:				
Education	52,974,108	-	-	-
Debt service:				
Principal repayments	17,077,065	-	-	-
Interest	7,673,657	-	-	-
Total expenditures	<u>170,912,602</u>	<u>176,276</u>	<u>633,873</u>	<u>225,174</u>
<b>Revenues over (under) expenditures</b>	<u>8,512,219</u>	<u>(176,276)</u>	<u>(399,477)</u>	<u>(161,540)</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	41,108,385	295,586	-	841,939
Transfers out	(23,314,866)	-	-	-
Total transfers	<u>17,793,519</u>	<u>295,586</u>	<u>-</u>	<u>841,939</u>
Issuance of debt:				
Limited obligation bonds	2,766,360	-	-	-
Subscription liability issued	985,573	-	-	-
Lease liability issued	14,398	-	-	-
Total debt issued	<u>3,766,331</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>21,559,850</u>	<u>295,586</u>	<u>-</u>	<u>841,939</u>
<b>Net change in fund balances</b>	30,072,069	119,310	(399,477)	680,399
<b>Fund Balances:</b>				
Fund balance, beginning	74,878,045	930,566	4,998,370	1,341,565
Fund balance, ending	<u>\$ 104,950,114</u>	<u>\$ 1,049,876</u>	<u>\$ 4,598,893</u>	<u>\$ 2,021,964</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, 2025

	<u>Land Preservation Fund</u>	<u>Law Enforcement Separation Allowance Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
<b>Revenues:</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 116,418,086
Local option sales taxes	-	-	-	30,558,312
Other taxes	-	-	-	1,615,630
Unrestricted intergovernmental revenues	-	-	-	5,458,174
Restricted intergovernmental revenues	-	-	-	10,984,699
Permits and fees	-	-	-	2,779,776
Sales and services	-	-	-	3,336,532
Interest earned on investments	45,458	47,188	-	6,433,232
Other general revenues	-	260,000	(260,000)	2,231,056
Total revenues	<u>45,458</u>	<u>307,188</u>	<u>(260,000)</u>	<u>179,815,497</u>
<b>Expenditures:</b>				
General government	-	-	-	21,281,335
Public safety	-	146,067	(260,000)	36,865,574
Economic and physical development	67,500	-	-	6,374,127
Human services	-	-	-	25,232,511
Cultural and recreation	-	-	-	4,423,115
Intergovernmental:				
Education	-	-	-	52,974,108
Debt service:				
Principal repayments	-	-	-	17,077,065
Interest	-	-	-	7,673,657
Total expenditures	<u>67,500</u>	<u>146,067</u>	<u>(260,000)</u>	<u>171,901,492</u>
<b>Revenues over (under) expenditures</b>	<u>(22,042)</u>	<u>161,121</u>	<u>-</u>	<u>7,914,005</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	506,485	-	(1,644,010)	41,108,385
Transfers out	-	-	1,644,010	(21,670,856)
Total transfers	<u>506,485</u>	<u>-</u>	<u>-</u>	<u>19,437,529</u>
Issuance of debt:				
Limited obligation bonds	-	-	-	2,766,360
Subscription liability issued	-	-	-	985,573
Lease liability issued	-	-	-	14,398
Net debt issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,766,331</u>
Total other financing sources (uses)	<u>506,485</u>	<u>-</u>	<u>-</u>	<u>23,203,860</u>
<b>Net change in fund balances</b>	484,443	161,121	-	31,117,865
<b>Fund Balances:</b>				
Fund balance, beginning	1,584,188	1,198,175	-	84,930,909
Fund balance, ending	<u>\$ 2,068,631</u>	<u>\$ 1,359,296</u>	<u>\$ -</u>	<u>\$ 116,048,774</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
<b>Ad Valorem Taxes:</b>				
Current year taxes:				
Real/personal	\$ 103,045,662	\$ 104,630,651	\$ 1,584,989	\$ 94,816,635
DMV - Motor vehicles	9,407,746	10,688,342	1,280,596	8,995,734
Total current year taxes	112,453,408	115,318,993	2,865,585	103,812,369
Prior year taxes	665,500	976,814	311,314	612,399
Penalties, interest, other	37,000	122,279	85,279	132,713
Total ad valorem taxes	<u>113,155,908</u>	<u>116,418,086</u>	<u>3,262,178</u>	<u>104,557,481</u>
<b>Local Option Sales Tax:</b>				
Article 39 - 1 percent	11,280,000	10,536,879	(743,121)	11,384,100
Article 40 - 1/2 percent	7,500,000	7,873,421	373,421	7,565,287
Article 42 - 1/2 percent	6,600,000	6,526,541	(73,459)	6,832,880
Article 44 - 1/2 percent	1,975,483	2,035,535	60,052	1,980,736
Article 46 - 1/2 percent	3,200,000	3,585,936	385,936	3,775,816
Total local option sales tax	<u>30,555,483</u>	<u>30,558,312</u>	<u>2,829</u>	<u>31,538,819</u>
<b>Other Taxes:</b>				
Deed stamp excise tax	1,500,000	1,291,475	(208,525)	1,213,859
Occupancy tax	266,071	287,087	21,016	222,241
Other	22,000	37,068	15,068	26,296
Total other taxes and licenses	<u>1,788,071</u>	<u>1,615,630</u>	<u>(172,441)</u>	<u>1,462,396</u>
<b>Intergovernmental:</b>				
Unrestricted intergovernmental:				
Payments in lieu of taxes	115,000	134,370	19,370	130,096
Beer and wine excise tax	250,000	252,889	2,889	302,153
ABC profit distribution	200,000	240,882	40,882	248,215
Medicaid hold harmless	4,000,000	4,782,767	782,767	4,433,669
Other	11,384	47,266	35,882	7,267
Total unrestricted	<u>4,576,384</u>	<u>5,458,174</u>	<u>881,790</u>	<u>5,121,400</u>
<b>Restricted intergovernmental:</b>				
State and federal grants	8,891,789	9,511,616	619,827	10,287,727
Other	1,221,783	1,473,083	251,300	909,429
Total restricted	<u>10,113,572</u>	<u>10,984,699</u>	<u>871,127</u>	<u>11,197,156</u>
Total intergovernmental	<u>14,689,956</u>	<u>16,442,873</u>	<u>1,752,917</u>	<u>16,318,556</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>		<u>2024</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Permits and Fees:</b>				
Inspections fees	2,800,000	2,344,239	(455,761)	6,692,023
Register of Deeds fees	400,000	380,580	(19,420)	369,171
Other	46,186	54,957	8,771	56,439
Total permits and fees	<u>3,246,186</u>	<u>2,779,776</u>	<u>(466,410)</u>	<u>7,117,633</u>
<b>Sales and Services:</b>				
Charges to other funds	490,012	661,056	171,044	490,012
Aging	-	14,433	14,433	19,450
Environmental services	773,400	812,897	39,497	808,231
Fire inspections	60,000	138,620	78,620	61,015
Health	937,484	1,002,240	64,756	936,039
Library	11,500	14,442	2,942	12,943
Planning	125,000	101,422	(23,578)	162,615
Recreation fees	212,850	208,807	(4,043)	177,692
Sheriff	93,247	155,260	62,013	98,622
Tax	292,185	206,234	(85,951)	187,263
Other	26,538	21,121	(5,417)	31,932
Total sales and services	<u>3,022,216</u>	<u>3,336,532</u>	<u>314,316</u>	<u>2,985,814</u>
<b>Investment Earnings:</b>				
Interest on investments	710,000	2,602,798	1,892,798	2,357,590
Fair value investment adjustment	-	3,503,026	3,503,026	3,600,473
Total investment earnings	<u>710,000</u>	<u>6,105,824</u>	<u>5,395,824</u>	<u>5,958,063</u>
<b>Other General Revenues:</b>				
Rent	370,310	274,314	(95,996)	250,612
Leases	-	175,344	175,344	174,085
Contributions and donations	952,606	955,204	2,598	1,122,053
Sale of surplus property	-	68,151	68,151	79,574
Miscellaneous	30,000	694,775	664,775	2,148,305
Total other general revenues	<u>1,352,916</u>	<u>2,167,788</u>	<u>814,872</u>	<u>3,774,629</u>
<b>Total revenues</b>	<u>168,520,736</u>	<u>179,424,821</u>	<u>10,904,085</u>	<u>173,713,391</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		2024	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Expenditures:</b>				
<b>General Government:</b>				
<b>Governing Board:</b>				
Salaries and benefits	408,712	405,196	3,516	362,907
Other operating expenditures	176,680	140,098	36,582	120,807
Total	<u>585,392</u>	<u>545,294</u>	<u>40,098</u>	<u>483,714</u>
<b>County Manager:</b>				
Salaries and benefits	1,690,525	1,651,123	39,402	1,525,232
Other operating expenditures	280,385	156,694	123,691	137,607
Total	<u>1,970,910</u>	<u>1,807,817</u>	<u>163,093</u>	<u>1,662,839</u>
<b>Human Resources:</b>				
Salaries and benefits	620,808	623,926	(3,118)	528,589
Other operating expenditures	114,818	76,108	38,710	96,596
Total	<u>735,626</u>	<u>700,034</u>	<u>35,592</u>	<u>625,185</u>
<b>Finance:</b>				
Salaries and benefits	1,374,866	1,323,555	51,311	1,097,768
Other operating expenditures	452,356	448,156	4,200	486,249
Total	<u>1,827,222</u>	<u>1,771,711</u>	<u>55,511</u>	<u>1,584,017</u>
<b>Tax:</b>				
Salaries and benefits	2,135,748	2,022,663	113,085	1,724,956
Other operating expenditures	591,789	348,030	243,759	326,184
Capital outlay	32,100	32,083	17	32,060
Total	<u>2,759,637</u>	<u>2,402,776</u>	<u>356,861</u>	<u>2,083,200</u>
<b>County Attorney:</b>				
Salaries and benefits	86,810	87,332	(522)	82,988
Other operating expenses	250,410	149,796	100,614	170,599
Total	<u>337,220</u>	<u>237,128</u>	<u>100,092</u>	<u>253,587</u>
<b>Information Services:</b>				
Salaries and benefits	1,368,498	1,338,968	29,530	1,604,159
Other operating expenditures	1,383,475	1,280,571	102,904	908,322
Capital outlay	1,032,616	1,032,616	-	86,718
Total	<u>3,784,589</u>	<u>3,652,155</u>	<u>132,434</u>	<u>2,599,199</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Geographic Information Services:</b>				
Salaries and benefits	501,834	503,770	(1,936)	15,962
Other operating expenses	65,268	49,592	15,676	1,515
Capital outlay	6,700	-	6,700	-
Total	573,802	553,362	20,440	17,477
<b>Elections:</b>				
Salaries and benefits	858,176	789,919	68,257	644,978
Other operating expenses	278,776	262,215	16,561	87,167
Total	1,136,952	1,052,134	84,818	732,145
<b>General Services:</b>				
Salaries and benefits	69,450	69,450	-	354
Other operating expenses	3,475,792	773,357	2,702,435	1,557,889
Total	3,545,242	842,807	2,702,435	1,558,243
<b>Register of Deeds:</b>				
Salaries and benefits	676,966	668,524	8,442	631,990
Other operating expenses	111,719	76,487	35,232	71,512
Total	788,685	745,011	43,674	703,502
<b>Facilities Management:</b>				
Salaries and benefits	1,923,666	1,907,092	16,574	1,737,016
Other operating expenditures	3,722,387	3,466,061	256,326	2,676,419
Capital outlay	71,285	65,919	5,366	109,350
Total	5,717,338	5,439,072	278,266	4,522,785
<b>Agriculture and Conference Center:</b>				
Salaries and benefits	422,085	423,602	(1,517)	385,711
Other operating expenditures	95,804	93,084	2,720	98,095
Capital outlay	82,632	41,194	41,438	-
Total	600,521	557,880	42,641	483,806
<b>Court Facilities:</b>				
Other operating expenditures	215,911	197,878	18,033	108,761
<b>Total general government</b>	<b>24,579,047</b>	<b>20,505,059</b>	<b>4,073,988</b>	<b>17,418,460</b>

CHATHAM COUNTY, NORTH CAROLINA

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		2024	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Public Safety:</b>				
<b>Sheriff:</b>				
Salaries and benefits	18,111,505	17,196,094	915,411	15,297,638
Other operating expenditures	4,225,735	3,633,571	592,164	2,669,106
Capital outlay	1,446,955	1,503,492	(56,537)	1,008,140
Total sheriff	<u>23,784,195</u>	<u>22,333,157</u>	<u>1,451,038</u>	<u>18,974,884</u>
<b>Law Enforcement Special Separation</b>	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>245,000</u>
<b>Emergency Management:</b>				
Salaries and benefits	701,162	696,194	4,968	667,545
Other operating expenditures	5,098,194	4,976,522	121,672	4,518,741
Capital outlay	162,430	161,930	500	126,032
Total	<u>5,961,786</u>	<u>5,834,646</u>	<u>127,140</u>	<u>5,312,318</u>
<b>Emergency Communications:</b>				
Salaries and benefits	2,996,628	2,978,408	18,220	2,642,076
Other operating expenses	1,009,011	893,507	115,504	790,170
Capital outlay	96,484	89,536	6,948	84,476
Total	<u>4,102,123</u>	<u>3,961,451</u>	<u>140,672</u>	<u>3,516,722</u>
<b>Building Inspections:</b>				
Salaries and benefits	2,383,817	1,956,138	427,679	1,770,938
Other operating expenditures	156,212	125,085	31,127	100,041
Capital outlay	125,000	97,866	27,134	85,800
Total	<u>2,665,029</u>	<u>2,179,089</u>	<u>485,940</u>	<u>1,956,779</u>
<b>Fire Inspections:</b>				
Salaries and benefits	400,127	396,928	3,199	380,404
Other operating expenses	62,254	46,644	15,610	34,202
Capital outlay	53,125	53,125	-	-
Total	<u>515,506</u>	<u>496,697</u>	<u>18,809</u>	<u>414,606</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>		<u>2024</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Court-Related Programs:</b>				
Salaries and benefits	1,359,602	1,385,249	(25,647)	1,187,312
Operating expenses	688,166	529,218	158,948	523,588
Total	<u>2,047,768</u>	<u>1,914,467</u>	<u>133,301</u>	<u>1,710,900</u>
<b>Total public safety</b>	<u>39,336,407</u>	<u>36,979,507</u>	<u>2,356,900</u>	<u>32,131,209</u>
<b>Economic and Physical Development:</b>				
<b>    Planning:</b>				
Salaries and employee benefits	1,237,152	1,232,555	4,597	1,134,884
Other operating expenditures	566,101	343,778	222,323	491,115
Capital outlay	42,982	33,212	9,770	-
Total	<u>1,846,235</u>	<u>1,609,545</u>	<u>236,690</u>	<u>1,625,999</u>
<b>    Sustainability:</b>				
Salaries and employee benefits	4,414	3,972	442	1,875
Other operating expenditures	43,229	36,908	6,321	22,602
Total	<u>47,643</u>	<u>40,880</u>	<u>6,763</u>	<u>24,477</u>
<b>    Central Permitting:</b>				
Salaries and employee benefits	647,045	643,542	3,503	582,684
Other operating expenses	6,322	3,161	3,161	885
Total	<u>653,367</u>	<u>646,703</u>	<u>6,664</u>	<u>583,569</u>
<b>    Sedimentation and Erosion Control:</b>				
Salaries and benefits	908,305	911,145	(2,840)	868,581
Operating expenses	188,887	180,335	8,552	163,210
Capital outlay	-	-	-	28,998
Total	<u>1,097,192</u>	<u>1,091,480</u>	<u>5,712</u>	<u>1,060,789</u>
<b>    Cooperative Extension:</b>				
Salaries and benefits	3,045	3,126	(81)	2,817
Other operating expenditures	802,962	552,477	250,485	541,762
Total	<u>806,007</u>	<u>555,603</u>	<u>250,404</u>	<u>544,579</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		2024	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Soil and Water Conservation:</b>				
Salaries and employee benefits	376,148	378,329	(2,181)	346,649
Other operating expenditures	44,586	35,743	8,843	30,233
Capital outlay	-	-	-	40,512
Total	420,734	414,072	6,662	417,394
<b>Economic Development:</b>				
Other operating expenditures	1,513,603	1,460,280	53,323	1,205,389
<b>Pittsboro/Siler City Convention &amp; Visitors Bureau:</b>				
Salaries and employee benefits	219,945	215,305	4,640	192,073
Other operating expenses	50,526	13,712	36,814	18,665
Total	270,471	229,017	41,454	210,738
<b>Total economic/physical development</b>	<b>6,655,252</b>	<b>6,047,580</b>	<b>607,672</b>	<b>5,672,934</b>
<b>Human Services:</b>				
<b>Health:</b>				
Salaries and benefits	6,539,342	6,156,962	382,380	5,825,010
Other operating expenditures	2,348,836	1,459,616	889,220	1,374,742
Capital outlay	81,540	72,459	9,081	164,499
Total	8,969,718	7,689,037	1,280,681	7,364,251
<b>Social Services:</b>				
Administration:				
Salaries and benefits	10,864,692	10,024,601	840,091	9,349,897
Other operating expenditures	1,185,874	938,000	247,874	865,145
Capital outlay	33,493	33,492	1	29,090
Total	12,084,059	10,996,093	1,087,966	10,244,132
<b>Public Assistance:</b>				
Assistance programs	2,555,619	1,760,498	795,121	1,891,848
Total social services	14,639,678	12,756,591	1,883,087	12,135,980
<b>Mental Health:</b>				
Mental health appropriation	430,368	427,946	2,422	425,678

**CHATHAM COUNTY, NORTH CAROLINA**

**GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>		<u>2024</u>	
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Council on Aging:</b>				
Salaries and benefits	1,494,383	1,486,208	8,175	1,395,344
Other operating expenditures	2,067,508	1,296,780	770,728	1,168,236
Capital outlay	47,344	25,084	22,260	-
<b>Total</b>	<u>3,609,235</u>	<u>2,808,072</u>	<u>801,163</u>	<u>2,563,580</u>
<b>Appropriations to Non-Profit Agencies:</b>				
Chatham Trades	267,000	267,000	-	267,000
Chatham Transit	498,342	460,549	37,793	308,367
Other non-profit agencies	824,843	823,316	1,527	611,750
<b>Total</b>	<u>1,590,185</u>	<u>1,550,865</u>	<u>39,320</u>	<u>1,187,117</u>
<b>Total human services</b>	<u>29,239,184</u>	<u>25,232,511</u>	<u>4,006,673</u>	<u>23,676,606</u>
<b>Cultural and Recreational:</b>				
<b>Library:</b>				
Salaries and benefits	1,541,806	1,557,238	(15,432)	1,493,984
Other operating expenditures	1,086,232	582,269	503,963	468,064
<b>Total</b>	<u>2,628,038</u>	<u>2,139,507</u>	<u>488,531</u>	<u>1,962,048</u>
<b>Recreation:</b>				
Salaries and benefits	1,452,402	1,403,764	48,638	1,233,481
Other operating expenditures	818,374	796,755	21,619	674,314
Capital outlay	118,397	83,089	35,308	146,615
<b>Total</b>	<u>2,389,173</u>	<u>2,283,608</u>	<u>105,565</u>	<u>2,054,410</u>
<b>Total cultural and recreational</b>	<u>5,017,211</u>	<u>4,423,115</u>	<u>594,096</u>	<u>4,016,458</u>
<b>Education:</b>				
<b>Public Schools:</b>				
Appropriation	51,206,370	51,206,370	-	46,576,958
<b>Community College:</b>				
Appropriation	1,977,633	1,767,738	209,895	1,643,921
<b>Total education</b>	<u>53,184,003</u>	<u>52,974,108</u>	<u>209,895</u>	<u>48,220,879</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		2024	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Debt Service:</b>				
<b>Principal:</b>				
Public schools - principal	8,935,028	8,935,027	1	8,905,150
Community college - principal	1,450,200	1,290,616	159,584	1,306,089
General building projects - principal	5,645,066	5,640,538	4,528	5,681,602
Business campus - principal	166,500	166,500	-	166,725
Lease principal	245,373	245,347	26	218,086
Subscription principal	799,037	799,037	-	626,413
Total	<u>17,241,204</u>	<u>17,077,065</u>	<u>164,139</u>	<u>16,904,065</u>
<b>Interest and Fees:</b>				
Public schools - interest	5,026,783	4,953,932	72,851	5,318,517
Community college - interest	538,908	530,839	8,069	576,464
General building projects - interest	2,033,276	2,002,168	31,108	2,131,313
Business campus - interest	151,514	147,351	4,163	155,681
Lease interest	21,787	21,458	329	22,638
Subscription interest	20,908	17,909	2,999	75,061
Total	<u>7,793,176</u>	<u>7,673,657</u>	<u>119,519</u>	<u>8,279,674</u>
<b>Total debt service</b>	<u>25,034,380</u>	<u>24,750,722</u>	<u>283,658</u>	<u>25,183,739</u>
<b>Total expenditures</b>	<u>183,045,484</u>	<u>170,912,602</u>	<u>12,132,882</u>	<u>156,320,285</u>
Revenues over (under) expenditures	<u>(14,524,748)</u>	<u>8,512,219</u>	<u>23,036,967</u>	<u>17,393,106</u>
<b>Other Financing Sources (Uses):</b>				
<b>Transfers In:</b>				
Special revenue funds:				
ARPA	423,160	776,135	352,975	-
Emergency Telephone System	-	-	-	17,338
Recreation - Payment in Lieu	53,716	73,835	20,119	-
Impact Fees	3,788,100	3,436,973	(351,127)	2,603,131
Capital projects funds:				
Capital Improvement Project Reserve	16,367,045	16,367,045	-	17,073,716
Enterprise fund - Utility Operating	-	20,454,397	20,454,397	-
Total transfers in	<u>20,632,021</u>	<u>41,108,385</u>	<u>20,476,364</u>	<u>19,694,185</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Transfers Out:</b>				
General Fund:				
Revaluation	(295,586)	(295,586)	-	(500,000)
Housing trust	(650,000)	(841,939)	(191,939)	(939,859)
Land preservation	(698,424)	(506,485)	191,939	(615,635)
Capital Projects:				
CIP debt reserve	(17,665,914)	(17,665,914)	-	(16,940,242)
Capital reserve	(2,796,382)	(3,504,952)	(708,570)	(4,132,639)
Tech system improvements	(1,208,561)	(499,990)	708,571	(125,827)
Facilities improvements	(1,100,000)	-	1,100,000	-
Total transfers out	<u>(24,414,867)</u>	<u>(23,314,866)</u>	<u>1,100,001</u>	<u>(23,254,202)</u>
 Total transfers in (out)	 <u>(3,782,846)</u>	 <u>17,793,519</u>	 <u>21,576,365</u>	 <u>(3,560,017)</u>
 <b>Issuance of debt:</b>				
Subscription liability issued	1,032,616	985,573	(47,043)	-
Lease liability issued	22,342	14,398	(7,944)	-
Limited obligation bonds	-	2,766,360	2,766,360	-
Total debt issued	<u>1,054,958</u>	<u>3,766,331</u>	<u>2,711,373</u>	<u>-</u>
 <b>Total other financing sources (uses)</b>	 <u>(2,727,888)</u>	 <u>21,559,850</u>	 <u>24,287,738</u>	 <u>(3,560,017)</u>
 Net change in fund balance	 (17,252,636)	 30,072,069	 47,324,705	 13,833,089
 Appropriated fund balance	 <u>17,252,636</u>	 <u>-</u>	 <u>(17,252,636)</u>	 <u>-</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>30,072,069</u>	 <u>\$ 30,072,069</u>	 <u>13,833,089</u>
 <b>Fund Balance:</b>				
Fund balance, beginning		<u>74,878,045</u>		<u>61,044,956</u>
Fund balance, ending		<u>\$ 104,950,114</u>		<u>\$ 74,878,045</u>

## CHATHAM COUNTY, NORTH CAROLINA

## REVALUATION

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

## IN FUND BALANCE - BUDGET AND ACTUAL

## FOR THE YEAR ENDED JUNE 30, 2025

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	<u>2025</u>			<u>2024</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Expenditures:</b>				
General government	\$ 323,586	\$ 176,276	\$ 147,310	\$ 204,528
Revenues over (under) expenditures	(323,586)	(176,276)	147,310	(204,528)
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General Fund	295,586	295,586	-	500,000
Appropriated fund balance	28,000	-	(28,000)	-
Net change in fund balance	<u>\$ -</u>	119,310	<u>\$ 119,310</u>	295,472
<b>Fund Balance:</b>				
Fund balance, beginning		930,566		635,094
Fund balance, ending		<u>\$ 1,049,876</u>		<u>\$ 930,566</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, 2025

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 10,000	\$ 171,128	\$ 161,128	\$ 161,461
Other general revenues	-	63,268	63,268	-
Total revenues	<u>10,000</u>	<u>234,396</u>	<u>224,396</u>	<u>161,461</u>
<b>Expenditures:</b>				
General government	1,510,000	600,000	910,000	-
Economic and physical development	1,500,000	33,873	1,466,127	18,085
Cultural and recreational	<u>1,000,000</u>	-	<u>1,000,000</u>	-
Total expenditures	<u>4,010,000</u>	<u>633,873</u>	<u>3,376,127</u>	<u>18,085</u>
Revenues over (under) expenditures	(4,000,000)	(399,477)	3,600,523	143,376
Appropriated fund balance	<u>4,000,000</u>	-	<u>(4,000,000)</u>	-
Net change in fund balance	<u>\$ -</u>	<u>(399,477)</u>	<u>\$ (399,477)</u>	143,376
<b>Fund Balance:</b>				
Fund balance, beginning		<u>4,998,370</u>		<u>4,854,994</u>
Fund balance, ending		<u>\$ 4,598,893</u>		<u>\$ 4,998,370</u>

## 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, 2025

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 63,634	\$ 63,634	\$ 26,881
<b>Expenditures:</b>				
Economic and physical development	814,748	225,174	589,574	462,956
Revenues over (under) expenditures	(814,748)	(161,540)	653,208	(436,075)
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General Fund	650,000	841,939	191,939	939,859
Appropriated fund balance	164,748	-	(164,748)	-
Net change in fund balance	\$ -	680,399	\$ 680,399	503,784
<b>Fund Balance:</b>				
Fund balance, beginning		1,341,565		837,781
Fund balance, ending		\$ 2,021,964		\$ 1,341,565

## 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, 2025**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 45,458	\$ 45,458	\$ -
<b>Expenditures:</b>				
Economic and physical development	989,546	67,500	922,046	-
Revenues over (under) expenditures	(989,546)	(22,042)	967,504	-
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds				
General Fund	314,546	506,485	191,939	615,635
Appropriated fund balance	675,000	-	(675,000)	-
Net change in fund balance	\$ -	484,443	\$ 484,443	615,635
<b>Fund Balance:</b>				
Fund balance, beginning		1,584,188		968,553
Fund balance, ending		\$ 2,068,631		\$ 1,584,188

## 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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 2,000	\$ 47,188	\$ 45,188	\$ 37,150
Other general revenues	260,000	260,000	-	245,000
Total revenues	<u>262,000</u>	<u>307,188</u>	<u>45,188</u>	<u>282,150</u>
<b>Expenditures:</b>				
Public safety	<u>262,000</u>	<u>146,067</u>	<u>115,933</u>	<u>151,301</u>
Net change in fund balance	<u>\$ -</u>	<u>161,121</u>	<u>\$ 161,121</u>	<u>130,849</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>1,198,175</u>		<u>1,067,326</u>
Fund balance, ending		<u>\$ 1,359,296</u>		<u>\$ 1,198,175</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
Lottery proceeds	\$ 150,000	\$ 736,475	\$ 586,475	\$ 638,700
Investment earnings	125,000	1,853,346	1,728,346	1,413,108
Total revenues	<u>275,000</u>	<u>2,589,821</u>	<u>2,314,821</u>	<u>2,051,808</u>
Revenues over (under) expenditures	<u>275,000</u>	<u>2,589,821</u>	<u>2,314,821</u>	<u>2,051,808</u>
<b>Other Financing Sources (Uses):</b>				
Transfer from other funds				
General Fund	17,665,914	17,665,914	-	16,940,242
Facility project	-	3,801,246	3,801,246	-
School construction project	-	1,981,535	1,981,535	-
Total transfers from other funds	<u>17,665,914</u>	<u>23,448,695</u>	<u>5,782,781</u>	<u>16,940,242</u>
Transfers (to) other funds:				
General Fund	(17,940,914)	(16,367,045)	1,573,869	(17,073,716)
County wide park project	-	-	-	(70,038)
Total transfers (to) other funds	<u>(17,940,914)</u>	<u>(16,367,045)</u>	<u>1,573,869</u>	<u>(17,143,754)</u>
Total other financing sources (uses)	<u>(275,000)</u>	<u>7,081,650</u>	<u>7,356,650</u>	<u>(203,512)</u>
Net change in fund balance	<u>\$ -</u>	<u>9,671,471</u>	<u>\$ 9,671,471</u>	<u>1,848,296</u>
<b>Fund Balance:</b>				
Fund balance, beginning		44,839,591		42,991,295
Fund balance, ending		<u>\$ 54,511,062</u>		<u>\$ 44,839,591</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, 2025

	Project Budget	Actual		Variance Over/Under	
		Prior Years	Current Year		Total
<b>Revenues:</b>					
Investment earnings	\$ 601,744	\$ 1,166,400	\$ 142,639	\$ 1,309,039	\$ 707,295
<b>Expenditures:</b>					
General government:					
Annex renovations	4,054,792	2,944,781	-	2,944,781	1,110,011
Public safety:					
Emergency communication improvements	21,071,146	18,795,081	1,931,038	20,726,119	345,027
Emergency operations center	24,233,330	23,015,418	248,710	23,264,128	969,202
EMS base	2,104,360	93,450	2,310	95,760	2,008,600
Hydrant replacement	1,000,000	-	27,907	27,907	972,093
Detention center generator	627,738	-	104,591	104,591	523,147
Jail cell blocks	2,800,000	-	-	-	2,800,000
Total public safety	51,836,574	41,903,949	2,314,556	44,218,505	7,618,069
Human services:					
Siler City Center for Active Living renovation	500,000	-	-	-	500,000
Cultural and recreational:					
Goldston library renovation	600,000	-	-	-	600,000
Total county facility construction	56,991,366	44,848,730	2,314,556	47,163,286	9,828,080
Other:					
Education:					
Health sciences building	8,497,362	10,834,555	-	10,834,555	(2,337,193)
Total expenditures	65,488,728	55,683,285	2,314,556	57,997,841	7,490,887
Revenues over (under) expenditures	(64,886,984)	(54,516,885)	(2,171,917)	(56,688,802)	8,198,182
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds:					
General Fund	6,052,990	4,952,990	-	4,952,990	(1,100,000)
Capital reserve	5,850,166	1,907,352	185,942	2,093,294	(3,756,872)
ARPA Fund	1,000,000	-	27,907	27,907	(972,093)
Capital improvement project reserve	2,653,590	7,151,791	-	7,151,791	4,498,201
Total transfers from other funds	15,556,746	14,012,133	213,849	14,225,982	(1,330,764)
Transfers (to) other funds:					
Capital reserve	(1,970,100)	(1,961,889)	(8,210)	(1,970,099)	1
Capital improvement project reserve	(3,801,246)	-	(3,801,246)	(3,801,246)	-
Total transfer (to) other funds	(5,771,346)	(1,961,889)	(3,809,456)	(5,771,345)	1
Total transfers from (to) other funds	9,785,400	12,050,244	(3,595,607)	8,454,637	(1,330,763)
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)	64,886,984	68,526,698	(3,595,607)	64,931,091	44,107
Net change in fund balance	\$ -	\$ 14,009,813	\$ (5,767,524)	\$ 8,242,289	\$ 8,242,289

## 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, 2025

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Intergovernmental:					
State grants	\$ -	\$ 573,683	\$ -	\$ 573,683	\$ 573,683
Investment earnings	-	7,462	-	7,462	7,462
Total revenues	-	581,145	-	581,145	581,145
<b>Expenditures:</b>					
Education:					
Construction:					
Chatham Grove Elementary School	32,506,913	32,433,176	(168)	32,433,008	73,905
Margaret Pollard Middle School	2,000,000	-	-	-	2,000,000
Total construction	34,506,913	32,433,176	(168)	32,433,008	2,073,905
Facility improvements:					
Mobile classrooms	1,331,695	239,512	-	239,512	1,092,183
Track resurfacing	474,480	415,609	-	415,609	58,871
HVAC	2,000,000	-	115,088	115,088	1,884,912
Total facility improvements	3,806,175	655,121	115,088	770,209	3,035,966
Total expenditures	38,313,088	33,088,297	114,920	33,203,217	5,109,871
Revenues over (under) expenditures	(38,313,088)	(32,507,152)	(114,920)	(32,622,072)	5,691,016
<b>Other Financing Sources (Uses):</b>					
Transfers from (to) other funds:					
Transfers from other funds:					
Capital improvement project reserve	5,828,519	4,071,832	-	4,071,832	(1,756,687)
Capital reserve	2,000,000	897,419	115,088	1,012,507	(987,493)
Transfer to other funds:					
CIP debt reserve	(4,003,878)	(2,022,343)	(1,981,535)	(4,003,878)	-
Total transfers from (to) other funds	3,824,641	2,946,908	(1,866,447)	1,080,461	(2,744,180)
Issuance of debt:					
Limited obligation bonds issued	30,788,529	25,103,222	-	25,103,222	(5,685,307)
Premium on borrowing	3,699,918	6,438,391	-	6,438,391	2,738,473
Total debt issued	34,488,447	31,541,613	-	31,541,613	(2,946,834)
Total other financing sources (uses)	38,313,088	34,488,521	(1,866,447)	32,622,074	(5,691,014)
Net change in fund balance	\$ -	\$ 1,981,369	\$ (1,981,367)	\$ 2	\$ 2

## 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, 2025

	Project Budget	Actual		Variance Over/Under	
		Prior Years	Current Year		Total
<b>Revenues:</b>					
Restricted intergovernmental	\$ 14,464,924	\$ 10,339,297	\$ 1,023,516	\$ 11,362,813	\$ (3,102,111)
Investment earnings	-	-	174,931	174,931	174,931
Total revenues	<u>14,464,924</u>	<u>10,339,297</u>	<u>1,198,447</u>	<u>11,537,744</u>	<u>(2,927,180)</u>
<b>Expenditures:</b>					
Public safety	<u>613,915</u>	<u>271,564</u>	<u>104,386</u>	<u>375,950</u>	<u>237,965</u>
Revenues over (under) expenditures	<u>13,851,009</u>	<u>10,067,733</u>	<u>1,094,061</u>	<u>11,161,794</u>	<u>(2,689,215)</u>
<b>Other Financing Sources (Uses):</b>					
Transfer (to) other funds:					
General Fund	(10,851,009)	(10,067,733)	(776,135)	(10,843,868)	7,141
Capital Projects:					
Facilities improvement	(1,000,000)	-	(27,907)	(27,907)	972,093
School construction project	<u>(2,000,000)</u>	<u>-</u>	<u>(115,088)</u>	<u>(115,088)</u>	<u>1,884,912</u>
Total	<u>(13,851,009)</u>	<u>(10,067,733)</u>	<u>(919,130)</u>	<u>(10,986,863)</u>	<u>2,864,146</u>
Total other financing sources (uses)	<u>(13,851,009)</u>	<u>(10,067,733)</u>	<u>(919,130)</u>	<u>(10,986,863)</u>	<u>2,864,146</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,931</u>	<u>\$ 174,931</u>	<u>\$ 174,931</u>

## CHATHAM COUNTY, NORTH CAROLINA

MAJOR - OPIOID SETTLEMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2025

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Restricted intergovernmental	\$ 2,907,865	\$ 1,175,217	\$ 1,212,335	\$ 2,387,552	\$ (520,313)
Investment earnings	-	31,644	48,047	79,691	79,691
Total revenues	<u>2,907,865</u>	<u>1,206,861</u>	<u>1,260,382</u>	<u>2,467,243</u>	<u>(440,622)</u>
<b>Expenditures:</b>					
Human services	<u>2,907,865</u>	<u>163,293</u>	<u>196,919</u>	<u>360,212</u>	<u>2,547,653</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 1,043,568</u>	<u>\$ 1,063,463</u>	<u>\$ 2,107,031</u>	<u>\$ 2,107,031</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 60,000	\$ 1,094,144	\$ 1,034,144	\$ 953,852
Revenues over (under) expenditures	60,000	1,094,144	1,034,144	953,852
<b>Other Financing Sources (Uses):</b>				
Transfers from other funds:				
General Fund	3,738,336	3,504,952	(233,384)	4,132,639
Capital Projects:				
Tech/Improvement project	-	152,538	152,538	(849,933)
Facilities improvement	-	8,210	8,210	-
Total transfers from other funds	3,738,336	3,665,700	(72,636)	3,282,706
Transfers to other funds:				
Enterprise Fund	(4,999)	(4,999)	-	-
Capital Projects:				
Facilities improvement	(4,277,989)	(185,942)	4,092,047	(1,833,300)
Park project	(217,012)	(217,012)	-	-
School construction project	(1,500,000)	-	1,500,000	(598,448)
Total transfers to other funds	(6,000,000)	(407,953)	5,592,047	(2,431,748)
Total transfers to (from) other funds	(2,261,664)	3,257,747	5,519,411	850,958
Appropriated fund balance	2,201,664	-	(2,201,664)	-
Net change in fund balance	\$ -	4,351,891	\$ 4,351,891	1,804,810
<b>Fund Balance:</b>				
Fund balance, beginning		26,948,296		25,143,486
Fund balance, ending		\$ 31,300,187		\$ 26,948,296

**NONMAJOR GOVERNMENTAL FUNDS**

## CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2025**

	<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	\$ 10,206,836	\$ 2,814,985	\$ 13,021,821
Property taxes receivable, net of allowance	149,953	-	149,953
Due from other governmental agencies	183,048	-	183,048
Other receivables	51,797	529	52,326
Total assets	<u>\$ 10,591,634</u>	<u>\$ 2,815,514</u>	<u>\$ 13,407,148</u>
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	<u>\$ 41,136</u>	<u>\$ 90,302</u>	<u>\$ 131,438</u>
<b>Deferred Inflows of Resources:</b>			
Prepaid taxes	70	-	70
Taxes receivable	<u>149,953</u>	<u>-</u>	<u>149,953</u>
Total deferred inflows of resources	<u>150,023</u>	<u>-</u>	<u>150,023</u>
<b>Fund Balances:</b>			
Restricted:			
Stabilization by state statute	234,845	529	235,374
Courthouse clock	77,994	-	77,994
Emergency telephone	251,432	-	251,432
Human Services	115,666	-	115,666
Fire protection	736,656	-	736,656
Law enforcement	448,334	-	448,334
Economic and physical development	16,446	-	16,446
Committed:			
Education	6,710,418	-	6,710,418
Cultural and recreation	1,823,890	2,585,688	4,409,578
Public safety	-	138,995	138,995
Unassigned	<u>(15,206)</u>	<u>-</u>	<u>(15,206)</u>
Total fund balances	<u>10,400,475</u>	<u>2,725,212</u>	<u>13,125,687</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 10,591,634</u>	<u>\$ 2,815,514</u>	<u>\$ 13,407,148</u>

## CHATHAM COUNTY, NORTH CAROLINA

**NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 16,023,219	\$ -	\$ 16,023,219
Restricted intergovernmental	1,021,689	-	1,021,689
Permits and fees	1,699,240	-	1,699,240
Investment earnings	450,963	5,016	455,979
Other general revenues	1,000	-	1,000
Total revenues	<u>19,196,111</u>	<u>5,016</u>	<u>19,201,127</u>
<b>Expenditures:</b>			
General government	-	625,817	625,817
Public safety	16,428,342	-	16,428,342
Human services	223,960	-	223,960
Cultural and recreational	-	689,138	689,138
Education	276,312	-	276,312
Total expenditures	<u>16,928,614</u>	<u>1,314,955</u>	<u>18,243,569</u>
Revenues over (under) expenditures	<u>2,267,497</u>	<u>(1,309,939)</u>	<u>957,558</u>
<b>Other Financing Sources (Uses):</b>			
Transfers from other funds	-	950,579	950,579
Transfers (to) other funds	<u>(3,744,385)</u>	<u>(152,538)</u>	<u>(3,896,923)</u>
Total	<u>(3,744,385)</u>	<u>798,041</u>	<u>(2,946,344)</u>
Net change in fund balances	(1,476,888)	(511,898)	(1,988,786)
<b>Fund Balances:</b>			
Fund balances, beginning	<u>11,877,363</u>	<u>3,237,110</u>	<u>15,114,473</u>
Fund balances, ending	<u>\$ 10,400,475</u>	<u>\$ 2,725,212</u>	<u>\$ 13,125,687</u>

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## 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, 2025

	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	\$ 252,563	\$ 448,334	\$ 6,710,418	\$ 1,808,589	\$ 16,446	\$ 77,994
Property taxes receivable, net	-	-	-	-	-	-
Due from other governmental agencies	37,674	-	-	-	-	-
Other receivables	900	1,736	38,348	7,962	63	297
Total assets	<u>\$ 291,137</u>	<u>\$ 450,070</u>	<u>\$ 6,748,766</u>	<u>\$ 1,816,551</u>	<u>\$ 16,509</u>	<u>\$ 78,291</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 1,131	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>						
Prepaid taxes	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
<b>Fund Balances:</b>						
Restricted:						
Stabilization by state statute	38,574	1,736	38,348	7,962	63	297
Courthouse clock	-	-	-	-	-	77,994
Emergency telephone	251,432	-	-	-	-	-
Economic and physical development	-	-	-	-	16,446	-
Health services	-	-	-	-	-	-
Fire protection	-	-	-	-	-	-
Law enforcement	-	448,334	-	-	-	-
Committed:						
Education	-	-	6,710,418	-	-	-
Cultural and recreation	-	-	-	1,808,589	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>290,006</u>	<u>450,070</u>	<u>6,748,766</u>	<u>1,816,551</u>	<u>16,509</u>	<u>78,291</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 291,137</u>	<u>\$ 450,070</u>	<u>\$ 6,748,766</u>	<u>\$ 1,816,551</u>	<u>\$ 16,509</u>	<u>\$ 78,291</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUNDS - NONMAJOR FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2025

	<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	\$ 15,301	\$ 747,019	\$ 115,666	\$ 14,506	\$ 10,206,836
Property taxes receivable, net	-	149,953	-	-	149,953
Due from other governmental agencies	-	130,168	-	15,206	183,048
Other receivables	58	2,433	-	-	51,797
Total assets	<u>\$ 15,359</u>	<u>\$ 1,029,573</u>	<u>\$ 115,666</u>	<u>\$ 29,712</u>	<u>\$ 10,591,634</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 10,293	\$ -	\$ 29,712	\$ 41,136
<b>Deferred Inflows of Resources:</b>					
Prepaid taxes	-	70	-	-	70
Taxes receivable	-	149,953	-	-	149,953
Total deferred inflows of resources	<u>-</u>	<u>150,023</u>	<u>-</u>	<u>-</u>	<u>150,023</u>
<b>Fund Balances:</b>					
Restricted:					
Stabilization by state statute	58	132,601	-	15,206	234,845
Courthouse clock	-	-	-	-	77,994
Emergency telephone	-	-	-	-	251,432
Economic and physical development	-	-	-	-	16,446
Health services	-	-	115,666	-	115,666
Fire protection	-	736,656	-	-	736,656
Law enforcement	-	-	-	-	448,334
Committed:					
Education	-	-	-	-	6,710,418
Cultural and recreation	15,301	-	-	-	1,823,890
Unassigned	-	-	-	(15,206)	(15,206)
Total fund balances	<u>15,359</u>	<u>869,257</u>	<u>115,666</u>	<u>-</u>	<u>10,400,475</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 15,359</u>	<u>\$ 1,029,573</u>	<u>\$ 115,666</u>	<u>\$ 29,712</u>	<u>\$ 10,591,634</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, 2025

	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	452,086	92,997	-	-	-	-
Permits and fees	-	-	1,611,100	88,140	-	-
Investment earnings	10,017	15,780	319,838	73,342	593	2,814
Other general revenues	-	-	-	-	-	-
Total revenues	<u>462,103</u>	<u>108,777</u>	<u>1,930,938</u>	<u>161,482</u>	<u>593</u>	<u>2,814</u>
<b>Expenditures:</b>						
Public safety	590,413	75,589	-	-	-	-
Human services	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>590,413</u>	<u>75,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	(128,310)	33,188	1,930,938	161,482	593	2,814
<b>Other Financing Sources (Uses):</b>						
Transfers (to) other funds	-	-	(3,436,973)	(307,412)	-	-
Net change in fund balances	(128,310)	33,188	(1,506,035)	(145,930)	593	2,814
<b>Fund Balances:</b>						
Fund balances, beginning	<u>418,316</u>	<u>416,882</u>	<u>8,254,801</u>	<u>1,962,481</u>	<u>15,916</u>	<u>75,477</u>
Fund balances, ending	<u>\$ 290,006</u>	<u>\$ 450,070</u>	<u>\$ 6,748,766</u>	<u>\$ 1,816,551</u>	<u>\$ 16,509</u>	<u>\$ 78,291</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, 2025

	<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	\$ -	\$ 16,023,219	\$ -	\$ -	\$ 16,023,219
Restricted intergovernmental	-	-	220,969	255,637	1,021,689
Permits and fees	-	-	-	-	1,699,240
Investment earnings	528	28,051	-	-	450,963
Other general revenues	1,000	-	-	-	1,000
Total revenues	<u>1,528</u>	<u>16,051,270</u>	<u>220,969</u>	<u>255,637</u>	<u>19,196,111</u>
<b>Expenditures:</b>					
Public safety	-	15,762,340	-	-	16,428,342
Human services	-	-	223,960	-	223,960
Education	-	-	-	276,312	276,312
Total expenditures	<u>-</u>	<u>15,762,340</u>	<u>223,960</u>	<u>276,312</u>	<u>16,928,614</u>
Revenues over (under) expenditures	1,528	288,930	(2,991)	(20,675)	2,267,497
<b>Other Financing Sources (Uses):</b>					
Transfers (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,744,385)</u>
Net change in fund balances	1,528	288,930	(2,991)	(20,675)	(1,476,888)
<b>Fund Balances:</b>					
Fund balances, beginning	<u>13,831</u>	<u>580,327</u>	<u>118,657</u>	<u>20,675</u>	<u>11,877,363</u>
Fund balances, ending	<u>\$ 15,359</u>	<u>\$ 869,257</u>	<u>\$ 115,666</u>	<u>\$ -</u>	<u>\$ 10,400,475</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental:				
E-911 telephone grant	\$ -	\$ -	\$ -	\$ (196,690)
Service fee collections	452,085	452,086	1	537,320
Investment earnings	1,000	10,017	9,017	12,528
Total revenues	<u>453,085</u>	<u>462,103</u>	<u>9,018</u>	<u>353,158</u>
<b>Expenditures:</b>				
Public safety:	<u>612,820</u>	<u>590,413</u>	<u>22,407</u>	<u>345,316</u>
Revenues over (under) expenditures	<u>(159,735)</u>	<u>(128,310)</u>	<u>31,425</u>	<u>7,842</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
General Fund	-	-	-	(17,338)
Appropriated fund balance	<u>159,735</u>	<u>-</u>	<u>(159,735)</u>	<u>-</u>
Total other financing sources (uses)	<u>159,735</u>	<u>-</u>	<u>(159,735)</u>	<u>(17,338)</u>
Net change in fund balance	<u>\$ -</u>	<u>(128,310)</u>	<u>\$ (128,310)</u>	<u>(9,496)</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>418,316</u>		<u>427,812</u>
Fund balance, ending		<u>\$ 290,006</u>		<u>\$ 418,316</u>

## 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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Controlled Substance:</b>				
<b>Revenues:</b>				
Controlled substance tax	\$ -	\$ 16,365	\$ 16,365	\$ 8,317
Investment earnings	-	3,240	3,240	3,772
Total revenues	-	19,605	19,605	12,089
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	80,000	36,634	43,366	22,808
Revenues over (under) expenditures	(80,000)	(17,029)	62,971	(10,719)
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	80,000	-	(80,000)	-
Net change in fund balance	\$ -	(17,029)	\$ (17,029)	(10,719)
<b>Fund Balance:</b>				
Fund balance, beginning		139,248		149,967
Fund balance, ending		\$ 122,219		\$ 139,248
<b>Drug Forfeiture:</b>				
<b>Revenues:</b>				
Drug forfeiture	\$ -	\$ 76,632	\$ 76,632	\$ 171,899
Investment earnings	1,000	12,540	11,540	7,658
Total revenues	1,000	89,172	88,172	179,557
<b>Expenditures:</b>				
Public safety:				
Operating expenditures	101,000	38,955	62,045	52,901
Revenues over (under) expenditures	(100,000)	50,217	150,217	126,656
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	100,000	-	(100,000)	-
Net change in fund balance	\$ -	50,217	\$ 50,217	126,656
<b>Fund Balance:</b>				
Fund balance, beginning		277,634		150,978
Fund balance, ending		\$ 327,851		\$ 277,634
Total fund balance - controlled substance/drug forfeiture		\$ 450,070		\$ 416,882

## 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, 2025  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2024

	2025		2024	
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Permits and fees	\$ 278,000	\$ 88,140	\$ (189,860)	\$ 234,334
Investment earnings	3,000	73,342	70,342	66,982
Total revenues	<u>281,000</u>	<u>161,482</u>	<u>(119,518)</u>	<u>301,316</u>
<b>Expenditures:</b>				
Cultural and recreational	<u>203,588</u>	<u>-</u>	<u>203,588</u>	<u>-</u>
Revenues over (under) expenditures	<u>77,412</u>	<u>161,482</u>	<u>84,070</u>	<u>301,316</u>
<b>Other Financing Sources (Uses):</b>				
Transfer to other funds:				
General fund	(73,835)	(73,835)	-	-
County-Wide Park project	(233,577)	(233,577)	-	(216,850)
Appropriated fund balance	<u>230,000</u>	<u>-</u>	<u>(230,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(77,412)</u>	<u>(307,412)</u>	<u>(230,000)</u>	<u>(216,850)</u>
Net change in fund balance	<u>\$ -</u>	<u>(145,930)</u>	<u>\$ (145,930)</u>	<u>84,466</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>1,962,481</u>		<u>1,878,015</u>
Fund balance, ending		<u>\$ 1,816,551</u>		<u>\$ 1,962,481</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024**

	2025			2024
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 50	\$ 593	\$ 543	\$ 507
<b>Expenditures:</b>				
Cultural and recreational	<u>8,575</u>	<u>-</u>	<u>8,575</u>	<u>-</u>
Revenues over (under) expenditures	(8,525)	593	9,118	507
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>8,525</u>	<u>-</u>	<u>(8,525)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>593</u>	<u>\$ 593</u>	<u>507</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>15,916</u>		<u>15,409</u>
Fund balance, ending		<u>\$ 16,509</u>		<u>\$ 15,916</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, 2025

## WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Restricted intergovernmental				
Permits and fees	\$ 2,850,000	\$ 1,611,100	\$ (1,238,900)	\$ 2,004,900
Investment earnings	<u>30,000</u>	<u>319,838</u>	<u>289,838</u>	<u>315,223</u>
Total revenues	<u>2,880,000</u>	<u>1,930,938</u>	<u>(949,062)</u>	<u>2,320,123</u>
<b>Expenditures:</b>				
Education	<u>673,200</u>	<u>-</u>	<u>673,200</u>	<u>-</u>
Revenues over (under) expenditures	<u>2,206,800</u>	<u>1,930,938</u>	<u>(275,862)</u>	<u>2,320,123</u>
<b>Other Financing Sources (Uses):</b>				
Transfers from (to) other funds:				
General Fund	(3,788,100)	(3,436,973)	351,127	(2,603,131)
Appropriated fund balance	<u>1,581,300</u>	<u>-</u>	<u>(1,581,300)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,206,800)</u>	<u>(3,436,973)</u>	<u>(1,230,173)</u>	<u>(2,603,131)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,506,035)</u>	<u>\$ (1,506,035)</u>	<u>(283,008)</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>8,254,801</u>		<u>8,537,809</u>
Fund balance, ending		<u>\$ 6,748,766</u>		<u>\$ 8,254,801</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ -	\$ 2,814	\$ 2,814	\$ 2,403
<b>Expenditures:</b>				
General government	<u>65,000</u>	<u>-</u>	<u>65,000</u>	<u>-</u>
Revenues over (under) expenditures	(65,000)	2,814	67,814	2,403
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>65,000</u>	<u>-</u>	<u>(65,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	2,814	<u>\$ 2,814</u>	2,403
<b>Fund Balance:</b>				
Fund balance, beginning		<u>75,477</u>		<u>73,074</u>
Fund balance, ending		<u>\$ 78,291</u>		<u>\$ 75,477</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, 2025**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2024**

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 50	\$ 528	\$ 478	\$ 440
Other general revenues	-	1,000	1,000	-
Total revenues	<u>50</u>	<u>1,528</u>	<u>1,478</u>	<u>440</u>
<b>Expenditures:</b>				
Cultural and recreational	<u>10,700</u>	<u>-</u>	<u>10,700</u>	<u>-</u>
Revenues over (under) expenditures	(10,650)	1,528	12,178	440
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>10,650</u>	<u>-</u>	<u>(10,650)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>1,528</u>	<u>\$ 1,528</u>	<u>440</u>
<b>Fund Balance:</b>				
Fund balance, beginning		<u>13,831</u>		<u>13,391</u>
Fund balance, ending		<u>\$ 15,359</u>		<u>\$ 13,831</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, 2025  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 400,000	\$ 220,969	\$ (179,031)	\$ 225,800
<b>Expenditures:</b>				
Human services	<u>400,000</u>	<u>223,960</u>	<u>176,040</u>	<u>220,070</u>
Net change in fund balance	<u>\$ -</u>	<u>(2,991)</u>	<u>\$ (2,991)</u>	5,730
<b>Fund Balance:</b>				
Fund balances, beginning		<u>118,657</u>		<u>112,927</u>
Fund balances, ending		<u>\$ 115,666</u>		<u>\$ 118,657</u>

## CHATHAM COUNTY, NORTH CAROLINA

**FINES AND FORFEITURES**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2025**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR**  
**THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>2025</u>			<u>2024</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Restricted intergovernmental	\$ 272,900	\$ 255,637	\$ (17,263)	\$ 277,365
<b>Expenditures:</b>				
Education	<u>293,575</u>	<u>276,312</u>	<u>17,263</u>	<u>277,365</u>
Revenues over (under) expenditures	(20,675)	(20,675)	-	-
<b>Other Financing Sources (Uses):</b>				
Appropriated fund balance	<u>20,675</u>	<u>-</u>	<u>20,675</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(20,675)</u>	<u>\$ 20,675</u>	<u>-</u>
<b>Fund Balance:</b>				
Fund balances, beginning		<u>20,675</u>		<u>20,675</u>
Fund balances, ending		<u>\$ -</u>		<u>\$ 20,675</u>

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CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2025

	<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	\$ 747,019	\$ 22,347	\$ 19,409	\$ 19,847	\$ 92,283	\$ 87,570	\$ 20,201
Property taxes receivable, net	149,953	1,553	3,113	10,556	17,967	22,769	8,656
Due from other governments	130,168	2,214	4,578	2,946	6,377	19,060	4,048
Other receivables	2,433	76	67	56	320	269	60
Total assets	<u>\$ 1,029,573</u>	<u>\$ 26,190</u>	<u>\$ 27,167</u>	<u>\$ 33,405</u>	<u>\$ 116,947</u>	<u>\$ 129,668</u>	<u>\$ 32,965</u>
<b>Deferred Inflows of Resources, and Fund Balances:</b>							
<b>Liabilities:</b>							
Accounts payable and accrued liabilities	\$ 10,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Deferred Inflows of Resources:</b>							
Property taxes receivable	149,953	1,553	3,113	10,556	17,967	22,769	8,656
Prepaid taxes	70	-	-	-	-	-	-
Total deferred inflows of resources	<u>150,023</u>	<u>1,553</u>	<u>3,113</u>	<u>10,556</u>	<u>17,967</u>	<u>22,769</u>	<u>8,656</u>
<b>Fund Balances:</b>							
Restricted:							
Stabilization by state statute	132,601	2,290	4,645	3,002	6,697	19,329	4,108
Fire protection	736,656	22,347	19,409	19,847	92,283	87,570	20,201
Total fund balances	<u>869,257</u>	<u>24,637</u>	<u>24,054</u>	<u>22,849</u>	<u>98,980</u>	<u>106,899</u>	<u>24,309</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,029,573</u>	<u>\$ 26,190</u>	<u>\$ 27,167</u>	<u>\$ 33,405</u>	<u>\$ 116,947</u>	<u>\$ 129,668</u>	<u>\$ 32,965</u>

CHATHAM COUNTY, NORTH CAROLINA

SPECIAL FIRE DISTRICTS  
COMBINING BALANCE SHEET  
JUNE 30, 2025

	Hope	Moncure	North Chatham	Parkwood	Staley	Northview
<b>Assets:</b>						
Cash, cash equivalents, and investments	\$ 60,213	\$ 6,599	\$ 370,169	\$ 47,244	\$ 610	\$ 527
Property taxes receivable, net	10,385	30,619	39,481	2,852	1,444	558
Due from other governments	7,862	6,505	72,052	2,715	1,239	572
Other receivables	195	45	1,166	172	5	2
Total assets	<u>\$ 78,655</u>	<u>\$ 43,768</u>	<u>\$ 482,868</u>	<u>\$ 52,983</u>	<u>\$ 3,298</u>	<u>\$ 1,659</u>
<b>Deferred Inflows of Resources, and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ -	\$ 8,743	\$ -	\$ -	\$ 1,550	\$ -
<b>Deferred Inflows of Resources:</b>						
Property taxes receivable	10,385	30,619	39,481	2,852	1,444	558
Prepaid taxes	-	-	70	-	-	-
Total deferred inflows of resources	<u>10,385</u>	<u>30,619</u>	<u>39,551</u>	<u>2,852</u>	<u>1,444</u>	<u>558</u>
<b>Fund Balances:</b>						
Restricted:						
Stabilization by state statute	8,057	6,550	73,218	2,887	1,244	574
Fire protection	60,213	(2,144)	370,099	47,244	(940)	527
Total fund balances	<u>68,270</u>	<u>4,406</u>	<u>443,317</u>	<u>50,131</u>	<u>304</u>	<u>1,101</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 78,655</u>	<u>\$ 43,768</u>	<u>\$ 482,868</u>	<u>\$ 52,983</u>	<u>\$ 3,298</u>	<u>\$ 1,659</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, 2025

	<u>Combined Special Fire Districts</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 15,542,305	\$ 16,023,219	\$ 480,914
Investment earnings	-	28,051	28,051
Total revenues	<u>15,542,305</u>	<u>16,051,270</u>	<u>508,965</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	15,636,712	15,617,343	19,369
Commissions	<u>167,639</u>	<u>144,997</u>	<u>22,642</u>
Total expenditures	<u>15,804,351</u>	<u>15,762,340</u>	<u>42,011</u>
Revenues over (under) expenditures	(262,046)	288,930	550,976
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>262,046</u>	-	<u>(262,046)</u>
Net change in fund balance	<u>\$ -</u>	288,930	<u>\$ 288,930</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>580,327</u>	
Fund balance, ending		<u>\$ 869,257</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, 2025

	<b>Bells Annex Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 236,820	\$ 243,270	\$ 6,450
Investment earnings	-	710	710
Total revenues	<u>236,820</u>	<u>243,980</u>	<u>7,160</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	234,236	234,236	-
Commissions	<u>2,584</u>	<u>2,189</u>	<u>395</u>
Total expenditures	<u>236,820</u>	<u>236,425</u>	<u>395</u>
Revenues over (under) expenditures	-	7,555	7,555
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>7,555</u>	<u>\$ 7,555</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>17,082</u>	
Fund balance, ending		<u>\$ 24,637</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, 2025

	<b>Bennett Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 202,729	\$ 214,855	\$ 12,126
Investment earnings	-	636	636
Total revenues	<u>202,729</u>	<u>215,491</u>	<u>12,762</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	205,245	205,245	-
Commissions	<u>2,376</u>	<u>1,722</u>	<u>654</u>
Total expenditures	<u>207,621</u>	<u>206,967</u>	<u>654</u>
Revenues over (under) expenditures	(4,892)	8,524	13,416
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>4,892</u>	-	<u>(4,892)</u>
Net change in fund balance	<u>\$ -</u>	8,524	<u>\$ 8,524</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>15,530</u>	
Fund balance, ending		<u>\$ 24,054</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, 2025

	<b>Bonlee Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 282,226	\$ 293,833	\$ 11,607
Investment earnings	-	789	789
Total revenues	<u>282,226</u>	<u>294,622</u>	<u>12,396</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	292,569	292,569	-
Commissions	<u>3,143</u>	<u>2,546</u>	<u>597</u>
Total expenditures	<u>295,712</u>	<u>295,115</u>	<u>597</u>
Revenues over (under) expenditures	(13,486)	(493)	12,993
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>13,486</u>	-	<u>(13,486)</u>
Net change in fund balance	<u>\$ -</u>	(493)	<u>\$ (493)</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>23,342</u>	
Fund balance, ending		<u>\$ 22,849</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, 2025

	<u>Central Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 527,013	\$ 579,065	\$ 52,052
Investment earnings	-	2,364	2,364
Total revenues	<u>527,013</u>	<u>581,429</u>	<u>54,416</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	528,081	528,081	-
Commissions	<u>5,942</u>	<u>4,991</u>	<u>951</u>
Total expenditures	<u>534,023</u>	<u>533,072</u>	<u>951</u>
Revenues over (under) expenditures	(7,010)	48,357	55,367
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>7,010</u>	-	<u>(7,010)</u>
Net change in fund balance	<u>\$ -</u>	48,357	<u>\$ 48,357</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>50,623</u>	
Fund balance, ending		<u>\$ 98,980</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, 2025

	<u>Circle City Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 2,142,297	\$ 2,209,403	\$ 67,106
Investment earnings	-	4,104	4,104
Total revenues	<u>2,142,297</u>	<u>2,213,507</u>	<u>71,210</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	2,183,262	2,183,262	-
Commissions	<u>23,182</u>	<u>20,015</u>	<u>3,167</u>
Total expenditures	<u>2,206,444</u>	<u>2,203,277</u>	<u>3,167</u>
Revenues over (under) expenditures	(64,147)	10,230	74,377
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>64,147</u>	-	<u>(64,147)</u>
Net change in fund balance	<u>\$ -</u>	10,230	<u>\$ 10,230</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>96,669</u>	
Fund balance, ending		<u>\$ 106,899</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, 2025

	<u>Goldston Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 399,509	\$ 414,425	\$ 14,916
Investment earnings	-	828	828
Total revenues	<u>399,509</u>	<u>415,253</u>	<u>15,744</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	407,897	407,897	-
Commissions	4,499	3,558	941
Total expenditures	<u>412,396</u>	<u>411,455</u>	<u>941</u>
Revenues over (under) expenditures	(12,887)	3,798	16,685
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>12,887</u>	-	<u>(12,887)</u>
Net change in fund balance	<u>\$ -</u>	3,798	<u>\$ 3,798</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>20,511</u>	
Fund balance, ending		<u>\$ 24,309</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, 2025

	<b>Hope Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 729,692	\$ 774,043	\$ 44,351
Investment earnings	-	1,602	1,602
Total revenues	<u>729,692</u>	<u>775,645</u>	<u>45,953</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	729,429	729,429	-
Commissions	8,096	6,844	1,252
Total expenditures	<u>737,525</u>	<u>736,273</u>	<u>1,252</u>
Revenues over (under) expenditures	(7,833)	39,372	47,205
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>7,833</u>	-	<u>(7,833)</u>
Net change in fund balance	<u>\$ -</u>	39,372	<u>\$ 39,372</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>28,898</u>	
Fund balance, ending		<u>\$ 68,270</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, 2025

	<u>Moncure Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 1,156,018	\$ 1,138,700	\$ (17,318)
Investment earnings	-	1,478	1,478
Total revenues	<u>1,156,018</u>	<u>1,140,178</u>	<u>(15,840)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	1,177,216	1,158,023	19,193
Commissions	<u>11,688</u>	<u>10,635</u>	<u>1,053</u>
Total expenditures	<u>1,188,904</u>	<u>1,168,658</u>	<u>20,246</u>
Revenues over (under) expenditures	(32,886)	(28,480)	4,406
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>32,886</u>	-	<u>(32,886)</u>
Net change in fund balance	<u>\$ -</u>	(28,480)	<u>\$ (28,480)</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>32,886</u>	
Fund balance, ending		<u>\$ 4,406</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, 2025

	<u>North Chatham Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 9,354,354	\$ 9,634,559	\$ 280,205
Investment earnings	-	13,348	13,348
Total revenues	<u>9,354,354</u>	<u>9,647,907</u>	<u>293,553</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	9,339,072	9,339,072	-
Commissions	<u>100,661</u>	<u>87,739</u>	<u>12,922</u>
Total expenditures	<u>9,439,733</u>	<u>9,426,811</u>	<u>12,922</u>
Revenues over (under) expenditures	(85,379)	221,096	306,475
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>85,379</u>	-	<u>(85,379)</u>
Net change in fund balance	<u>\$ -</u>	221,096	<u>\$ 221,096</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>222,221</u>	
Fund balance, ending		<u>\$ 443,317</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, 2025

	<u>Parkwood Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 402,122	\$ 411,769	\$ 9,647
Investment earnings	-	2,005	2,005
Total revenues	<u>402,122</u>	<u>413,774</u>	<u>11,652</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	427,421	427,421	-
Commissions	<u>4,277</u>	<u>3,826</u>	<u>451</u>
Total expenditures	<u>431,698</u>	<u>431,247</u>	<u>451</u>
Revenues over (under) expenditures	(29,576)	(17,473)	12,103
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>29,576</u>	<u>-</u>	<u>(29,576)</u>
Net change in fund balance	<u>\$ -</u>	<u>(17,473)</u>	<u>\$ (17,473)</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>67,604</u>	
Fund balance, ending		<u>\$ 50,131</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, 2025

	<u>Staley Fire District</u>		
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>
<b>Revenues:</b>			
Ad valorem taxes	\$ 66,425	\$ 66,285	\$ (140)
Investment earnings	-	109	109
Total revenues	<u>66,425</u>	<u>66,394</u>	<u>(31)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	68,534	68,358	176
Commissions	<u>711</u>	<u>552</u>	<u>159</u>
Total expenditures	<u>69,245</u>	<u>68,910</u>	<u>335</u>
Revenues over (under) expenditures	(2,820)	(2,516)	304
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>2,820</u>	-	<u>(2,820)</u>
Net change in fund balance	<u>\$ -</u>	(2,516)	<u>\$ (2,516)</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>2,820</u>	
Fund balance, ending		<u>\$ 304</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, 2025

	<b>Northview Fire District</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over/Under</b>
<b>Revenues:</b>			
Ad valorem taxes	\$ 43,100	\$ 43,012	\$ (88)
Investment earnings	-	78	78
Total revenues	<u>43,100</u>	<u>43,090</u>	<u>(10)</u>
<b>Expenditures:</b>			
Public safety:			
Fire protection contracts	43,750	43,750	-
Commissions	<u>480</u>	<u>380</u>	<u>100</u>
Total expenditures	<u>44,230</u>	<u>44,130</u>	<u>100</u>
Revenues over (under) expenditures	(1,130)	(1,040)	90
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	<u>1,130</u>	-	<u>(1,130)</u>
Net change in fund balance	<u>\$ -</u>	(1,040)	<u>\$ (1,040)</u>
<b>Fund Balances:</b>			
Fund balance, beginning		<u>2,141</u>	
Fund balance, ending		<u>\$ 1,101</u>	

## NONMAJOR CAPITAL PROJECT FUNDS

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

### Individual Fund Descriptions:

- **Emergency Vehicle Replacement Capital Reserve Project** – Accounts for the accumulation of funds to assist local rescue squads with the purchase of emergency vehicles.
- **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.
- **County-Wide Park Projects** – Accounts for the financing and construction of parks for the recreational use of residents of the County.

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## CHATHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2025

	Emergency Vehicle Replacement Capital Reserve Project	Tech/System Improvements Projects	County-wide Park Projects	Total
<b>Assets:</b>				
Cash, cash equivalents, and investments	\$ 138,995	\$ -	\$ 2,675,990	\$ 2,814,985
Other receivables	529	-	-	529
Total assets	<u>\$ 139,524</u>	<u>\$ -</u>	<u>\$ 2,675,990</u>	<u>\$ 2,815,514</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,302</u>	<u>\$ 90,302</u>
<b>Fund Balances:</b>				
Restricted:				
Stabilization by state statute	529	-	-	529
Committed:				
Cultural and recreation	-	-	2,585,688	2,585,688
Public safety	138,995	-	-	138,995
Total fund balances	<u>139,524</u>	<u>-</u>	<u>2,585,688</u>	<u>2,725,212</u>
Total liabilities and fund balances	<u>\$ 139,524</u>	<u>\$ -</u>	<u>\$ 2,675,990</u>	<u>\$ 2,815,514</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, 2025**

	<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	\$ 5,016	\$ -	\$ -	\$ 5,016
<b>Expenditures:</b>				
General government	-	625,817	-	625,817
Cultural and recreational	-	-	689,138	689,138
Total expenditures	-	625,817	689,138	1,314,955
Revenues over (under) expenditures	5,016	(625,817)	(689,138)	(1,309,939)
<b>Other Financing Sources (Uses):</b>				
<b>Transfers:</b>				
Transfers from other funds	-	499,990	450,589	950,579
Transfers (to) other funds	-	(152,538)	-	(152,538)
Total other financing sources (uses)	-	347,452	450,589	798,041
Net change in fund balances	5,016	(278,365)	(238,549)	(511,898)
<b>Fund Balances:</b>				
Fund balances, beginning	134,508	278,365	2,824,237	3,237,110
Fund balances, ending	\$ 139,524	\$ -	\$ 2,585,688	\$ 2,725,212

## 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, 2025  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2024**

	2025		2024
	Final Budget	Actual	Variance Over/Under
			Actual
<b>Revenues:</b>			
Investment earnings	\$ -	\$ 5,016	\$ 5,016
			\$ 4,283
<b>Expenditures:</b>			
Public safety	50,000	-	50,000
			-
Revenues over (under) expenditures	(50,000)	5,016	55,016
			4,283
<b>Other Financing Sources (Uses):</b>			
Appropriated fund balance	50,000	-	(50,000)
			-
Net change in fund balance	<u>\$ -</u>	5,016	<u>\$ 5,016</u>
			4,283
<b>Fund Balance:</b>			
Fund balance, beginning		134,508	130,225
Fund balance, ending		<u>\$ 139,524</u>	<u>\$ 134,508</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, 2025

	<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>					
Intergovernmental:					
Federal/State grants	\$ 125,827	\$ 125,827	\$ -	\$ 125,827	\$ -
<b>Expenditures:</b>					
General government	<u>1,702,962</u>	<u>1,077,144</u>	<u>625,817</u>	<u>1,702,961</u>	<u>1</u>
Revenues over (under) expenditures	<u>(1,577,135)</u>	<u>(951,317)</u>	<u>(625,817)</u>	<u>(1,577,134)</u>	<u>1</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds:					
General fund	1,208,561	91,008	499,990	590,998	(617,563)
Capital reserve	<u>521,112</u>	<u>1,138,674</u>	<u>-</u>	<u>1,138,674</u>	<u>617,562</u>
Total transfers from other funds	<u>1,729,673</u>	<u>1,229,682</u>	<u>499,990</u>	<u>1,729,672</u>	<u>(1)</u>
Transfers (to) other funds:					
Capital reserve	<u>(152,538)</u>	<u>-</u>	<u>(152,538)</u>	<u>(152,538)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,577,135</u>	<u>1,229,682</u>	<u>347,452</u>	<u>1,577,134</u>	<u>(1)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 278,365</u>	<u>\$ (278,365)</u>	<u>\$ -</u>	<u>\$ -</u>

## CHATHAM COUNTY, NORTH CAROLINA

COUNTY-WIDE PARK PROJECTS  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
 FROM INCEPTION AND FOR THE FISCAL YEAR  
 ENDED JUNE 30, 2025

	Project Budget	Actual		Total	Variance Over/Under
		Prior Years	Current Year		
<b>Revenues:</b>					
Intergovernmental:					
State grants	\$ 449,739	\$ 150,000	\$ -	\$ 150,000	\$ (299,739)
<b>Expenditures:</b>					
Cultural and recreational:					
Northwest District Park Dam	314,765	70,038	103,612	173,650	141,115
Northeast District Park Dam	1,285,000	-	113,400	113,400	1,171,600
Briar Chapel	2,913,070	1,742,683	233,577	1,976,260	936,810
Parkers Ridge	6,001,885	200,763	238,549	439,312	5,562,573
Haw River Trail	125,000	-	-	-	125,000
Total expenditures	<u>10,639,720</u>	<u>2,013,484</u>	<u>689,138</u>	<u>2,702,622</u>	<u>7,937,098</u>
Revenues over (under) expenditures	<u>(10,189,981)</u>	<u>(1,863,484)</u>	<u>(689,138)</u>	<u>(2,552,622)</u>	<u>7,637,359</u>
<b>Other Financing Sources (Uses):</b>					
Transfers from other funds:					
General Fund	3,025,000	3,025,000	-	3,025,000	-
Recreation in lieu	2,763,331	1,592,683	233,577	1,826,260	(937,071)
Coal Ash Fund	1,000,000	-	-	-	(1,000,000)
Capital Improvement Project Reserve	3,401,650	70,038	217,012	287,050	(3,114,600)
Total transfers from other funds	<u>10,189,981</u>	<u>4,687,721</u>	<u>450,589</u>	<u>5,138,310</u>	<u>(5,051,671)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 2,824,237</u>	<u>\$ (238,549)</u>	<u>\$ 2,585,688</u>	<u>\$ 2,585,688</u>

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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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Water sales	\$ 8,930,233	\$ 5,674,425	\$ (3,255,808)	\$ 8,087,943
Sewer charges	21,500	17,402	(4,098)	15,415
Other operating revenues	109,357	109,849	492	109,357
Total operating revenues	<u>9,061,090</u>	<u>5,801,676</u>	<u>(3,259,414)</u>	<u>8,212,715</u>
Non-operating revenues:				
Investment earnings	80,000	391,249	311,249	340,796
Sale of capital asset	-	199,272	199,272	-
Other non-operating revenues	-	231	231	54
Total revenues	<u>9,141,090</u>	<u>6,392,428</u>	<u>(2,748,662)</u>	<u>8,553,565</u>
<b>Expenditures:</b>				
Operating expenditures:				
Salaries and employee benefits	2,904,484	2,478,170	426,314	2,523,031
Repairs and maintenance	1,201,036	708,318	492,718	1,337,770
Other operating expenditures	6,356,710	4,858,998	1,497,712	3,490,137
Total	<u>10,462,230</u>	<u>8,045,486</u>	<u>2,416,744</u>	<u>7,350,938</u>
Capital outlay	<u>202,115</u>	<u>147,771</u>	<u>54,344</u>	<u>330,506</u>
Debt service:				
Principal	1,400,460	1,400,459	1	1,060,081
Lease principal	4,500	18,897	(14,397)	3,347
Subscription principal	16,932	16,932	-	15,379
Interest	172,702	155,797	16,905	206,398
Total	<u>1,594,594</u>	<u>1,592,085</u>	<u>2,509</u>	<u>1,285,205</u>
Total expenditures	<u>12,258,939</u>	<u>9,785,342</u>	<u>2,473,597</u>	<u>8,966,649</u>
Revenues over (under) expenditures	<u>(3,117,849)</u>	<u>(3,392,914)</u>	<u>(275,065)</u>	<u>(413,084)</u>

CHATHAM COUNTY, NORTH CAROLINA

UTILITY OPERATING FUND  
SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGET AND ACTUAL (NON-GAAP)  
FOR THE YEAR ENDED JUNE 30, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR  
THE FISCAL YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to) other funds:				
Utility Capital Reserve	-	16,266,289	16,266,289	-
Utility Equipment Reserve	-	529,700	529,700	-
Transfers (to) other funds:				
Southeast Water District	(3,000,000)	(2,769,880)	230,120	-
General Fund	(32,000,000)	(20,454,397)	11,545,603	-
Subscription liability issued	-	-	-	3,810
Lease liability issued	-	-	-	21,767
Total other financing sources (uses)	<u>(35,000,000)</u>	<u>(6,428,288)</u>	<u>28,571,712</u>	<u>25,577</u>
Fund balance appropriated	<u>38,117,849</u>	<u>-</u>	<u>(38,117,849)</u>	<u>-</u>
Revenues and other financing sources				
(under) expenditures and other financing uses	<u>\$ -</u>	<u>(9,821,202)</u>	<u>\$ (9,821,202)</u>	<u>\$ (387,507)</u>

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

Revenue:	
Utility capital reserve	1,067,865
Utility equipment reserve	19,042
Capital Projects	20,000
Reconciling items:	
Intrafund transfers	(16,795,989)
Transfers out - Utility Capital Project	4,999
Capital outlay	147,771
Debt principal	1,400,459
Lease liability payments	18,897
Subscription liability payments	16,932
Depreciation and amortization	(1,316,450)
(Decrease) in deferred outflows of resources - pensions	(575,630)
Decrease in net pension liability	909,454
Decrease in deferred inflows of resources - pensions	8,127
(Decrease) in deferred outflows of resources - OPEB	(149,957)
Decrease in net OPEB liability	388,931
Decrease in deferred inflows of resources - OPEB	130,062
Loss on TriRiver Merger Agreement	<u>(44,946,778)</u>
Change in net position	<u>\$ (69,473,467)</u>

## CHATHAM COUNTY, NORTH CAROLINA

UTILITY CAPITAL RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2025  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services	\$ 750,000	\$ 470,512	\$ (279,488)	\$ 403,249
Investment earnings	50,000	597,353	547,353	553,247
Total revenues	<u>800,000</u>	<u>1,067,865</u>	<u>267,865</u>	<u>956,496</u>
Revenues over (under) expenditures	<u>800,000</u>	<u>1,067,865</u>	<u>267,865</u>	<u>956,496</u>
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to):				
Utility Fund - for closing of fund	(19,269,859)	(16,266,289)	3,003,570	(1,663,739)
Utility Capital Projects	<u>(855,141)</u>	<u>(855,141)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(20,125,000)</u>	<u>(17,121,430)</u>	<u>3,003,570</u>	<u>(1,663,739)</u>
Fund balance appropriated	<u>19,325,000</u>	<u>-</u>	<u>(19,325,000)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (16,053,565)</u>	<u>\$ (16,053,565)</u>	<u>\$ (707,243)</u>

## CHATHAM COUNTY, NORTH CAROLINA

UTILITY EQUIPMENT RESERVE  
 SCHEDULE OF REVENUES AND EXPENDITURES -  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2025  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Investment earnings	\$ 2,000	\$ 19,042	\$ 17,042	\$ 16,261
<b>Expenditures:</b>				
Future capital	257,549	-	257,549	-
Revenues over (under) expenditures	(255,549)	19,042	274,591	16,261
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers:				
Utility Fund - for closing of fund	(550,000)	(529,700)	20,300	-
Appropriated fund balance	805,549	-	(805,549)	-
Revenues and other financing sources (under) expenditures and other financing uses	\$ -	\$ (510,658)	\$ (510,658)	\$ 16,261

## 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, 2025

	Project Authorization	Actual			Variance Over/Under
		Prior Years	Current Year	Total	
<b>Revenues:</b>					
Intergovernmental:					
Grant - Department of Transportation	\$ 799,882	\$ 779,882	\$ 20,000	\$ 799,882	\$ -
Investment earnings	28,056	28,056	-	28,056	-
Total revenues	<u>827,938</u>	<u>807,938</u>	<u>20,000</u>	<u>827,938</u>	<u>-</u>
<b>Expenditures:</b>					
Construction:					
Haywood	159,892	30,192	-	30,192	129,700
Western Intake	8,501,099	4,383,183	757,202	5,140,385	3,360,714
Hatley Road	3,006,000	-	117,939	117,939	2,888,061
Business Park	9,593,110	8,598,109	-	8,598,109	995,001
Total expenditures	<u>21,260,101</u>	<u>13,011,484</u>	<u>875,141</u>	<u>13,886,625</u>	<u>7,373,476</u>
Revenues over (under) expenditures	<u>(20,432,163)</u>	<u>(12,203,546)</u>	<u>(855,141)</u>	<u>(13,058,687)</u>	<u>7,373,476</u>
<b>Other Financing Sources (Uses):</b>					
Transfers (to) from other funds:					
General Fund	257,695	257,695	-	257,695	-
Capital reserve	1,205,070	205,071	4,999	210,070	(995,000)
Capital improvement project reserve	7,364,593	7,364,593	-	7,364,593	-
Intrafund transfers:					
Utility capital reserve	11,604,805	4,371,188	855,141	5,226,329	(6,378,476)
Total other financing sources (uses)	<u>20,432,163</u>	<u>12,198,547</u>	<u>860,140</u>	<u>13,058,687</u>	<u>(7,373,476)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ (4,999)</u>	<u>\$ 4,999</u>	<u>\$ -</u>	<u>\$ -</u>

## CHATHAM COUNTY, NORTH CAROLINA

SOUTHEAST WATER DISTRICT  
 SCHEDULE OF REVENUES AND EXPENDITURES  
 BUDGET AND ACTUAL (NON-GAAP)  
 FOR THE YEAR ENDED JUNE 30, 2025  
 WITH COMPARATIVE ACTUAL AMOUNTS FOR  
 THE FISCAL YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services	\$ 718,500	\$ 763,116	\$ 44,616	\$ 919,460
Non-operating revenues:				
Investment earnings	3,000	25,124	22,124	38,825
Total revenues	<u>721,500</u>	<u>788,240</u>	<u>66,740</u>	<u>958,285</u>
<b>Expenditures:</b>				
Operating expenditures	500,000	500,000	-	500,000
Debt service:				
Principal	4,057,000	4,057,000	-	98,000
Interest	<u>152,755</u>	<u>132,668</u>	<u>20,087</u>	<u>155,367</u>
Total expenditures	<u>4,709,755</u>	<u>4,689,668</u>	<u>20,087</u>	<u>753,367</u>
Revenues over (under) expenditures	(3,988,255)	(3,901,428)	86,827	204,918
<b>Other Financing Sources (Uses):</b>				
Transfers (to) from other funds:				
Utility Fund - for closing of fund	-	2,769,880	2,769,880	-
Fund balance appropriated	<u>3,988,255</u>	<u>-</u>	<u>(3,988,255)</u>	<u>-</u>
Revenues and other financing sources (under) expenditures and other financing uses	<u>\$ -</u>	<u>(1,131,548)</u>	<u>\$ (1,131,548)</u>	<u>\$ 204,918</u>

This schedule is included to show budgetary compliance.

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

Reconciling items:

Debt principal	4,057,000
Depreciation	(106,339)
Loss on TriRiver Merger Agreement	<u>(3,819,326)</u>
Change in net position	<u>\$ (1,000,213)</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025			2024
	Final Budget	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Operating revenues:				
Charges for services:				
Collection center fees	\$ 4,159,791	\$ 4,284,893	\$ 125,102	\$ 4,178,447
Total operating revenues	<u>4,159,791</u>	<u>4,284,893</u>	<u>125,102</u>	<u>4,178,447</u>
Non-operating revenues:				
Investment earnings	50,000	225,976	175,976	200,396
Sale of capital assets	-	34,373	34,373	-
Grant revenue	-	-	-	10,417
Other non-operating revenue:				
Scrap tire disposal tax	140,000	150,261	10,261	151,801
White goods disposal tax	45,000	41,897	(3,103)	46,081
Solid waste disposal tax	60,000	66,685	6,685	65,188
Electronics disposal tax	8,000	8,941	941	9,617
Other non-operating revenues	-	265	265	95
Total non-operating revenues	<u>303,000</u>	<u>528,398</u>	<u>225,398</u>	<u>483,595</u>
Total revenues	<u>4,462,791</u>	<u>4,813,291</u>	<u>350,500</u>	<u>4,662,042</u>
<b>Expenditures:</b>				
Operating expenditures:				
Salaries and employee benefits	2,607,129	2,519,984	87,145	2,398,499
Repairs and maintenance	394,615	195,649	198,966	163,645
Other operating expenditures	<u>1,640,983</u>	<u>1,671,151</u>	<u>(30,168)</u>	<u>1,582,835</u>
Total operating expenditures	<u>4,642,727</u>	<u>4,386,784</u>	<u>255,943</u>	<u>4,144,979</u>
Capital outlay	602,494	595,738	6,756	90,997
Debt service:				
Principal	21,354	21,354	-	17,956
Interest	<u>1,081</u>	<u>951</u>	<u>130</u>	<u>2,269</u>
Total expenditures	<u>5,267,656</u>	<u>5,004,827</u>	<u>262,829</u>	<u>4,256,201</u>
Revenues over (under) expenditures	<u>(804,865)</u>	<u>(191,536)</u>	<u>613,329</u>	<u>405,841</u>
<b>Other Financing Sources (Uses):</b>				
Subscription liability issued	-	29,541	29,541	1,849
Lease liability issued	-	-	-	10,148
Total other financing sources (uses)	<u>-</u>	<u>29,541</u>	<u>29,541</u>	<u>11,997</u>
Fund balance appropriated	<u>804,865</u>	<u>-</u>	<u>(804,865)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(161,995)</u>	<u>\$ (161,995)</u>	<u>\$ 417,838</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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024

	2025		2024
	Final Budget	Actual	Variance Over/Under
			Actual
<b>Reconciliation from Budgetary Basis to Full Accrual:</b>			
Solid waste & recycling reserve		50,306	
Reconciling items:			
Capital outlay		595,738	
Depreciation and amortization		(322,777)	
Lease liability payments		2,102	
Subscription liability payments		19,252	
Subscription liability issued		(29,541)	
(Decrease) in deferred outflows of resources - pensions		(2,015)	
Increase in net pension liability		(111,064)	
Decrease in deferred inflows of resources - pensions		3,039	
Increase in deferred outflows of resources - OPEB		3,040	
(Increase) in net OPEB liability		(50,563)	
Decrease in deferred inflows of resources - OPEB		22,000	
Loss on capital asset		(11,575)	
Change in net position		<u>\$ 5,947</u>	

## 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, 2025  
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	2025			2024
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
<b>Revenues:</b>				
Investment earnings	\$ 3,500	\$ 50,306	\$ 46,806	\$ 42,961
Revenues over (under) expenditures	3,500	50,306	46,806	42,961
<b>Other Financing Sources (Uses):</b>				
Intrafund transfers from (to) other funds:				
Solid waste capital project	(750,000)	-	750,000	-
Appropriated fund balance	<u>746,500</u>	<u>-</u>	<u>(746,500)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 50,306</u>	<u>\$ 50,306</u>	<u>\$ 42,961</u>

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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, 2025**  
**WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2024**

	2025			2024
	Financial Plan	Actual	Variance Over/Under	Actual
<b>Revenues:</b>				
Charges for services:				
Health insurance	\$ 9,754,000	\$ 10,038,820	\$ 284,820	\$ 9,085,600
Dental insurance	470,000	516,862	46,862	459,293
Total charges for services	10,224,000	10,555,682	331,682	9,544,893
Investment earnings	25,000	480,747	455,747	369,378
Total revenues	10,249,000	11,036,429	787,429	9,914,271
<b>Expenditures:</b>				
Benefits paid:				
Health insurance	8,679,000	7,824,311	854,689	8,335,127
Dental insurance	425,000	443,958	(18,958)	401,008
Workers' compensation	100,000	30,740	69,260	26,739
Administrative costs:				
Health insurance	1,100,000	1,569,440	(469,440)	1,253,029
Dental insurance	45,000	48,329	(3,329)	47,652
Total expenditures	10,349,000	9,916,778	432,222	10,063,555
Revenues over (under) expenditures	(100,000)	1,119,651	1,219,651	(149,284)
Appropriated fund balance	100,000	-	(100,000)	-
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	1,119,651	\$ 1,119,651	(149,284)
<b>Net Position:</b>				
Net position, beginning		11,632,903		11,782,187
Net position, ending		\$ 12,752,554		\$ 11,632,903

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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, 2025

	<b>Municipal Tax Fund</b>	<b>Gulf-Goldston Sanitary District Fund</b>	<b>Jail Inmate Pay Fund</b>	<b>Total Custodial Funds</b>
<b>Assets:</b>				
Cash and cash equivalents	\$ 13,641	\$ 1,474	\$ 3,046	\$ 18,161
Taxes receivable for other governments, net	69,371	5,548	-	74,919
Other receivables	-	12	-	12
Due from other governments	<u>134,378</u>	<u>1,518</u>	<u>-</u>	<u>135,896</u>
Total assets	<u>217,390</u>	<u>8,552</u>	<u>3,046</u>	<u>228,988</u>
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	-	-	3,046	3,046
Due to other governments	<u>146,122</u>	<u>3,003</u>	<u>-</u>	<u>149,125</u>
Total liabilities	<u>146,122</u>	<u>3,003</u>	<u>3,046</u>	<u>152,171</u>
<b>Net Position:</b>				
Restricted for:				
Individuals, organizations, and other governments	<u>\$ 71,268</u>	<u>\$ 5,549</u>	<u>\$ -</u>	<u>\$ 76,817</u>

## CHATHAM COUNTY, NORTH CAROLINA

## CUSTODIAL FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2025

	<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	\$ 13,224,275	\$ 165,222	\$ -	\$ 13,389,497
Collections on behalf of inmates	<u>-</u>	<u>-</u>	<u>256,008</u>	<u>256,008</u>
Total assets	<u>13,224,275</u>	<u>165,222</u>	<u>256,008</u>	<u>13,645,505</u>
<b>Deductions:</b>				
Tax distributions to other governments	13,219,052	165,248	-	13,384,300
Payments on behalf of inmates	<u>-</u>	<u>-</u>	<u>256,008</u>	<u>256,008</u>
Total liabilities	<u>13,219,052</u>	<u>165,248</u>	<u>256,008</u>	<u>13,640,308</u>
Net increase (decrease) in fiduciary net position	5,223	(26)	-	5,197
Net position, beginning	<u>66,045</u>	<u>5,575</u>	<u>-</u>	<u>71,620</u>
Net position, ending	<u>\$ 71,268</u>	<u>\$ 5,549</u>	<u>\$ -</u>	<u>\$ 76,817</u>

**OTHER SUPPLEMENTAL SCHEDULES**

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## CHATHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE  
JUNE 30, 2025

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2024</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2025</u>
2024-2025	\$ -	\$ 116,506,831	\$ (115,898,734)	\$ 608,097
2023-2024	630,917	453,679	(817,831)	266,765
2022-2023	307,353	267,494	(386,282)	188,565
2021-2022	134,172	97,378	(146,740)	84,810
2020-2021	70,478	60	(14,863)	55,675
2019-2020	99,801	-	(12,047)	87,754
2018-2019	89,074	-	(5,823)	83,251
2017-2018	84,166	-	(3,729)	80,437
2016-2017	29,941	-	(3,006)	26,935
2015-2016	24,055	-	(1,999)	22,056
Prior Years	31,845	-	(22,676)	9,169
Total	<u>\$ 1,501,802</u>	<u>\$ 117,325,442</u>	<u>\$ (117,313,730)</u>	<u>1,513,514</u>
Less: Allowance for uncollectible ad valorem taxes receivable				<u>(500,380)</u>
Ad valorem taxes receivable (net)				<u>\$ 1,013,134</u>
<b>Reconciliation with Revenues:</b>				
Ad valorem taxes - General Fund				\$ 116,418,086
Reconciling items:				
Interest collected and penalties				(241,136)
Releases and other credits				<u>1,136,780</u>
Total collections and credits				<u>\$ 117,313,730</u>

## CHATHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2025

	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	\$ 15,961,230,570	\$ 0.7250	\$ 115,718,922	\$ 104,988,786	\$ 10,730,136
Penalties	-		132,307	132,307	-
Total	<u>15,961,230,570</u>		<u>115,851,229</u>	<u>105,121,093</u>	<u>10,730,136</u>
<b>Discoveries:</b>					
Current year	90,424,932	0.7250	655,581	655,581	-
Prior years	<u>121,107,391</u>		<u>818,611</u>	<u>818,611</u>	<u>-</u>
Total	<u>211,532,323</u>		<u>1,474,192</u>	<u>1,474,192</u>	<u>-</u>
<b>Releases:</b>					
Current year	(40,973,910)	0.7250	(297,061)	(297,061)	-
Prior years	<u>(72,242,200)</u>		<u>(487,475)</u>	<u>(487,475)</u>	<u>-</u>
Penalties	-		(34,054)	(34,054)	-
Total	<u>(113,216,110)</u>		<u>(818,590)</u>	<u>(818,590)</u>	<u>-</u>
Total property valuation	<u>\$ 16,059,546,783</u>				
<b>Net Levy</b>			116,506,831	105,776,695	10,730,136
Uncollected taxes at June 30, 2025			<u>608,097</u>	<u>566,303</u>	<u>41,794</u>
<b>Current Year's Taxes Collected</b>			<u>\$ 115,898,734</u>	<u>\$ 105,210,392</u>	<u>\$ 10,688,342</u>
<b>Current Levy Collection Percentage</b>			<u>99.48%</u>	<u>99.46%</u>	<u>99.61%</u>

**CHATHAM COUNTY, NORTH CAROLINA**

**ANALYSIS OF CURRENT YEAR LEVY  
COUNTY-WIDE LEVY  
FOR THE YEAR ENDED JUNE 30, 2025**

Secondary Market Disclosures:

Assessed Valuation:

Assessment ratio (1)	100%
Real property	\$13,320,182,936
Personal property	2,433,174,966
Public service companies (2)	<u>306,188,881</u>
Total assessed valuation	<u>\$ 16,059,546,783</u>
Tax rate per \$100	<u>\$ 0.7250</u>
Levy (includes discoveries, releases and abatements) (3)	<u>\$ 116,506,831</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, 2025

Fire protection districts	<u>\$ 14,398,717</u>
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- (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:**

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:**

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

### **Debt Capacity:**

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:**

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:**

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.

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental activities					
Net investment in capital assets	\$ 20,381,972	\$ 34,736,678	\$ 37,007,498	\$ 40,039,979	\$ 48,017,373
Restricted	8,712,333	8,311,358	8,045,521	9,521,662	10,674,439
Unrestricted	39,657,533	37,622,231	40,059,289	14,025,920	(36,251,679)
Total governmental activities net position	<u>\$ 68,751,838</u>	<u>\$ 80,670,267</u>	<u>\$ 85,112,308</u>	<u>\$ 63,587,561</u>	<u>\$ 22,440,133</u>
Business-type activities					
Net investment in capital assets	\$ 37,987,189	\$ 38,577,997	\$ 38,652,392	\$ 39,544,939	\$ 39,097,006
Unrestricted	26,793,503	25,424,039	26,919,599	28,555,025	32,227,656
Total business-type activities net position	<u>\$ 64,780,692</u>	<u>\$ 64,002,036</u>	<u>\$ 65,571,991</u>	<u>\$ 68,099,964</u>	<u>\$ 71,324,662</u>
Primary government					
Net investment in capital assets	\$ 58,369,161	\$ 73,314,675	\$ 75,659,890	\$ 79,584,918	\$ 87,114,379
Restricted	8,712,333	8,311,358	8,045,521	9,521,662	10,674,439
Unrestricted	66,451,036	63,046,270	66,978,888	42,580,945	(4,024,023)
Total primary government net position	<u>\$ 133,532,530</u>	<u>\$ 144,672,303</u>	<u>\$ 150,684,299</u>	<u>\$ 131,687,525</u>	<u>\$ 93,764,795</u>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
Governmental activities					
Net investment in capital assets	\$ 59,387,963	\$ 66,655,633	\$ 56,918,805	\$ 67,531,636	\$ 79,072,847
Restricted	11,675,181	12,937,461	11,156,126	17,176,130	45,197,096
Unrestricted	(41,778,747)	(34,878,262)	12,432,072	28,762,941	39,393,360
Total governmental activities net position	<u>\$ 29,284,397</u>	<u>\$ 44,714,832</u>	<u>\$ 80,507,003</u>	<u>\$ 113,470,707</u>	<u>\$ 163,663,303</u>
Business-type activities					
Net investment in capital assets	\$ 39,413,275	\$ 40,043,138	\$ 41,261,016	\$ 43,173,622	\$ 2,480,356
Unrestricted	33,695,786	37,521,645	37,044,941	36,154,246	6,345,745
Total business-type activities net position	<u>\$ 73,109,061</u>	<u>\$ 77,564,783</u>	<u>\$ 78,305,957</u>	<u>\$ 79,327,868</u>	<u>\$ 8,826,101</u>
Primary government					
Net investment in capital assets	\$ 98,801,238	\$ 106,698,771	\$ 98,179,821	\$ 110,705,258	\$ 81,553,203
Restricted	11,675,181	12,937,461	11,156,126	17,176,130	45,197,096
Unrestricted	(8,082,961)	2,643,383	49,477,013	64,917,187	45,739,105
Total primary government net position	<u>\$ 102,393,458</u>	<u>\$ 122,279,615</u>	<u>\$ 158,812,960</u>	<u>\$ 192,798,575</u>	<u>\$ 172,489,404</u>

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

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Expenses</b>					
Governmental activities:					
General government	\$ 12,408,260	\$ 13,494,733	\$ 15,068,952	\$ 16,700,851	\$ 18,808,175
Public safety	25,111,163	26,541,301	28,373,014	29,544,421	31,763,693
Economic and physical development	2,256,179	2,377,889	3,193,937	3,033,823	5,600,580
Human Services	15,554,918	15,927,642	15,105,429	14,441,440	16,141,257
Cultural and recreation	2,253,547	2,287,418	2,578,431	2,638,700	2,720,029
Education	31,802,557	34,443,820	39,950,462	72,291,352	89,234,803
Interest on long term debt	5,345,658	4,714,468	4,473,431	8,793,382	8,724,610
<b>Total governmental activities expenses</b>	<b>94,732,282</b>	<b>99,787,271</b>	<b>108,743,656</b>	<b>147,443,969</b>	<b>172,993,147</b>
Business-type activities:					
Utility	6,101,974	8,986,398	6,612,241	7,070,801	6,377,301
Southeast Water District	490,657	636,376	637,880	665,634	708,197
Solid waste management	2,711,885	3,117,342	3,079,844	3,487,136	3,305,691
<b>Total business-type activities expenses</b>	<b>9,304,516</b>	<b>12,740,116</b>	<b>10,329,965</b>	<b>11,223,571</b>	<b>10,391,189</b>
<b>Total primary government expenses</b>	<b>\$ 104,036,798</b>	<b>\$ 112,527,387</b>	<b>\$ 119,073,621</b>	<b>\$ 158,667,540</b>	<b>\$ 183,384,336</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 1,330,019	\$ 2,042,443	\$ 1,141,356	\$ 1,414,303	\$ 1,233,640
Public safety	1,515,852	1,540,605	1,945,557	1,509,098	2,381,653
Economic and physical development	401,448	345,467	584,700	446,578	632,541
Human Services	1,353,713	1,358,206	2,059,613	1,282,723	1,877,728
Cultural and recreation	431,225	443,285	534,520	277,460	637,520
Education	2,793,300	3,104,600	3,163,900	2,941,100	2,460,275
Operating grants and contributions:					
General government	6,831,278	1,663,292	4,774,069	3,071,043	616,476
Public safety	1,375,650	1,438,673	1,538,987	1,983,928	2,083,819
Economic and physical development	27,870	353,238	181,254	346,421	337,746
Human Services	7,328,809	7,561,735	5,584,293	6,822,116	6,275,999
Cultural and recreation	187,144	235,652	233,411	415,346	306,409
Education	-	2,861,940	-	-	-
<b>Total governmental activities program revenues</b>	<b>23,576,308</b>	<b>22,949,136</b>	<b>21,741,660</b>	<b>20,510,116</b>	<b>18,843,806</b>
Business-type activities:					
Utility:					
Charges for services	7,638,429	7,632,185	7,664,182	8,828,589	8,539,138
Operating grants and contributions	458	27,651	61,016	37	109,396
Southeast Water District:					
Charges for services	667,814	670,485	701,728	771,243	720,518
Waste Management:					
Charges for services	2,964,407	3,064,260	3,083,918	3,213,435	3,480,837
Operating grants and contributions	199,383	244,591	242,329	194,458	201,449
<b>Total business-type activities program revenues</b>	<b>11,470,491</b>	<b>11,639,172</b>	<b>11,753,173</b>	<b>13,007,762</b>	<b>13,051,338</b>
<b>Total primary government program revenues</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>Net (Expense)/Revenue</b>					
Governmental activities	\$ (71,155,974)	\$ (76,838,135)	\$ (87,001,996)	\$ (126,933,853)	\$ (154,149,341)
Business-type activities	2,165,975	(1,100,944)	1,423,208	1,784,191	2,660,149
<b>Total primary government net (expense)/revenue</b>	<b>\$ (68,989,999)</b>	<b>\$ (77,939,079)</b>	<b>\$ (85,578,788)</b>	<b>\$ (125,149,662)</b>	<b>\$ (151,489,192)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes levied for general purpose	68,398,363	72,729,177	76,064,823	80,046,695	88,297,695
Local option sales tax	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600
Other taxes and licenses	900,089	898,394	983,132	995,458	1,002,335
Grants and contributions not restricted to specific programs	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710
Unrestricted investment earnings	729,182	594,374	1,080,152	5,892,009	3,475,231
Miscellaneous	1,702,446	41,761	-	562,984	365,966
Extraordinary item - sales of property	-	-	-	-	-
Transfers	-	-	(12,455)	(26,532)	(13,624)
<b>Total governmental activities</b>	<b>85,944,966</b>	<b>90,282,915</b>	<b>95,090,908</b>	<b>105,409,106</b>	<b>113,001,913</b>
Business-type activities:					
Investment earnings	172,806	225,518	373,675	663,679	545,789
Miscellaneous	(6,728)	96,770	-	53,571	5,136
Special item - TriRiver merger agreement	-	-	-	-	-
Transfers	-	-	12,455	26,532	13,624
<b>Total business-type activities</b>	<b>166,078</b>	<b>322,288</b>	<b>386,130</b>	<b>743,782</b>	<b>564,549</b>
<b>Total primary government</b>	<b>\$ 86,111,044</b>	<b>\$ 90,605,203</b>	<b>\$ 95,477,038</b>	<b>\$ 106,152,888</b>	<b>\$ 113,566,462</b>
<b>Change in Net Position</b>					
Governmental activities	14,788,992	13,444,780	8,088,912	(21,524,747)	(41,147,428)
Business-type activities	2,332,053	(778,656)	1,809,338	2,527,973	3,224,696
<b>Total primary government</b>	<b>\$ 17,121,045</b>	<b>\$ 12,666,124</b>	<b>\$ 9,898,250</b>	<b>\$ (18,996,774)</b>	<b>\$ (37,922,730)</b>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Expenses</b>					
Governmental activities:					
General government	\$ 20,333,676	\$ 19,643,709	\$ 22,450,287	\$ 29,166,020	\$ 32,677,023
Public safety	33,486,720	35,212,455	41,912,979	53,141,250	47,633,718
Economic and physical development	3,104,470	3,819,632	4,692,779	4,989,302	5,613,640
Human Services	16,201,415	16,347,627	18,575,711	21,532,770	24,195,166
Cultural and recreation	2,510,393	2,839,882	3,472,876	4,007,929	4,616,594
Education	51,950,817	58,997,617	50,602,853	48,246,320	52,697,765
Interest on long term debt	8,722,868	8,812,203	8,444,658	8,097,636	7,583,149
<b>Total governmental activities expenses</b>	<b>136,310,359</b>	<b>145,673,125</b>	<b>150,152,143</b>	<b>169,181,227</b>	<b>175,017,055</b>
Business-type activities:					
Utility	6,646,640	7,228,084	8,380,829	8,941,404	8,806,746
Southeast Water District	741,306	1,119,733	764,437	761,705	739,007
Solid waste management	3,184,821	3,469,754	4,094,937	4,844,590	4,846,075
<b>Total business-type activities expenses</b>	<b>10,572,767</b>	<b>11,817,571</b>	<b>13,240,203</b>	<b>14,547,699</b>	<b>14,391,828</b>
<b>Total primary government expenses</b>	<b>\$ 146,883,126</b>	<b>\$ 157,490,696</b>	<b>\$ 163,392,346</b>	<b>\$ 183,728,926</b>	<b>\$ 189,408,883</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 2,098,074	\$ 2,743,935	\$ 2,189,254	\$ 1,068,020	\$ 1,907,895
Public safety	2,000,914	2,505,295	3,753,197	6,925,683	2,786,481
Economic and physical development	593,457	774,984	734,709	1,092,394	820,914
Human Services	1,640,619	1,506,466	836,999	949,103	1,016,673
Cultural and recreation	205,227	435,020	188,857	424,969	311,389
Education	3,447,100	3,187,625	2,361,925	2,004,900	1,611,100
Operating grants and contributions:					
General government	4,120,199	\$ 1,367,375	\$ 11,806,490	\$ 2,556,004	\$ 2,186,049
Public safety	1,934,536	5,268,777	2,627,842	2,362,344	1,980,618
Economic and physical development	253,629	488,217	84,678	310,502	34,246
Human Services	6,925,884	7,664,387	12,942,692	11,338,267	9,246,210
Cultural and recreation	286,993	937,181	332,725	483,517	307,565
Education	829,593	-	-	-	255,637
<b>Total governmental activities program revenues</b>	<b>24,336,225</b>	<b>26,879,262</b>	<b>37,859,368</b>	<b>29,515,703</b>	<b>22,464,777</b>
Business-type activities:					
Utility:					
Charges for services	7,284,002	10,839,150	8,195,960	8,506,607	6,162,339
Operating grants and contributions	111,011	111,059	112,241	489,411	130,080
Southeast Water District:					
Charges for services	810,231	1,117,231	841,310	919,460	763,116
Waste Management:					
Charges for services	3,607,880	3,697,655	3,707,649	4,178,447	4,284,893
Operating grants and contributions	205,951	278,585	258,157	283,199	268,049
<b>Total business-type activities program revenues</b>	<b>12,019,075</b>	<b>16,043,680</b>	<b>13,115,317</b>	<b>14,377,124</b>	<b>11,608,477</b>
<b>Total primary government program revenues</b>	<b>\$ 36,355,300</b>	<b>\$ 42,922,942</b>	<b>\$ 50,974,685</b>	<b>\$ 43,892,827</b>	<b>\$ 34,073,254</b>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (111,974,134)	\$ (118,793,863)	\$ (112,292,775)	\$ (139,665,524)	\$ (152,552,278)
Business-type activities	1,446,308	4,226,109	(124,886)	(170,575)	(2,783,351)
<b>Total primary government net (expense)/revenue</b>	<b>\$ (110,527,826)</b>	<b>\$ (114,567,754)</b>	<b>\$ (112,417,661)</b>	<b>\$ (139,836,099)</b>	<b>\$ (155,335,629)</b>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes:					
Property taxes levied for general purpose	92,598,853	105,131,904	110,557,782	119,758,549	132,440,048
Local option sales tax	20,376,820	25,697,393	25,705,063	31,538,819	30,558,312
Other taxes and licenses	1,433,801	1,952,454	1,698,749	1,462,396	1,615,630
Grants and contributions not restricted to specific programs	4,305,542	5,136,221	5,634,962	5,121,400	5,458,174
Unrestricted investment earnings	(179,005)	4,946,778	3,579,833	5,980,540	10,683,065
Miscellaneous	378,538	655,707	908,557	3,556,708	2,350,901
Extraordinary item - sales of property	-	-	-	2,402,604	-
Transfers	(152,460)	-	-	-	20,449,398
<b>Total governmental activities</b>	<b>118,762,089</b>	<b>143,520,457</b>	<b>148,084,946</b>	<b>169,821,016</b>	<b>203,555,528</b>
Business-type activities:					
Investment earnings	180,981	134,042	818,388	1,192,486	1,309,050
Miscellaneous	4,650	95,571	47,672	-	222,070
Special item - TriRiver merger agreement	-	-	-	-	(48,766,104)
Transfers	152,460	-	-	-	(20,449,398)
<b>Total business-type activities</b>	<b>338,091</b>	<b>229,613</b>	<b>866,060</b>	<b>1,192,486</b>	<b>(67,684,382)</b>
<b>Total primary government</b>	<b>\$ 119,100,180</b>	<b>\$ 143,750,070</b>	<b>\$ 148,951,006</b>	<b>\$ 171,013,502</b>	<b>\$ 135,871,146</b>
<b>Change in Net Position</b>					
Governmental activities	6,787,955	24,726,594	35,792,171	30,155,492	51,003,250
Business-type activities	1,784,399	4,455,722	741,174	1,021,911	(70,467,733)
<b>Total primary government</b>	<b>\$ 8,572,354</b>	<b>\$ 29,182,316</b>	<b>\$ 36,533,345</b>	<b>\$ 31,177,403</b>	<b>\$ (19,464,483)</b>

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

	Fiscal Year				
	2016	2017	2018	2019	2020
<b>General Fund</b>					
<b>Nonspendable:</b>					
Leases	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Restricted:</b>					
Stabilization by State Statute	6,492,437	5,943,692	6,143,553	7,083,495	8,738,525
Register of Deeds	348,617	380,812	334,815	353,346	371,615
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Human services	-	-	-	-	-
Total restricted	<u>6,841,054</u>	<u>6,324,504</u>	<u>6,478,368</u>	<u>7,436,841</u>	<u>9,110,140</u>
<b>Committed:</b>					
LEO Special Separation Allowance	625,093	682,719	725,817	770,904	835,851
Tax revaluation	-	-	-	175,889	1,452
Housing trust	-	-	-	58,000	87,824
Recreation	-	-	-	-	-
Economic and physical development	-	-	-	-	-
<b>Assigned:</b>					
Subsequent year's expenditures	5,934,834	5,498,830	7,963,031	7,426,342	8,777,832
<b>Unassigned</b>					
	29,552,687	29,949,912	30,009,357	32,590,870	29,682,949
<b>Total General Fund</b>	<u><u>\$42,953,668</u></u>	<u><u>\$42,455,965</u></u>	<u><u>\$45,176,573</u></u>	<u><u>\$48,458,846</u></u>	<u><u>\$48,496,048</u></u>
<b>All Other Governmental Funds</b>					
<b>Restricted:</b>					
Stabilization by State Statute	\$ 862,218	\$ 306,449	\$ 277,986	\$ 848,829	\$ 485,887
Special Revenue Funds	1,009,061	1,478,266	1,103,554	1,063,183	910,536
Capital Projects Funds	5,219,772	-	-	83,667,558	-
Total restricted	<u>7,091,051</u>	<u>1,784,715</u>	<u>1,381,540</u>	<u>85,579,570</u>	<u>1,396,423</u>
<b>Committed:</b>					
Capital Projects Funds	31,191,521	30,745,436	28,800,096	40,491,773	85,624,310
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
<b>Assigned:</b>					
Subsequent year's expenditures	1,410,554	4,143,097	2,471,579	8,500,000	8,500,000
General government	3,070,391	6,212,454	7,724,181	3,211,559	7,496,646
Public safety	-	-	-	-	-
Education	3,153,282	5,411,375	5,411,375	4,935,246	3,684,648
Cultural and recreation	854,215	888,412	1,034,265	1,107,644	1,623,620
<b>Unassigned</b>					
	-	(41,792)	678,517	(1,303,624)	(1,965,122)
<b>Total all other governmental funds</b>	<u><u>\$ 46,771,014</u></u>	<u><u>\$ 49,143,697</u></u>	<u><u>\$ 47,501,553</u></u>	<u><u>\$ 142,522,168</u></u>	<u><u>\$ 106,360,525</u></u>

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

	Fiscal Year				
	2021	2022	2023	2024	2025
<b>General Fund</b>					
<b>Nonspendable:</b>					
Leases	\$ -	\$ -	\$ 59,057	\$ 97,198	\$ 142,359
<b>Restricted:</b>					
Stabilization by State Statute	10,058,054	11,042,979	11,469,973	13,579,462	13,101,055
Register of Deeds	385,064	-	-	-	515,113
General government	-	-	-	-	25,128,312
Public safety	-	-	-	-	1,991,747
Human services	-	-	-	-	26,683
Total restricted	10,443,118	11,042,979	11,529,030	13,676,660	40,762,910
<b>Committed:</b>					
LEO Special Separation Allowance	886,902	949,612	1,062,587	1,191,628	1,354,107
Tax revaluation	1,452	347,077	635,094	930,566	1,049,876
Housing trust	465,647	587,958	633,076	1,142,397	1,753,731
Recreation	322,851	322,851	968,553	-	-
Economic and physical development	322,851	322,851	968,553	1,584,188	6,642,916
<b>Assigned:</b>					
Subsequent year's expenditures	7,069,857	8,937,201	9,000,000	12,813,138	12,625,110
<b>Unassigned</b>	34,668,007	34,214,417	44,611,811	53,592,332	51,717,765
<b>Total General Fund</b>	<b>\$54,180,685</b>	<b>\$56,724,946</b>	<b>\$69,408,704</b>	<b>\$84,930,909</b>	<b>\$ 116,048,774</b>
<b>All Other Governmental Funds</b>					
<b>Restricted:</b>					
Stabilization by State Statute	\$ 275,447	\$ 208,328	\$ 583,555	\$ 2,204,580	\$ 593,883
Special Revenue Funds	829,306	1,483,522	1,662,755	1,296,263	3,753,559
Capital Projects Funds	-	26,732,626	19,164,647	-	-
Total restricted	1,104,753	28,424,476	21,410,957	3,500,843	4,347,442
<b>Committed:</b>					
Capital Projects Funds	61,857,512	46,568,898	57,476,578	61,632,603	93,695,031
Public safety	-	-	-	-	138,995
Education	-	-	-	-	6,710,418
Cultural and recreation	-	-	-	-	4,409,578
<b>Assigned:</b>					
Subsequent year's expenditures	2,550,000	-	-	-	-
General government	10,150,296	18,928,269	25,158,469	26,770,722	-
Public safety	77,038	127,467	129,499	133,777	174,931
Education	7,546,011	7,753,391	8,485,565	8,216,701	-
Cultural and recreation	1,574,150	1,902,398	4,859,313	4,018,561	-
<b>Unassigned</b>	-	(43,767)	-	(336,097)	(15,206)
<b>Total all other governmental funds</b>	<b>\$ 84,859,760</b>	<b>\$ 103,661,132</b>	<b>\$ 117,520,381</b>	<b>\$ 103,937,110</b>	<b>\$ 109,461,189</b>

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

	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Revenues</b>					
Ad valorem taxes	\$ 68,549,496	\$ 72,959,709	\$ 76,305,714	\$ 80,009,131	\$ 87,951,167
Local option sales tax	11,298,727	12,964,564	13,859,606	14,707,545	16,284,600
Other taxes	900,089	898,394	983,132	995,458	1,002,335
Unrestricted intergovernmental	2,916,159	3,054,645	3,115,650	3,230,947	3,589,710
Restricted intergovernmental	9,700,751	10,100,364	7,655,321	9,721,283	8,814,437
Permits and fees	4,837,313	5,225,772	5,339,411	4,809,229	5,137,358
Sales and services	2,784,386	2,651,568	2,955,862	2,566,085	2,720,045
Interest	701,287	544,039	993,253	5,695,974	3,283,421
Other general revenues	7,750,455	3,703,186	4,641,363	3,462,461	1,148,368
<b>Total revenues</b>	<b>109,438,663</b>	<b>112,102,241</b>	<b>115,849,312</b>	<b>125,198,113</b>	<b>129,931,441</b>
<b>Expenditures</b>					
General government	8,382,535	9,267,834	10,522,593	10,879,465	12,005,856
Public safety	25,648,707	26,314,889	28,149,202	29,577,293	31,332,211
Economic and physical development	2,897,118	2,863,508	3,625,299	3,722,539	6,105,035
Human services	17,262,615	17,098,738	16,375,220	15,753,098	16,841,508
Culture and recreation	2,248,969	2,200,890	2,251,988	2,530,123	2,539,509
Education	32,614,364	35,629,338	41,135,980	73,186,700	92,422,726
Capital outlay	13,011,854	5,319,680	1,412,977	1,860,947	8,086,606
Debt Service:					
Principal retirement	5,530,753	6,780,522	6,770,581	6,777,733	6,210,196
Interest and fees	5,105,953	4,751,862	4,514,553	8,013,886	8,719,945
<b>Total expenditures</b>	<b>112,702,868</b>	<b>110,227,261</b>	<b>114,758,393</b>	<b>152,301,784</b>	<b>184,263,592</b>
Excess of revenues over (under) expenditures	<u>(3,264,205)</u>	<u>1,874,980</u>	<u>1,090,919</u>	<u>(27,103,671)</u>	<u>(54,332,151)</u>
<b>Other financing sources (uses):</b>					
Transfers from (to) other funds	-	-	(12,455)	(26,532)	(13,624)
Proceeds from borrowings	-	-	-	-	25,271,334
Debt obligations issued	21,655,000	-	-	111,730,000	-
Discount on debt obligations issued	(100,932)	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Subscription liability issued	-	-	-	-	-
Lease liability issued	-	-	-	-	-
Premium on limited obligation bonds issued	2,281,528	-	-	13,703,091	-
Payment to refunding bond agent	(23,644,830)	-	-	-	(7,050,000)
<b>Total other financing sources (uses)</b>	<b>190,766</b>	<b>-</b>	<b>(12,455)</b>	<b>125,406,559</b>	<b>18,207,710</b>
<b>Net change in fund balances</b>	<b>\$ (3,073,439)</b>	<b>\$ 1,874,980</b>	<b>\$ 1,078,464</b>	<b>\$ 98,302,888</b>	<b>\$ (36,124,441)</b>
Debt service as a percentage of noncapital expenditures	10.67%	10.99%	9.96%	9.83%	8.47%

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

	<b>Fiscal Year</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<b>Revenues</b>					
Ad valorem taxes	\$ 92,919,447	\$ 105,068,821	\$ 110,478,803	\$ 119,874,718	\$ 132,441,305
Local option sales tax	20,376,820	25,697,393	28,513,275	31,538,819	30,558,312
Other taxes	1,433,801	1,952,454	1,698,749	1,462,396	1,615,630
Unrestricted intergovernmental	4,305,542	5,136,221	5,634,962	5,121,400	5,458,174
Restricted intergovernmental	13,778,971	14,316,276	22,872,821	13,628,438	14,978,714
Permits and fees	6,039,507	6,353,141	6,363,633	9,349,676	4,479,016
Sales and services	3,027,538	3,289,878	2,614,876	2,985,814	3,336,532
Interest	(221,064)	(4,386,026)	3,332,552	9,300,108	10,202,318
Other general revenues	1,136,126	2,073,836	1,484,741	3,774,629	2,232,056
<b>Total revenues</b>	<b>142,796,688</b>	<b>159,501,994</b>	<b>182,994,412</b>	<b>197,035,998</b>	<b>205,302,057</b>
<b>Expenditures</b>					
General government	12,584,383	13,084,783	13,052,044	20,829,140	20,081,615
Public safety	33,337,668	35,334,224	40,026,898	51,851,598	46,433,798
Economic and physical development	3,774,088	4,438,592	5,435,372	5,763,351	6,340,915
Human services	17,491,583	18,406,644	19,685,883	21,208,643	25,522,355
Culture and recreation	2,374,412	2,759,526	3,290,539	3,916,883	4,406,386
Education	54,682,436	61,729,236	51,280,492	49,096,692	53,365,340
Capital outlay	17,344,419	18,095,907	14,278,567	3,816,992	11,974,711
Debt Service:					
Principal retirement	8,155,159	14,629,294	16,839,472	16,904,065	17,077,065
Interest and fees	8,772,517	9,078,765	8,978,757	8,279,674	7,673,657
<b>Total expenditures</b>	<b>158,516,665</b>	<b>177,556,971</b>	<b>172,868,024</b>	<b>181,667,038</b>	<b>192,875,842</b>
Excess of revenues over (under) expenditures	<u>(15,719,977)</u>	<u>(18,054,977)</u>	<u>10,126,388</u>	<u>15,368,960</u>	<u>12,426,215</u>
<b>Other financing sources (uses):</b>					
Transfers from (to) other funds	(152,460)	-	-	-	20,449,398
Proceeds from borrowings	-	-	-	-	2,766,360
Debt obligations issued	-	31,585,000	-	-	-
Discount on debt obligations issued	-	-	-	-	-
Refunding bonds issued	-	9,455,000	-	-	-
Subscription liability issued	-	-	1,643,738	380,448	985,573
Lease liability issued	-	706,433	410,410	551,997	14,398
Premium on limited obligation bonds issued	-	7,072,505	-	-	-
Payment to refunding bond agent	-	(9,418,328)	-	-	-
<b>Total other financing sources (uses)</b>	<b>(152,460)</b>	<b>39,400,610</b>	<b>2,054,148</b>	<b>932,445</b>	<b>24,215,729</b>
<b>Net change in fund balances</b>	<b>\$ (15,872,437)</b>	<b>\$ 21,345,633</b>	<b>\$ 12,180,536</b>	<b>\$ 16,301,405</b>	<b>\$ 36,641,944</b>
Debt service as a percentage of noncapital expenditures	11.99%	14.87%	16.28%	14.16%	13.68%

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

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Utilities</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (1)</b>	<b>Estimated Actual Taxable Value (2)</b>
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	12,353,674,237
2021	10,304,116,871	1,646,846,277	214,822,244	12,165,785,392	0.6700	13,721,842,310
2022	11,991,296,886	1,715,162,449	227,258,616	13,933,717,951	0.6650	14,080,151,527
2023	12,382,201,716	1,915,165,989	235,295,363	14,532,663,068	0.6650	17,606,523,848
2024	12,835,426,597	2,102,903,414	283,029,565	15,221,359,576	0.6850	22,553,820,700
2025	13,320,182,936	2,433,174,966	306,188,881	16,059,546,783	0.7250	24,465,583,983

\* 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 actual taxable value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue.

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**Schedule 6  
Chatham County  
Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years  
Year Taxes Are Payable**

	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Chatham County	0.6219	0.6338	0.6281	0.6281	0.6700
<u>Municipality Rates:</u>					
Town of Pittsboro	0.4333	0.4333	0.4333	0.4333	0.4333
Town of Siler City	0.4800	0.4800	0.5100	0.5100	0.5400
Town of Goldston	0.1900	0.1900	0.1900	0.1900	0.1900
Town of Cary	0.3700	0.3500	0.3500	0.3500	0.3500
Town of Apex					
<u>Fire Districts:</u>					
Bells Annex	0.1030	0.1030	0.1030	0.1030	0.1080
Bennett	0.0800	0.0900	0.0900	0.0900	0.0900
Bonlee	0.0700	0.0700	0.0700	0.0700	0.0700
Central Chatham	0.0900	0.0900	0.0900	0.0900	0.1200
Circle City	0.1225	0.1225	0.1225	0.1225	0.1225
Goldston	0.0800	0.0900	0.0900	0.0900	0.0900
Hope	0.0685	0.0685	0.0685	0.0785	0.0785
Moncure	0.1250	0.1250	0.1250	0.1250	0.1250
North Chatham	0.1030	0.1030	0.1030	0.1030	0.1080
Parkwood	0.1150	0.1050	0.0940	0.1000	0.1100
Staley	0.1000	0.1000	0.1000	0.1000	0.1000
Northview	0.0830	0.0860	0.0860	0.0860	0.0860
<u>Sanitary District:</u>					
Gulf-Goldston	0.1500	0.1500	0.1500	0.1500	0.1500
Northview					

Note: Tax rates per \$100 of property valuation

**Schedule 6  
Chatham County  
Direct and Overlapping Property Tax Ra  
Last Ten Fiscal Years  
Year Taxes Are Payable**

	<b>Fiscal Year</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Chatham County	0.6700	0.6650	0.6650	0.7250	0.7250
<b><u>Municipality Rates:</u></b>					
Town of Pittsboro	0.4333	0.4333	0.4400	0.4400	0.4400
Town of Siler City	0.5400	0.5400	0.5400	0.5400	0.5400
Town of Goldston	0.2200	0.2200	0.2200	0.2500	0.2500
Town of Cary	0.3500	0.3450	0.3450	0.3450	0.3250
Town of Apex			0.4100	0.4400	0.3400
<b><u>Fire Districts:</u></b>					
Bells Annex	0.1080	0.1080	0.1180	0.1280	0.1280
Bennett	0.0900	0.1100	0.1100	0.1100	0.1100
Bonlee	0.0700	0.0700	0.0700	0.0700	0.0700
Central Chatham	0.1200	0.1200	0.1200	0.1200	0.1200
Circle City	0.1225	0.1265	0.1265	0.1425	0.1425
Goldston	0.0900	0.0900	0.0900	0.1100	0.1100
Hope	0.0785	0.0825	0.0825	0.0825	0.0975
Moncure	0.1375	0.1375	0.1375	0.1375	0.1375
North Chatham	0.1080	0.1080	0.1180	0.1280	0.1280
Parkwood	0.1100	0.1100	0.1100	0.1100	0.1100
Staley	0.1000	0.1000	0.1000	0.1000	0.1000
Northview	0.0860	0.0860	0.0860	0.0860	0.0900
<b><u>Sanitary District:</u></b>					
Gulf-Goldston	0.1500	0.1500	0.1500	0.1500	0.1500
Northview	0.0150	0.1500	0.1500	0.1500	0.1500

Note: Tax rates per \$100 of property valuation

Schedule 7  
Chatham County  
Principal Property Tax Payers  
Current Year and Nine Years Ago

Taxpayer	Type of Business	Fiscal Year 2025			Fiscal Year 2016		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress	Public Utility - Electric	\$ 177,276,844	1	1.11%	\$106,633,153	2	1.10%
Mountaire Farms of NC Inc	Poultry	171,546,423	2	1.07%			
Carolina Meadows Inc.	Assisted Living	142,965,953	3	0.89%	76,865,420	4	0.79%
Wolfspeed, Inc.	Mfg of Semiconductors	123,985,794	4	0.77%			
Galloway Ridge Inc.	Retirement Community	112,241,037	5	0.70%	89,803,717	3	0.92%
CP South LLC	Forestry Management	78,641,783	6	0.49%			
Arauco Panels USA	Mfg of Engineered Wood Products	62,790,566	7	0.39%	75,619,233	5	0.78%
Minnesota Mining & Manufacturing Co.	Real Estate	41,084,090	8	0.26%	45,743,972	6	0.47%
Public Service Co of NC	Mining	52,395,979	9	0.33%	26,344,377	9	0.27%
Chatham Park Investors LLC	Residential	36,650,169	10	0.23%	118,330,313	1	1.22%
General Shale Brick Inc.	Brick				33,266,236	8	0.34%
NNP Briar Chapel LLC	Real Estate				39,867,748	7	0.41%
Wal-Mart Real Estate	Real Estate				22,977,415	10	0.24%
Totals		<u>\$ 999,578,638</u>		<u>6.25%</u>	<u>\$635,451,584</u>		<u>6.53%</u>

Source: Chatham County Tax Assessor

**Schedule 8  
Chatham County  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the Fiscal Year (Net)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2016	\$ 60,613,213	\$ 59,840,287	98.72%	\$ 745,991	\$ 60,586,278	99.96%
2017	63,850,060	63,246,063	99.05%	523,560	63,769,623	99.87%
2018	67,206,357	66,417,903	98.83%	788,454	67,206,357	99.99%
2019	70,336,774	69,682,844	99.07%	566,176	70,249,020	99.88%
2020	77,865,650	77,029,214	98.93%	780,761	77,809,975	99.93%
2021	81,601,001	81,083,169	99.37%	433,022	81,516,191	99.90%
2022	92,805,265	92,065,893	99.20%	550,807	92,616,700	99.80%
2023	96,802,355	96,110,284	99.29%	425,306	96,535,590	99.72%
2024	104,443,285	103,812,369	99.40%	22,818	103,835,187	99.42%
2025	116,506,830	115,898,734	99.48%	-	115,898,734	99.48%

Source: Chatham County Tax Department

**Schedule 9  
Chatham County  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			
	General Obligation Bonds	COPS/LOBS & Installment Loans	Capital Leases	SBITAs
2016	\$ -	\$ 124,365,462	\$ -	\$ -
2017	-	115,561,935	-	-
2018	-	107,025,251	-	-
2019	-	223,914,507	-	-
2020	-	232,737,722	-	-
2021	-	221,850,944	-	-
2022	-	231,224,527	467,395	-
2023	-	227,017,237	684,946	1,058,175
2024	-	210,107,298	1,018,858	812,210
2025	-	196,173,403	787,908	998,746

\* 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 9**  
**Chatham County**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Business-type Activities					Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Revenue Bonds	LOBS & Installment Loans	Capital Leases	SBITAs			
2016	\$2,996,000	\$1,752,000	\$12,245,164	\$ -	\$ -	\$ 141,360,642	\$ 2,057	3.84%
2017	2,950,000	1,722,000	11,274,051	-	-	131,510,003	1,831	3.41%
2018	2,902,000	1,691,000	10,293,299	-	-	121,913,568	1,706	2.84%
2019	2,853,000	1,659,000	9,299,696	-	-	237,728,222	3,250	5.16%
2020	2,802,000	1,626,000	8,293,240	-	-	245,460,982	3,296	5.09%
2021	2,749,000	1,592,000	7,288,503	-	-	233,482,468	3,135	3.96%
2022	2,693,000	1,557,000	6,264,484	74	-	242,208,502	3,101	4.04%
2023	2,635,000	1,520,000	5,226,894	708	81,168	238,226,151	2,983	3.74%
2024	2,575,000	1,482,000	4,166,813	27,715	55,057	220,246,975	2,698	2.87%
2025	-	-	-	6,714	48,413	198,017,209	2,361	*

\* 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**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Personal Income(1)</u>	<u>Percentage of Actual Taxable Value of Property(2)</u>	<u>Per Capita(1)</u>
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
2024	2,575,000	0.03%	0.02%	32
2025	-	-	-	-

\* 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.

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**Schedule 11**  
**Chatham County**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Assessed Value of Property	\$ 9,737,933	\$ 10,062,281	\$ 10,686,458	\$ 11,181,508	\$ 11,612,454
Debt Limit, 8% of Assessed Value (Statutory Limitation)	779,035	804,982	854,917	894,521	928,996
Amount of Debt Applicable to Limit					
Gross debt	141,361	131,510	121,914	237,728	245,461
Less: Debt outstanding for water purposes	16,993	15,946	14,886	13,812	12,721
Total net debt applicable to limit	<u>124,367</u>	<u>115,564</u>	<u>107,027</u>	<u>223,917</u>	<u>232,740</u>
Legal Debt Margin	<u>\$ 654,667</u>	<u>\$ 689,419</u>	<u>\$ 747,889</u>	<u>\$ 670,604</u>	<u>\$ 696,257</u>
Total net debt applicable to the limit as a percentage of debt limit	15.96%	14.36%	12.52%	25.03%	25.05%

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 11**  
**Chatham County**  
**Legal Debt Margin Information,**  
**Last Ten Fiscal Years**  
(dollars in thousands)

	<b>Fiscal Year</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Assessed Value of Property	\$ 12,165,785	\$ 13,933,718	\$ 14,532,663	\$ 15,221,360	\$ 16,059,547
Debt Limit, 8% of Assessed Value (Statutory Limitation)	973,263	1,114,697	1,162,613	1,217,709	1,284,764
Amount of Debt Applicable to Limit					
Gross debt	233,482	242,209	238,226	220,247	196,173
Less: Debt outstanding for water purposes	11,630	10,514	9,382	8,224	-
Total net debt applicable to limit	<u>221,853</u>	<u>231,694</u>	<u>228,844</u>	<u>212,023</u>	<u>196,173</u>
Legal Debt Margin	<u>\$ 751,410</u>	<u>\$ 883,003</u>	<u>\$ 933,769</u>	<u>\$ 1,005,686</u>	<u>\$ 1,088,590</u>
Total net debt applicable to the limit as a percentage of debt limit	22.79%	20.79%	19.68%	17.41%	15.27%

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, 2025

<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	\$ 196,173,403	100.00%	\$ 196,173,403
<b>Other Debt:</b>			
Town of Cary	<u>198,395,384</u>	2.77%	<u>5,495,552</u>
<b>Total</b>	<u>\$ 394,568,787</u>		<u>\$ 201,668,955</u>

Source: "Other debt" provided by Town of Cary.

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages are estimated by determining the portion of another governmental unit's taxable assessed value within the County's boundaries and dividing it by each unit's total taxable assessed value.

**Schedule 13  
Chatham County  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<u>Year</u>	<u>Population</u>	<u>Personal Income (C) (thousands of dollars)</u>	<u>Per Capita Personal Income (C)</u>	<u>Public School Enrollment (D)</u>	<u>Unemployment Rate (E)</u>
2016	68,725	\$ 3,676,829	\$ 51,839	8,436	4.40%
2017	71,815	3,853,597	53,342	8,636	3.60%
2018	71,472	4,297,392	60,127	8,735	3.60%
2019	73,139	4,610,745	63,041	8,799	4.00%
2020	74,470	4,826,158	64,807	8,977	5.80%
2021	74,470	5,890,292	75,624	8,588	3.60%
2022	78,111	5,998,165	76,790	8,767	3.40%
2023	79,864	6,370,657	79,769	8,921	3.00%
2024	81,624	7,686,041	94,164	8,767	3.50%
2025	83,874	*	*	8,749	3.50%

\* 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**

<b>Employer</b>	<b>FY 2025</b>		<b>FY 2016</b>	
	<b>Employment Range (1)</b>	<b>Rank</b>	<b>Employment Range (2)</b>	<b>Rank</b>
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
Federal Express Corp	250-499	6		
Rex Healthcare Inc	250-499	7		
Wal-Mart Associates Inc.	250-499	8	100-249	7
Old Dominion Insulation Inc	100-249	9		
Flakeboard America Limited (subsidiary of Arauco Panels USA LLC)	100-249	10		
Fitch Creations Inc.			100-249	8
Arauco Panels USA LLC			250-499	5
Chatham Hospital Inc.			100-249	9
Palletone of NC			100-249	10

Sources:

- (1) NC Dept of Commerce, Labor and Economic Analysis (QE 3/31/25)
- (2) NC Dept of Commerce, Labor and Economic Analysis (QE 12/31/15)

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**Schedule 15  
Chatham County  
Full-time Equivalent County Government  
Employee by Function,  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Full-time Equivalent Employees as of June 30</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General Government	70	74	79	87	87
Public Safety	176	181	184	194	195
Economic and Physical Development	19	20	22	22	23
Human Services	147	148	156	163	152
Cultural and Recreation	20	22	27	28	27
Water	20	23	23	23	25
Waste Management	14	13	10	11	11
<b>Total</b>	<b>466</b>	<b>481</b>	<b>501</b>	<b>528</b>	<b>520</b>

Source: County Finance Department

Notes: Vacant positions are not included in the above numbers; represents number of persons employed as of June 30 of each year; full time personnel are budgeted at 2,080 hours per year

**Schedule 15  
Chatham County  
Full-time Equivalent County Government  
Employee by Function,  
Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Full-time Equivalent Employees as of June 30</b>				
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
General Government	87	86	100	113	117
Public Safety	196	206	212	226	247
Economic and Physical Development	22	26	29	33	33
Human Services	156	150	177	186	184
Cultural and Recreation	27	29	31	33	32
Water	24	25	20	24	19
Waste Management	11	12	32	35	34
<b>Total</b>	<b>523</b>	<b>534</b>	<b>601</b>	<b>650</b>	<b>666</b>

Source: County Finance Department

Notes: Vacant positions are not included in the above numbers; represents number of persons employed as of June 30 of each year; full time personnel are budgeted at 2,080 hours per year

Schedule 16  
Chatham County  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2016	2017	2018	2019	2020
<b>Governmental Activities:</b>					
<b>General Government:</b>					
Land records recorded	12,800	14,617	14,113	12,673	14,713
Marriage licenses issued	330	304	322	292	308
New registered voters	4,949	5,511	3,934	4,833	8,114
<b>Public Safety:</b>					
Civil processes served	3,187	3,273	2,982	2,619	2,449
Applications for pistol permits	964	1,569	1,497	1,370	3,084
911 calls received	131,486	136,870	116,101	120,090	113,258
Fire inspections conducted	670	728	1,099	897	1,244
<b>Economic and Physical Development:</b>					
Zoning permits issued	1,819	2,094	1,986	1,945	2,124
Building permits issued (single-family dwellings)	756	870	713	632	581
<b>Human Services:</b>					
Total patients seen in health clinics	3,612	3,036	2,407	2,066	2,000
Children and families receiving Medicaid	5,017	5,606	5,679	5,874	5,693
Total child support collections	\$2,566,690	\$2,607,660	\$2,578,299	\$2,587,171	\$2,708,262
<b>Cultural and Recreational:</b>					
Library patron visits (3 branches)	180,771	181,494	171,177	177,403	118,890
Participants in youth sports	967	1,050	909	904	1,355
<b>Education:</b>					
Average daily membership	8,436	8,636	8,735	8,799	8,977
County appropriation per student (rounded)	\$4,175	\$4,252	\$4,386	\$4,890	\$4,991
<b>Business-Type Activities:</b>					
<b>Water:</b>					
Number of new connections	505	541	571	506	368
Gallons of water consumed (in thousands)	645,293	683,242	713,548	706,500	773,235
<b>Waste Management:</b>					
Tons of recyclables	4,910	2,691	3,015	3,160	3,209
Tons of waste managed	11,995	12,160	11,908	12,684	13,235

Sources: Various county departments; average daily membership provided by Chatham County Schools.

Schedule 16  
Chatham County  
Operating Indicators by Function/Program  
Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Governmental Activities:</b>					
<b>General Government:</b>					
Land records recorded	20,014	17,725	12,140	11,286	11,527
Marriage licenses issued	434	359	316	315	329
New registered voters	6,397	4,328	4,312	4,202	5,915
<b>Public Safety:</b>					
Civil processes served	1734	2,063	2,484	2,245	2,320
Applications for pistol permits	4,306	1,802	1,330	-	-
911 calls received	118,152	114,251	117,268	112,577	112,825
Fire inspections conducted	1,731	1,484	1,075	1,245	1,346
<b>Economic and Physical Development:</b>					
Zoning permits issued	1,978	2,853	2,996	1,925	1,802
Building permits issued (single-family dwellings)	818	797	574	499	492
<b>Human Services:</b>					
Total patients seen in health clinics	2,043	1,291	1,218	1,276	1,726
Children and families receiving Medicaid	6,089	7,133	7,886	8,799	9,504
Total child support collections	\$2,711,702	\$2,615,453	\$2,206,715	\$2,594,640	\$2,731,729
<b>Cultural and Recreational:</b>					
Library patron visits (3 branches)	5,822	57,829	73,366	84,199	85,138
Participants in youth sports	592	1,389	1,637	1,773	1,329
<b>Education:</b>					
Average daily membership	8,588	8,767	8,921	8,842	8,749
County appropriation per student (rounded)	\$5,561	\$ 6,359	\$ 6,392	\$ 7,023	\$ 7,591
<b>Business-Type Activities:</b>					
<b>Water:</b>					
Number of new connections	310	313	362	118	101
Gallons of water consumed (in thousands)	862,795	856,791	813,813	872,409	859,822
<b>Waste Management:</b>					
Tons of recyclables	3,582	1,291	3,500	3,788	3,624
Tons of waste managed	13,546	12,217	11,765	11,885	11,863

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**

<b>Function/Program</b>	<b>Fiscal Year</b>				
	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>Public Safety:</b>					
Jail Capacity	110	110	110	110	110
Total Sheriff Vehicles	131	147	151	151	162
<b>Cultural and Recreational:</b>					
Park Acreage	437	437	437	437	437
Libraries (branches)	3	3	3	3	3
<b>Business-Type:</b>					
<b>Water:</b>					
Miles of Water Main	415	419	419	419	435
Number of Storage Tanks	9	9	9	9	9
<b>Waste Management:</b>					
Collection Centers	12	12	12	12	12

Sources: Various county departments and county asset records.

**Schedule 17**  
**Chatham County**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	Fiscal Year				
	2021	2022	2023	2024	2025
<b>Public Safety:</b>					
Jail Capacity	110	110	110	110	110
Total Sheriff Vehicles	162	167	179	177	182
<b>Cultural and Recreational:</b>					
Park Acreage	437	437	437	437	437
Libraries (branches)	3	3	3	3	3
<b>Business-Type:</b>					
<b>Water:</b>					
Miles of Water Main	440	440	428	428	434
Number of Storage Tanks	9	8	9	9	9
<b>Waste Management:</b>					
Collection Centers	12	12	12	12	12

Sources: Various county departments and county asset records.

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**CHATHAM COUNTY  
NORTH CAROLINA**

**COMPLIANCE LETTERS**

**FOR THE YEAR ENDED JUNE 30, 2025**

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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, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 9, 2026. 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 compliance and other matters associated with the Chatham County ABC Board or that are reported on separately by those auditors who audited the financial statements of 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 County'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  
February 9, 2026

# 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 Chatham County, North Carolina's compliance, with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local 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, 2025. 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, 2025.

##### ***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  
February 9, 2026

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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, 2025. 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, 2025.

##### ***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  
February 9, 2026

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**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF FINDINGS, RESPONSES, AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2025**

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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:

<b><u>Program Name</u></b>	<b><u>AL#</u></b>
Community Facilities Loans and Grants	10.766
Child Support Services	93.563
Medicaid Cluster	93.778

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

\$750,000

Auditee qualified as low-risk auditee?

X  Yes \_\_\_\_\_ No



**CHATHAM COUNTY, NORTH CAROLINA**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2025**

No prior year findings.

CHATHAM COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2025

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>					
Passed-through the N.C. Department of Health and Human Services:					
Division of Social Services					
Administration:					
<u>Supplemental Nutrition Assistance Program Cluster</u>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	WC302	\$ 717,082	\$ 7,954	\$ -
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program-E&T & Depend	10.561	CHAT2020DSS2	9,741	-	-
<b>Total Supplemental Nutrition Assistance Program Cluster</b>			<b>726,823</b>	<b>7,954</b>	<b>-</b>
<b>Rural Housing Service</b>					
<u>Community Facilities Loans and Grants</u>					
N.C.-97-01 Loan	10.766		7,503,424	-	-
N.C.-97-02 Loan	10.766		7,503,424	-	-
N.C.-97-03 Loan	10.766		3,284,832	-	-
<b>Total Community Facilities Loans and Grants</b>			<b>18,291,680</b>	<b>-</b>	<b>-</b>
<b>Total U.S. Department of Agriculture</b>			<b>19,018,503</b>	<b>7,954</b>	<b>-</b>
<b>U.S. Department of Justice</b>					
<b>Direct Program:</b>					
Equitable Sharing Program	16.922		38,955	-	-
Equitable Sharing Program	16.922	BVP, OCDEF, LEFBI	15,799	-	-
Comprehensive Opioid, Stimulant, and other Substance Use Program	16.838	2020-AR-BX-0021	60,889	-	-
Justice Systems Response to Families	16.021	15JOVW-21-GG-00225-JFFX	94,552	-	-
Justice Systems Response to Families	16.021	15JOVW-24-GG-00049-JFFX	93,466	-	-
<b>Passed-through N.C. Department of Crime Control and Public Safety:</b>					
Violence Against Women Formula Grants	16.588	LEEM/LEVS & LEEQUIP	73,280	-	-
Crime Victim Assistance	16.575	CRDV	18,625	-	-
<b>Total U.S. Department of Justice</b>			<b>395,566</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of the Treasury</b>					
Passed-through the Office of State Budget and Management:					
Coronavirus State Local Fiscal Recovery Funds	21.027		1,023,516	-	-
<b>Total U.S. Department of the Treasury</b>			<b>1,023,516</b>	<b>-</b>	<b>-</b>
<b>U.S. Institute of Museum and Library Services</b>					
<b>Office of Library Services</b>					
Passed-through the N.C. Department of Natural and Cultural Resources					
Grants to States- Library Services and Technology Act	45.310	NC-LSTA-23-60	2,500	-	-
Grants to States- Library Services and Technology Act	45.310	NC-LSTA-23-70	3,711	-	-
Grants to States- Library Services and Technology Act	45.310	NC-LSTA-24-008	32,050	-	-
Grants to States- Library Services and Technology Act	45.310	NC-LSTA-24-062	1,619	-	-
Grants to States- Library Services and Technology Act	45.310	NC-LSTA-24-063	2,460	-	-
Grants to States	45.310		4,541	-	-
<b>Total U.S. Institute of Museum and Library Services</b>			<b>46,881</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 N.C. Department of Health and Human Services:					
Division of Social Services					
<u>Mental Health, Intellectual and Developmental Disabilities, and Substance Use Services Cluster (Note 4)</u>					
Social Services Block Grant-CPS TANF	93.667	G1701NCSOSR; G1801NCSOSR	383,959	-	-
Social Services Block Grant-State In Home Services	93.667	G1701NCSOSR; G1801NCSOSR	2,685	-	-
Social Services Block Grant-State In-Home Services over 60	93.667	G1701NCSOSR; G1801NCSOSR	13,264	-	-
Social Services Block Grant-Other Services and Training	93.667	G1701NCSOSR; G1801NCSOSR	232,459	-	-
<b>Total Mental Health, Intellectual and Developmental Disabilities, and Substance Use Services Cluster</b>			<b>632,367</b>	<b>-</b>	<b>-</b>
<u>Child Support Services</u>					
Child Support Enforcement Section-IV-D Administration	93.563	1804NC4005	420,108	-	-
Child Support Enforcement Section-IV-D Offset Fees - Federal	93.563	1804NC4005	51	-	-
<b>Total Child Support Services</b>			<b>420,159</b>	<b>-</b>	<b>-</b>
<u>Low Income Home Energy Assistance:</u>					
Low Income Energy Admin	93.568	G17B1NCLIEA; G18B1NCLIEA	36,421	-	-
<b>Total Low Income Home Energy Assistance</b>			<b>36,421</b>	<b>-</b>	<b>-</b>
<u>John H. Chafee Foster Care Program for Successful Transition to Adulthood</u>					
Links - Administrative and Services	93.674	G1701NC1420; G1801NC1420	16,078	4,020	-
Links Transitional Funds - Benefit Payments	93.674	G1701NC1420; G1801NC1420	1,202	-	-
<b>Total John H. Chafee Foster Care Program for Successful Transition to Adulthood</b>			<b>17,280</b>	<b>4,020</b>	<b>-</b>
<u>Special Children Adoption Fund Cluster (Note 4)</u>					
Temporary Assistance for Needy Families					
Work First Administration	93.558	G1701NCTANF; G1801NCTANF	14,671	-	-
Work First Service	93.558	G1701NCTANF; G1801NCTANF	145,326	-	-
TANF	93.558	13A15151T219	5,990	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Special	93.645	G1701NCCWSS; G1801NCCWSS	27,168	-	-
MaryLee Allen Promoting Safe and Stable Families Program	93.556		34,173	-	-
<b>Total Special Children Adoption Fund Cluster</b>			<b>227,328</b>	<b>-</b>	<b>-</b>
<u>Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4)</u>					
Adoption Assistance	93.659	1801NCADPT	116,638	-	-
Foster Care-Title IV-E	93.658	1801NCFOST	587,454	31,172	-
Foster Care-Title IV-E Benefits Payments	93.658	1801NCFOST	231,895	80,318	-
<b>Total Foster Care, Adoption, and Guardianship Assistance Program Cluster (Note 4)</b>			<b>935,987</b>	<b>111,490</b>	<b>-</b>
<u>Subsidized Child Care Program Cluster (Note 4)</u>					
<u>Child Care Development Fund Cluster:</u>					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund-Administration	93.596	G1702NCCCDF; G1802NCCCDF	124,469	-	-
<b>Total Subsidized Child Care Program Cluster</b>			<b>124,469</b>	<b>-</b>	<b>-</b>
<u>Refugee and Entrant Assistance Cluster (Note 4)</u>					
Refugee and Entrant Assistance State / Replacement Designee Administered Program	93.566		1,035	-	-
<b>Total Refugee and Entrant Assistance Cluster</b>			<b>1,035</b>	<b>-</b>	<b>-</b>
<b>Total Administration for Children and Families</b>			<b>2,395,046</b>	<b>115,510</b>	<b>-</b>
<b>Centers for Medicare and Medicaid Service</b>					
Passed-through the N.C. Department of Health and Human Services:					
Division of Health Benefits:					
Division of Social Services:					
Administration:					
<u>Medicaid Cluster</u>					
Grants to States for Medicaid:					
Adt Cr Hm Cs Mgt/Spec	93.778	XIX-MAP18	19,597	9,081	-
Medical Assistance	93.778	XIX-MAP18	80,179	-	-
Medical Assistance Administration	93.778	XIX-MAP18	1,790,875	179,408	-
Medical Transportation Administration	93.778	XIX-MAP18	71,970	-	-
State County Special Assistance	93.778	XIX-MAP18	25,452	-	-
<b>Total Medicaid Cluster</b>			<b>1,988,073</b>	<b>188,489</b>	<b>-</b>

CHATHAM COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2025

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
Division of Social Services: Administration: Children's Health Insurance Program-N.C. Health Choice <b>Total Division of Social Services</b> <b>Total Centers for Medicare and Medicaid Services</b>	93.767	CHIP18	232,040 232,040 2,220,113	74,381 74,381 262,870	- - -
<b>Centers for Disease Control and Prevention</b>					
<b>Passed-through the N.C. Department of Health and Human Services</b>					
Division of Public Health: Public Health Emergency Preparedness	93.069	12642680EN; 12641680EQ; 146022DNF; 1460272CNF;	24,731	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460272ANF; 1460272ENF	50	-	-
Immunization Cooperative Agreements	93.268	1331631DEJ; 1331631AEJ	84,038	-	-
COVID-19 Immunization Cooperative Agreements	93.268		16,142	-	-
Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health	93.967		31,678	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320310AD719; 1320310CD7	8,125	-	-
Preventive Health and Health Services Block Grant	93.991	12615503PH; 13114536PF	40,657	-	-
HIV Care Formula Grants - Ryan White Care Act	93.917		500	-	-
Sexually Transmitted Disease (STD) Prevention and Control Grants <b>Total Centers for Disease Control and Prevention</b>	93.977	1311462DNB19; 1311462ENB19; 1311462CNB19; 1311462ANB;	58 205,979	- -	- -
<b>Health Resources and Services Administration</b>					
<b>Passed-through the N.C. Department of Health and Human Services:</b>					
Division of Public Health:  Maternal and Child Health Services Block Grant to the States <b>Total Health Resources and Services Administration</b>	93.994	13A15735AP19; 12715318AP19; 12715745AP19; 12715351AP19; 13A15740AP19; 13A15107AP19; 12715745AR; 13A15740AR	28,381 28,381	7,748 7,748	- -
<b>Office of Assistant Secretary for Health</b>					
<b>Passed-through the N.C. Department of Health and Human Services:</b>					
Family Planning Services <b>Total Office of Assistant Secretary for Health</b>	93.217	13A15900FP	49,883 49,883	- -	- -
<b>Administration for Community Living</b>					
<b>Division of Aging and Adult Services</b>					
<b>Passed-through the N.C. Department of Insurance</b>					
Special Programs for the Aging - Title IV, and Title III, Discretionary Projects	93.048	90MPPG0074-02-00	5,600	-	-
Medicare Enrollment Assistance Program	93.071	2401NCMIAA-00	13,829	-	-
Medicare Enrollment Assistance Program	93.071	2401NCMIDR-00	6,326	-	-
State Health Insurance Assistance Program - CDAP <b>Total Passed-through the N.C. Department of Insurance</b>	93.324	90SAPG0099-04-00	8,093 33,848	- -	- -
<b>Passed-through Central Pines Regional Council:</b>					
COVID-19 National Family Caregiver Support, Title III Part E	93.043	2018-J007-019	29,218	9,739	-
National Family Caregiver Support, Title III Part E <b>Total Passed-through the N.C. Department of Insurance</b>	93.052	2018-J007-019	65,464 94,682	4,364 14,103	- -
<b>Aging Cluster:</b>					
COVID-19 Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-In-Home Services	93.044	2018-J007-019	44,521	7,857	-
Special Programs for the Aging - Title III, Part B-Grants for Supportive Services and Senior Centers-In-Home Services	93.044	2018-J007-019	153,946	9,056	-
COVID-19 Special Programs for the Aging - Title III, Part C-Nutrition Services-Congregate Nutrition	93.045	2018-J007-019	38,242	6,749	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Congregate Nutrition	93.045	2018-J007-019	75,700	4,453	-
COVID-19 Special Programs for the Aging - Title III, Part C-Nutrition Services-Home Delivered Meals	93.045	2018-J007-019	30,419	5,368	-
Special Programs for the Aging - Title III, Part C-Nutrition Services-Home Delivered Meals	93.045	2018-J007-019	135,626	7,978	-
Nutrition Services Incentive Program <b>Total Aging Cluster</b> <b>Total Administration for Community Living</b>	93.053	2018-J007-019	33,311 511,765 640,295	- 41,461 55,564	- - -
<b>National Institute of Health</b>					
Passed through Duke University Cardiovascular Disease Research <b>Total National Institute of Health</b> <b>Total U.S. Department of Health and Human Services:</b>	93.837	A033411.SPS-250383	11,050 11,050 5,550,747	- - 441,692	- - -
<b>U.S. Department of Homeland Security</b>					
<b>Passed-through N.C. Department of Crime Control and Public Safety:</b>					
<b>Federal Emergency Management Agency</b> Emergency Management Performance Grants <b>Total U.S. Department of Homeland Security</b> <b>Total Federal Awards</b>	97.042	EMPG-2024-017	35,000 35,000 26,070,213	- - 449,646	- - -
<b>State Awards:</b>					
<b>N.C. Department of Agriculture and Consumer Services</b>					
<b>Farmland Preservation Division</b>					
Agricultural Development and Farmland Preservation Trust Fund-Government			-	1,340	-
Agricultural Development and Farmland Preservation Trust Fund-Government <b>Total N.C. Department of Agriculture and Consumer Services</b>		ADFP 17-021-CHA	- - - - -	3,125 4,465	- -
<b>N.C. Department of Information and Technology</b>					
Portable Radio PSAP Grant <b>Total N.C. Department of Information and Technology</b>		PR2024-04	- - - -	55,422 55,422	- -
<b>N.C. Department of Natural and Cultural Resources</b>					
America 250 North Carolina <b>Division of State Library</b> State Aid to Public Libraries <b>Total N.C. Department of Cultural Resources</b>			- - - -	6,000 124,953 130,953	- -
<b>N.C. Department of Environmental Quality</b>					
Agricultural Cost Share-Technical Assistance Merger-Regionalization Feasibility Grant <b>Total N.C. Department of Environmental and Natural Resources</b>		CHAT170 MRF-D-ARP-0011	- - - -	26,181 20,000 46,181	- -
<b>N.C. Department of Health and Human Services</b>					
<b>Division of Social Services:</b>					
<b>Administration and Services</b>					
State Child Welfare/CPS		2018CPS	-	120,868	-
DCD Smart Start			-	2,123	-
Senior Center General Purpose		2018-J007-019	-	22,200	-

CHATHAM COUNTY, NORTH CAROLINA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2025

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>Administration for Community Living</b>					
<b>Division of Aging and Adult Services</b>					
Passed through Central Pines Regional Council:					
<b>Aging Cluster:</b>					
State Appropriation - HCCBG In Home Services		2018-J007-019	-	355,095	-
<b>Direct Benefit Payments:</b>					
State Foster Home		2018SFH	-	93,016	-
State Foster Home Maximization		2018SFHM	-	28,825	-
F/C /Max Non IV-E		2018FCAR	-	10,206	-
Foster Care Kinship			-	24,473	-
State-Family Foster Care Max		2018FCAR	-	17,732	-
F/C At Risk Maximization		2018FCAR	-	17,428	-
<b>Total Division of Social Services</b>			-	<b>691,966</b>	-
<b>Division of Public Health</b>					
<b>Other Receipts / State Supported Expenditures</b>					
Food and Lodging Fees		11534752SZ19	-	24,784	-
General Aid to Counties		116141100019	-	80,736	-
General Communicable Disease Control		117545100019	-	1,610	-
Communicable Disease Pandemic Recovery-SFRF			-	62,828	-
Breast and Cervical Cancer Program		132055990019; 1320335504	-	4,875	-
Child Fatality Prevention			-	1,168	-
Child Health		127157450019	-	3,222	-
Family Planning		13A157350019	-	20,641	-
High Risk Maternity Clinic		13A1574600019	-	17,238	-
Healthy Community Activities		126155030019; 12615503PF19;	-	3,785	-
School Health Center		13114536PF19	-	100,000	-
Tuberculosis		146045510019; 146045540019	-	9,688	-
State Fiscal Recovery Funds			-	8,421	-
<b>Total Division of Public Health</b>			-	<b>338,996</b>	-
<b>Total N.C. Department of Health and Human Services</b>			-	<b>1,030,962</b>	-
<b>N.C. Department of Military and Veteran's Affairs</b>					
DMVA Community County Grants		DMVACNTYGRNTFY25	-	20,562	-
<b>Total N.C. Department of Military and Veteran's Affairs</b>			-	<b>20,562</b>	-
<b>N.C. Department of Public Instruction</b>					
Public School Building Capital Fund-Lottery Proceeds		CHATPSBCF	-	736,475	-
<b>Total N.C. Department of Public Instruction</b>			-	<b>736,475</b>	-
<b>N.C. Department of Public Safety</b>					
Juvenile Crime Prevention Program-Administration		536301-12409019	-	15,408	-
Juvenile Crime Prevention Program		536301-12409019	-	173,638	-
Emergency Management Capacity Building Competitive Grant		24CBCG232	-	141,528	-
Division of Emergency Management		Helene Reimb	-	14,616	-
State Forfeiture Funds		USUB2018	-	16,365	-
<b>Total N.C. Department of Public Safety</b>			-	<b>361,555</b>	-
<b>N.C. Department of Transportation</b>					
Rural Operating Assistance Program (ROAP) Cluster			-		-
Elderly and Disabled Transportation Assistance Program		DOT-16CL-36220.10.12.1	-	87,240	-
Rural General Public Program		DOT-16CL-36228.22.12.1	-	105,471	-
Work First Transitional - Employment		DOT-16CL-36236.11.11.1	-	17,946	-
<b>Total N.C. Department of Transportation</b>			-	<b>210,657</b>	-
<b>N.C. Department of Corrections</b>					
Reentry Program			-	39,921	-
<b>Total N.C. Department of Corrections</b>			-	<b>39,921</b>	-
<b>Other Financial Assistance</b>					
Opioid Settlement			-	197,115	-
<b>Total State Awards</b>			-	<b>2,834,268</b>	-
<b>Total Federal and State Awards</b>			<b>\$ 26,070,213</b>	<b>\$ 3,283,914</b>	<b>\$ -</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 Chatham County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Chatham County, it is not intended to and does not present the financial position, changes in net position or cash flows of Chatham County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 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 N.C. 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 and Developmental Disabilities, Substance Use Services, Special Children Adoption Fund, Subsidized Child Care Program, and Refugee and Entrant Assistance.

**Note 5: Opioid Settlement Fund**

The N.C. 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.

**Note 6: Loans Outstanding**

Chatham County had the following loan balances outstanding at June 30, 2025 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2025 consist of:

Program Title	AL #	Pass-through Grantor's Number	Amount Outstanding
Community Facilities Loans and Grants	10.766		\$ 17,894,643