



Charlotte-Mecklenburg Board of Education

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year Ended June 30, 2023

Prepared by Finance Department
Kelly Kluttz, Chief Financial Officer
Crystal Hill, Superintendent

600 East Fourth Street
Charlotte, North Carolina 28202

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Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	iii-vi
Board Members	vii
Executive Staff	vii
Organizational Chart.....	ix
Certificate of Excellence in Financial Reporting - GFOA	x
Certificate of Excellence in Financial Reporting – ASBO.....	xi

FINANCIAL SECTION

Independent Auditors' Report.....	1-3
Management's Discussion and Analysis.....	4-10

BASIC FINANCIAL STATEMENTS

Exhibit

Government-Wide Financial Statements:		
1	Statement of Net Position	11
2	Statement of Activities	12-13
Fund Financial Statements:		
3	Balance Sheet - Governmental Funds	14-15
3	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14-15
4	Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	16-23
5	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance with the Statement of Activities	24
6	Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds (Non-GAAP Budgetary Basis).....	25-29
7	Statement of Net Position - Proprietary Funds	30
8	Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds...	31
9	Statement of Cash Flows - Proprietary Funds	32
	Notes to Basic Financial Statements	33-57

REQUIRED SUPPLEMENTARY INFORMATION

Schedule

1	Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System.....	58
2	Schedule of Board Contributions - Teachers' and State Employees' Retirement System.....	59
3	Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund	60
4	Schedule of Board Contributions - Retiree Health Benefit Fund.....	61
5	Schedule of the Board's Proportionate Share of the Net OPEB Asset (Liability) – Disability Income Plan of North Carolina.....	62
6	Schedule of Board Contributions - Disability Income Plan of North Carolina.....	63

SUPPLEMENTARY INFORMATION

Schedule

7	Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Capital Projects Fund (Non-GAAP Budgetary Basis)	64
8	Schedule of Revenues and Expenses - Budget and Actual Proprietary Funds (Non-GAAP Budgetary Basis)	65

STATISTICAL SECTION

Statistical Section (Unaudited) – Contents

Facts and Information About Mecklenburg County, North Carolina	66
A Profile of Charlotte-Mecklenburg Schools.....	67-68
2022-2023 Elementary, Middle, and High School Locations	69
Comparative Average Daily Membership - Schools and Special Programs	70-71
Net Position by Components for the Last Ten Fiscal Years	72-73
Statement of Activities for the Last Ten Fiscal Years.....	72-75
General School System Revenues by Function - Government-Wide for the Last Ten Fiscal Years .	76
General School System Expenses by Function - Government-Wide for the Last Ten Fiscal Years .	77
Operational Expenses Government-Wide Per Pupil for the Last Ten Fiscal Years	78-79
Fund Balances, Governmental Funds for the Last Ten Fiscal Years	80-81
Changes in Fund Balance, Governmental Funds for the Last Ten Fiscal Years	82-83
Governmental Expenditures by Function for the Last Ten Fiscal Years	84
Sources of Revenues (All Funds Except Capital Projects) for the Last Ten Fiscal Years	85
Fund Balance Equity for the Last Nine Fiscal Years.....	86
Governmental Operational Expenditures Per Pupil for the Last Ten Fiscal Years.....	87-88
Sources of Mecklenburg County Capital Project Revenues for the Last Ten Fiscal Years	89
After School Enrichment Program Cost Per Participant Per Week for the Last Ten Fiscal Years	90
Sources of School Nutrition Program Revenues for the Last Ten Fiscal Years.....	91
School Nutrition Program Cost Per Pupil Serving for the Last Ten Fiscal Years	92
School Nutrition Program Servings for the Last Ten Fiscal Years.....	93-94
Unreserved Fund Equity - School Nutrition Program for the Last Ten Fiscal Years	95
Mecklenburg County, North Carolina:	
Estimated Population, Assessed Value and General Revenues by Source for the Last Ten Fiscal Years.....	96
Assessed and Estimated Actual Value of Taxable Property for the Last Ten Fiscal Years	97
Ten Highest Taxpayers Current Year and Nine Years Ago	98
Computation of Direct and Overlapping Debt, General Obligation Bonds for the Fiscal Year Ended June 30, 2023	99
Demographic Statistics for the Last Ten Fiscal Years	100
Principal Employers Current Year and Nine Years Ago.....	101
Personnel Summary for the Last Ten Fiscal Years.....	102-103
Teacher Salaries for the Last Ten Fiscal Years	104
Expenditures for Maintenance of Facilities for the Last Ten Fiscal Years	105
Lease and Installment Purchase Payments for the Last Ten Fiscal Years	106-107
School Buildings for the Year Ended June 30, 2023.....	108-111

Letter of Transmittal



**Members of the Charlotte-Mecklenburg
Board of Education and residents of
Mecklenburg County, NC**

November 30, 2023

In compliance with the **Public School Laws of North Carolina**, the Annual Comprehensive Financial Report of the Charlotte-Mecklenburg Board of Education (Board) for the year ended June 30, 2023, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with management.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The report has been prepared following the requirements and guidelines prescribed by the Governmental Accounting Standards Board. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain the maximum understanding of the Board's financial activity have been included.

REPORTING ENTITY

The financial reporting entity includes all funds of the Board. The members of the Board are elected by the public and corporately have decision-making authority. Although the county levies all taxes, the Board determines how the school system will spend the funds allocated for schools. The county cannot modify the school district's budget, nor is the county entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board is not fiscally dependent on the county and therefore is recognized as a primary government as defined by the Governmental Accounting Standards Board. The Board also receives funding from state and federal government sources and must comply with the affiliated requirements of those funding entities. The Board does not have any component units, nor is it a component unit of any other entity.

In 1997 the North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public schools. Charter schools receive a per-pupil allocation of local county funding as defined by the legislation. Although county funds to the charter schools pass through the Board, the Board has no authority or responsibility related to the charter schools; therefore, they are not a component unit of the Board.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Mecklenburg County is the 41st largest county in the nation with a total population of approximately 1.15 million in 2022. The county comprises Charlotte, North Carolina's largest city, and six additional municipalities: Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville. Mecklenburg continues to be the most populous county in the state, with new people and businesses drawn to the area by a relatively comfortable year-round climate, cultural opportunities and recreational activities.

Mecklenburg County also is the second-largest banking center in the United States. Seven Fortune 500 companies are headquartered in the county: Bank of America, Brighthouse Financial, Duke Energy, Honeywell, Nucor, Sonic Automotive and Truist Financial. It is also home to Wells Fargo's east coast center of operations and a branch of the Federal Reserve Bank of Richmond and other financial institutions. Another Fortune 500 company, Lowe's Home Improvement, is headquartered in adjacent Iredell County.

Other companies also announced moves to make Charlotte home. H-T-L perma USA (perma USA), a lubrication technology company, announced it is bringing a new headquarters, production and warehouse facility to the city's southwest corridor. This is the company's biggest expansion and investment outside Germany. Guided Insurance Solutions LLC announced plans for its Charlotte Sales Center to open in the Edison Building, opening and filling 150 new jobs in 2022. Brightspeed also announced it would establish its corporate headquarters in the Queen City's South End neighborhood. The company expects to add more than 100 jobs in the Charlotte area.

Letter of Transmittal

Charlotte is an important transportation center, providing options that attract businesses to Mecklenburg County. Two interstate highways, 77 (I-277) and 85 (I-485), intersect in Charlotte, along with numerous U.S. and state highways. The county is served by the Charlotte Area Transit System (CATS), which provides transportation services, including the LYNX Blue Line light-rail service. The LYNX line is 18.9 miles long and operates from I-485 at South Boulevard to the University of North Carolina at Charlotte's main campus in University City. During 2022, CATS bus and light-rail ridership was approximately 5.945 million and 2.6 million, respectively.

Local commercial operations also benefited from strong rail and air-service support. Norfolk Southern Railway and CSX Transportation, the country's two major rail systems, link the county to 23 states, Washington, D.C., and Canada. Amtrak also provides passenger lines that connect access to most of the United States. Charlotte-Douglas International Airport is ranked among the world's busiest airports, averaging 1,424 arrivals and departures, and 118,636 people traveling to, from and through the city every day, according to Airport Council International.

Charlotte-Mecklenburg Schools is the 17th largest school system in the nation and the second largest in North Carolina. A consolidated city-county district, it mirrors the area's diversity and continued growth, and strives to create an innovative, inclusive, student-centered environment that supports the development of independent learners.

During the 2022-2023 academic year, the district served approximately 141,000 students (including pre-kindergarten) and operated 181 schools in Charlotte and Mecklenburg County. CMS students came from 181 countries and spoke 209 native languages. The district remained racially and culturally diverse: 35.5% of students are African American, 29.7% Hispanic, 24.2% Caucasian, 7.1% Asian, 3.2% multiracial, .2% American Indian and .1% Pacific Islander.

Career and Technical Education served more than 52,000 middle and high school students in CMS. In middle school, students had the opportunity to explore pathways that are offered in all large comprehensive high schools. The district's strategy is for students to opt into a career pathway by their sophomore year. CTE Pathways is a three-course sequence that allows students to study their career interest, obtain industry-relevant credentials and engage in work-based learning opportunities. Students can also extend their career pathway by enrolling in Career and College Promise.

The district has 37 magnet programs across 71 schools that connect students' interests and needs with high-quality themes and educational approaches that advance equity, diversity and opportunity. In partnership with Central Piedmont Community College and the University of North Carolina at Charlotte, CMS also offers accelerated learning opportunities that allow students to take college courses while completing their high school graduation requirements.

Long-term Financial Planning

The CMS operating budget in 2022-2023 was \$2.2 billion, with a budgeted per-pupil expenditure of \$15,177. CMS had 17,874 employees, including 8,240 certified teachers, as of June 30th, 2023. In November 2017, voters in Mecklenburg County approved the largest school bond request in county history (and the second-largest one in state history) for \$922 million to be spent on the district's capital program.

The district's school buildings range widely in age from the oldest, built in 1925, to new facilities completed in 2022 (five) and 2023 (two). CMS has modular structures to facilitate college-level education programs at Central Piedmont Community College and UNC Charlotte.

CMS currently does not have reliable long-term enrollment projections due to shifting trends in enrollment caused by the COVID_19 Pandemic.

ACADEMIC PROGRESS AND INITIATIVES

The impact of the COVID-19 global pandemic on public education has been severe and our recovery continues.

In English language Arts (ELA), college and career-ready rates (CCR) on end-of-grade reading tests for students in grades three through eight increased by 2 percentage points from the 2021-22 school year, from 28.5 percent to 30.5 percent CCR. In math for grades three through eight, college and career-ready rates increased 2.9 percentage points, moving from 34.8 percent to 37.7 percent CCR. In science (tested in grades five and eight), the percentage of students who were college and career ready decreased 1.4 percentage points, down from 56.4 percent to 55.0 percent CCR.

For End-of-Course tests, the recovery was also evident, but mixed. The percentage of students who were college and career ready in English II remained steady at 37.6 percent CCR. The percentage of college and career ready students in biology increased 1.4 percentage points to 44.6 percent, up from 43.2 percent CCR. In Math I (grades 9-12), college and career ready rates rose 1.2 percentage points from 8.2 percent to 9.4 percent CCR. Math I is also

Letter of Transmittal

taken in middle school (grades 6-8), offered to students ready for extra challenge. College and career ready rates for Math I students in grades 6-8 also rose, increasing 6.4 percentage points from 58.3 percent to 64.7 percent CCR. The percentage of students who were college and career ready in Math 3 (grades 9-12) increased 2.0 percentage points to 39.5 percent, up from 37.5 percent CCR.

Another way of evaluating school performance is to measure improvement over time. Specifically, did a school's students make an acceptable amount of academic progress during the school year? The state of North Carolina attempts to measure this growth with its Education Value-Added Assessment System (EVAAS). Schools are given one of three ratings: Did Not Meet Expected Growth, Met Expected Growth, or Exceeded Expected Growth. 82.6 percent of schools (142 schools) received a growth rating of met or exceeded growth expectations. This was a slight decrease (of 1 school), down from 83.1 percent the last year growth ratings were reported. 38 percent of schools (66 schools) received an Exceeds Growth rating. 44 percent of schools (76 schools) received a Met Expected Growth rating. 17 percent of schools (30 schools) received a Did Not Meet Expected Growth rating.

Lastly, North Carolina assigns schools a School Performance Grade based on a variety of indicators, including EOG and EOC results, the number of high school juniors who pass NC Math 3 or Integrated Math 3 and the percentage of students who graduate from high school in four years. The number of schools earning an A, B or C School Performance Grade increased 4.0 percentage points and the number of schools earning a D or F School Performance Grade decreased 4.0 percentage points. While 16 schools were removed from the state's low performing list, 25 schools were added this year. In total, 58 schools have a low performing school designation.

CMS has embraced a multi-faceted approach to accelerate our district's recovery efforts. Key initiatives that are central to our recovery efforts are:

- Accelerating growth for identified student groups through targeted strategies and support for students who need to grow faster
- Increasing supports for grade 8 science
- Focused approach to student support for ACT, ACT WorkKeys, and on-time graduation
- Increasing and streamlining progress monitoring efforts across all schools
- Intensify district specialist supports
- Focused professional development to ensure consistent implementation of school-based plans

FINANCIAL AND BUDGETARY POLICIES

Financial Reporting: CMS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. (See Note 1 in the Notes to Basic Financial Statements for a summary of significant accounting policies and a description of fund types.)

The cost of public school education in North Carolina is financed primarily by the state, which establishes minimum programs. Local funds, in varying amounts by district, supplement the basic program and are generated primarily from the general tax levies of the county. Local boards of education in North Carolina have no direct tax levying and limited borrowing authority.

Accounting records of the school system must be maintained in a uniform state format. Reports of transactions of state and federal funds and details of disbursements from these funds are submitted monthly to the North Carolina Department of Public Instruction for review. A detailed report of county funded expenditures by purpose and object code is provided to the county monthly. Interim financial statements for all funds are presented monthly to the Board of Education. Annual reports are prepared as requested for special grants and programs.

Financial activities throughout the year are controlled in accordance with the **North Carolina School Budget and Fiscal Control Act** which requires a pre-audit procedure to ensure availability of funds prior to issuance of purchase orders or payment of claims. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Additionally, the activity funds of individual schools are examined each year by the internal audit staff for compliance with applicable federal and state regulations along with local board policy.

State law (G.S. 115C-432) establishes that the district's budget resolution shall conform to the uniform budget format established by the State Board of Education. The Board adopts budgets by fund and purpose for all governmental funds and the proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and in funds provided by the federal, state, and local governments. The financial section reflects the final budget, as amended for the fiscal year. State law (G.S. 115C-

Letter of Transmittal

429) allows the board of county commissioners to allocate part or all of its appropriation by purpose/function code as defined in the uniform budget format. Mecklenburg County allocates all of the local funding to CMS by purpose/function code. State and federal funds are allocated to the district by program/report code as defined in the uniform budget format.

The **North Carolina School Budget and Fiscal Control Act** requires the Board accounts to be maintained on an encumbered budgetary basis. Encumbrances are commitments for goods that have not been received or for services not yet rendered. The GAAP financial statements in the report do not include encumbrances while the budgetary basis statements do. Reconciliations between these bases are included in the Notes to Basic Financial Statements. Maintenance of an encumbrance accounting system is one method of maintaining budgetary control.

Internal Control Structure: The financial management staff is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the school system are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. As a recipient of federal, state, and local financial assistance, the school system is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management.

INDEPENDENT AUDIT

The financial statements have been audited by FORVIS LLP, independent certified public accountants, whose opinion is expressed on pages 1-3.

The Charlotte-Mecklenburg Board of Education complies with the requirements of the Single Audit Act for which a separate report is issued.

FINANCIAL REPORTING AWARDS

Since 1977 and 1981, respectively, our Annual Comprehensive Financial Report has earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting awards. These awards are made only to governmental units that publish an annual comprehensive financial report that is easily readable, efficiently organized and conforms to program standards, as well as satisfy generally accepted accounting principles and applicable legal requirements. The awards are valid for a period of one year only. Our application for the GFOA's Certificate of Achievement for Excellence in Financial Reporting for our 2021 Annual Comprehensive Financial Report was submitted timely but is pending review as of this date and thus is not included herein. We believe this report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of its eligibility for renewed awards.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire finance staff. The contributions of all are sincerely appreciated, and the efforts clearly reflect the high standards and accountability we have set for ourselves.

Respectfully submitted,



Kelly H. Kluttz
Chief Financial Officer



Chairperson, At-Large

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District 6

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Board of Education Office

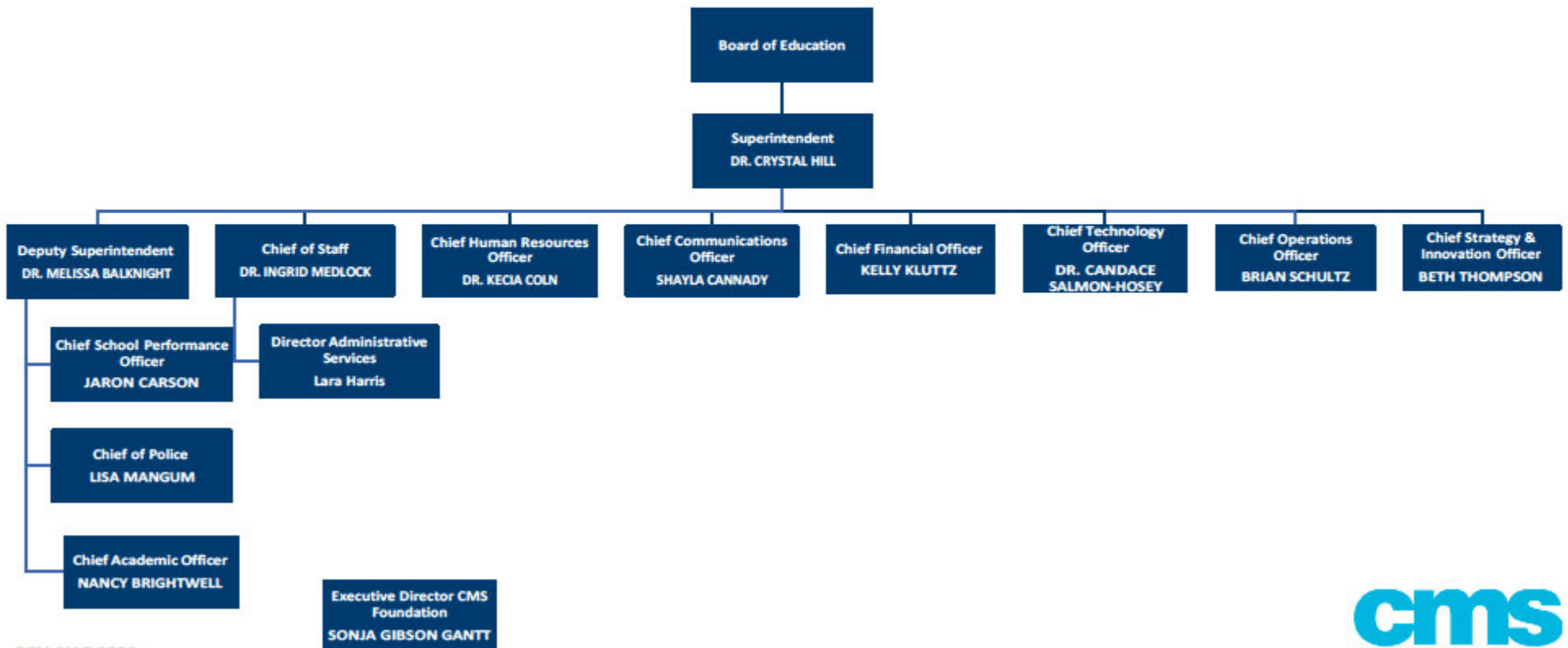
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Charlotte-Mecklenburg Schools
Executive Staff
June 30, 2023

Dr. Crystal Hill	Superintendent
Dr. Ingrid Medlock	Chief of Staff
Nancy Brightwell	Chief Academic Officer
Vacant	Chief Accountability Officer
Shayla Cannady	Chief Communications Officer
Kelly Kluttz	Chief Financial Officer
Dr. Kecia Cohn	Chief Human Resources Officer
Brian Schultz	Chief Operating Officer
Jaron Carson	Chief Equity & School Performance Officer
Lisa Mangum	Chief of Police Officer
Beth Thompson	Chief Strategy and Innovation Officer
Dr. Candace Salmon-Hosey	Chief Technology Officer
Dr. Melissa Balknight	Deputy Superintendent
Angela Wood	Associate Superintendent, Human Resources
Dr. Jill Payne	Associate Superintendent, Student Services
Tara Lynn Sullivan	Assistant Superintendent, Learning and Teaching
Nicole Portee	Assistant Superintendent, Operations
Vacant	Assistant Superintendent, Strategy Management
Tangela Williams	Learning Community Superintendent, North
Kondra Rattley	Learning Community Superintendent, South
Trish Sexton	Learning Community Superintendent, East
Acquanetta Edmond	Learning Community Superintendent, West
Laura Rosenbach	Learning Community Superintendent, Central
Stephen Esposito	Learning Community Superintendent, Northeast
Raymond Barnes	Learning Community Superintendent, Northwest
Kim Schroeder	Learning Community Superintendent, Southeast
Nicolette Grant	Learning Community Superintendent, Southwest

ORGANIZATIONAL CHART

CMS Leadership



REV AUG 2023





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Charlotte-Mecklenburg Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

**Charlotte Mecklenburg Board of
Education**

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

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



A handwritten signature in black ink, reading 'John W. Hutchison'.

John W. Hutchison
CAE
President

A handwritten signature in black ink, reading 'Siobhán McMahon'.

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

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Independent Auditor's Report

Charlotte-Mecklenburg Board of Education
Charlotte, NC

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the Charlotte-Mecklenburg Board of Education, North Carolina (the "Board"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Board, 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.

Emphasis of Matter

As discussed in Note 24 to the basic financial statements, the Board adopted the provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are 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 Board's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board'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 Board's internal control over financial reporting and compliance.

FORVIS, LLP

**Richmond, VA
November 30, 2023**

**Charlotte-Mecklenburg Board of Education
Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

INTRODUCTION

Our discussion and analysis of Charlotte-Mecklenburg Board of Education’s (the Board’s) financial performance provides a narrative overview of the Board’s financial activities for the fiscal year ended June 30, 2023. This information should be read in conjunction with the audited financial statements included in this report. All amounts, unless otherwise indicated, are presented in thousands of dollars.

FINANCIAL HIGHLIGHTS

- The Board’s enrollment increased by 799 students (or 0.6%) from the previous year based on the first month enrollment.
- The assets and deferred outflows of the Board exceeded its liabilities and deferred inflows at the close of the fiscal year by \$659.6 million.
- The Board’s total net position increased by \$348.4 million in FY 2023 primarily due to increased capital assets.
- As of the close of the current fiscal year, the Board’s governmental funds reported a combined fund balance of \$152.1 million, an increase of \$21.0 million in comparison with the prior year. Approximately 14% of this total amount, or \$21.4 million, is available for spending at the government’s discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Charlotte-Mecklenburg Board of Education consist of four components. They are as follows:

- *Independent Auditor’s Report*
- *Management’s Discussion and Analysis*
- *Basic Financial Statements*
- *Required Supplemental Information*
- *Supplemental Information*

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

The second type of statement included in the basic financial statements is the *fund financial statements*, which are presented for the Board’s governmental and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near-term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board’s most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the current financial resources of the Board’s funds.

GOVERNMENT-WIDE STATEMENTS

The government-wide statements report information about the Board as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position presents information on all of the Board’s assets and liabilities, with the difference between the two reported as Net Position. All of the current year’s revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

**Charlotte-Mecklenburg Board of Education
Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

The two government-wide statements report the Board’s net position and how it has changed during the most recent year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Board is improving or declining. To assess the Board’s overall health, you need to consider additional non-financial factors such as changes in Mecklenburg County’s property tax base and the condition of its school buildings and other physical assets.

The Board’s activities are divided into two categories in the government-wide statements:

- **Governmental activities:** Most of the Board’s basic services are included here, such as regular and special education, transportation, and administration. County, state and federal funds finance most of these activities.
- **Business-Type activities:** The Board charges fees to help cover the costs of certain services it provides, although federal funding also supports the School Nutrition Program. School Nutrition and After School Enrichment are included in the Board’s business-type activities.

The government-wide statements are shown on pages 11-13 of this report.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the Board’s funds, focusing on its most significant or “major” funds – not the Board as a whole. Funds are accounting devices the Board uses to keep track of specific sources of funding and spending on particular programs.

- Some funds, such as the State Public School Fund, are required by state law.
- The Board has established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grants fund.

Charlotte-Mecklenburg Board of Education has two types of funds:

Governmental Funds: Most of the Board’s basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. As a result of this current financial resource focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the Board’s programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the end of the governmental fund statements, in the form of reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Projects Fund, the Special Revenue Fund, the Direct Federal Grants Fund and the State Administered Federal Grants Fund.

The governmental fund statements are shown on pages 14-29 of this report.

Proprietary Funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. Charlotte-Mecklenburg Board of Education has two proprietary funds, both enterprise funds. They are the School Nutrition Program and the After-School Enrichment Program.

The proprietary fund statements are shown on pages 30-32 of this report.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position is an indicator of the fiscal health of the Board. Assets and deferred outflows exceeded liabilities and deferred inflows by approximately \$659.6 million as of June 30, 2023. The largest component of net position is net investment in capital assets, of \$2.6 billion. The Net OPEB Liability of \$1.3 billion presented on the financial statement in accordance with GASB 75 and the Net Pension Liability of \$0.9 billion in accordance with GASB 68 contributes significantly to the unrestricted net position of \$(2.1) billion.

**Charlotte-Mecklenburg Board of Education
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

Following is a summary of the Statement of Net Position:

Table 1
Condensed Statement of Net Position
as of June 30, 2023 and 2022
(Amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 281,377	\$ 251,516	\$ 80,262	\$ 67,425	\$ 361,639	\$ 318,941
Capital Assets	2,641,925	2,487,761	6,673	5,310	2,648,598	2,493,071
Total Assets	2,923,302	2,739,277	86,935	72,735	3,010,237	2,812,012
Deferred Outflows of Resources	744,196	525,851	13,453	9,870	757,649	535,721
Current Liabilities	137,126	118,934	3,851	3,431	140,977	122,365
Net Pension Liability	906,097	281,824	16,743	6,502	922,840	288,326
Net OPEB Liability	1,266,274	1,644,963	27,362	33,583	1,293,636	1,678,546
Other Long-Term Liabilities	112,086	102,010	1,848	1,855	113,934	103,865
Total Long-term liabilities	2,284,457	2,028,797	45,953	41,940	2,330,410	2,070,737
Total Liabilities	2,421,583	2,147,731	49,804	45,371	2,471,387	2,193,102
Deferred Inflows of Resources	624,680	827,835	12,183	15,514	636,863	843,349
Net Investment in Capital Assets	2,638,481	2,479,886	6,673	5,310	2,645,154	2,485,196
Restricted Net Position	83,787	92,810	-	23	83,787	92,833
Unrestricted Net position (Deficit)	(2,101,033)	(2,283,134)	31,728	16,387	(2,069,305)	(2,266,747)
Total Net Position	\$ 621,235	\$ 289,562	\$ 38,401	\$ 21,720	\$ 659,636	\$ 311,282

Note that the total net position increased by \$348.4 million during the year indicating an enhancement in the financial condition of the Board. The increase in net position (approximately 111.0%) was due mainly to the increase in capital assets in governmental activities as a result of new and completed construction. Also note that the Board carries capital assets for which Mecklenburg County carries the offsetting debt.

**Charlotte-Mecklenburg Board of Education
Management's Discussion and Analysis
For the Year Ended June 30, 2023**

The following table shows the revenue and expenses for the Board for the current and previous fiscal year.

**Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2023 and 2022**
(Amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program Revenues:						
Charges for Services	\$ 7,140	\$ 6,440	\$ 20,091	\$ 12,549	\$ 27,231	\$ 18,989
Operating Grants and Contributions	257,082	205,124	69,117	94,387	326,199	299,511
Capital Grants and Contributions	-	625	-	-	-	625
General Revenues:						
Unrestricted State Appropriations	1,000,355	990,683	-	-	1,000,355	990,683
Unrestricted County Appropriations	789,111	773,000	-	-	789,111	773,000
Other Revenues	66,477	41,880	1,503	242	67,980	42,122
Total Revenues	2,120,165	2,017,752	90,711	107,178	2,210,876	2,124,930
EXPENSES:						
Governmental Activities:						
Instructional Services	1,352,231	1,261,119	-	-	1,352,231	1,261,119
Supporting Services	348,579	330,890	-	-	348,579	330,890
Community Service	2,996	4,039	-	-	2,996	4,039
Other	82,109	76,711	-	-	82,109	76,711
Business-type Activities:						
After-School Enrichment	-	-	7,837	8,511	7,837	8,511
School Food Service	-	-	68,770	62,426	68,770	62,426
Total expenses	1,785,915	1,672,759	76,607	70,937	1,862,522	1,743,696
Excess Before Transfers	334,250	344,993	14,104	36,241	348,354	381,234
Transfer of Capital	(2,426)	(1,581)	2,426	1,581	-	-
Transfers In (Out)	(151)	(45)	151	45	-	-
Increase (Decrease) in Net Position	331,673	343,367	16,681	37,867	348,354	381,234
Net Position, Beginning	289,562	(53,805)	21,720	(16,147)	311,282	(69,952)
Net Position, Ending	\$ 621,235	\$ 289,562	\$ 38,401	\$ 21,720	\$ 659,636	\$ 311,282

Total governmental activities generated revenues of \$2.1 billion while expenses in this category totaled \$1.8 billion for the year ended June 30, 2023. Comparatively, revenues were \$2.0 billion, and expenses totaled \$1.7 billion for the year ended June 30, 2022. The increase in revenues is primarily due to higher operating grants and contributions driven by federal and state support attributable to COVID-19 as well as an increase in state appropriations for salary and benefit increases costs. After transfers to the business-type activities, the increase in net position of governmental activities stands at \$331.7 million at June 30, 2023, compared to an increase of \$343.4 million in 2022.

Instructional expenses comprised 75.7% of total governmental-type expenses while support services made up 19.5% of those expenses for 2023. County funding comprised 37.2% (26.3% operating and 10.9% capital) and 38.3% (26.7% operating and 11.6% capital) of total governmental revenue in 2023 and 2022, respectively. Although state Funding increased slightly, state funding decreased as a percentage of total governmental revenues (47.2% in 2023 compared to 49.6% in 2022). Most of the remaining governmental revenue (15.6% in 2023 and 12.1% in 2022) consists of revenue generated from other operating grants and contributions which is higher than prior year due to one-time federal COVID relief funding.

Business-Type activities generated revenue of \$90.7 million and had expenses of \$76.6 million for the year ended June 30, 2023. Comparatively, revenues were \$107.2 million, and expenses totaled \$70.9 million for the year ended June 30, 2022. Net position increased in the business-type activities by \$16.7 million primarily due to one-time Federal support attributable to COVID-19 received by both the School Nutrition and After School Enrichment programs. The current year increase compared to an increase of \$37.9 million in 2022 is primarily due to the ongoing operations impact of the COVID-19 pandemic including closure of schools which began effective March 16, 2020.

**Charlotte-Mecklenburg Board of Education
Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

FINANCIAL ANALYSIS OF THE BOARD’S FUNDS

GOVERNMENTAL AND PROPRIETARY FUNDS:

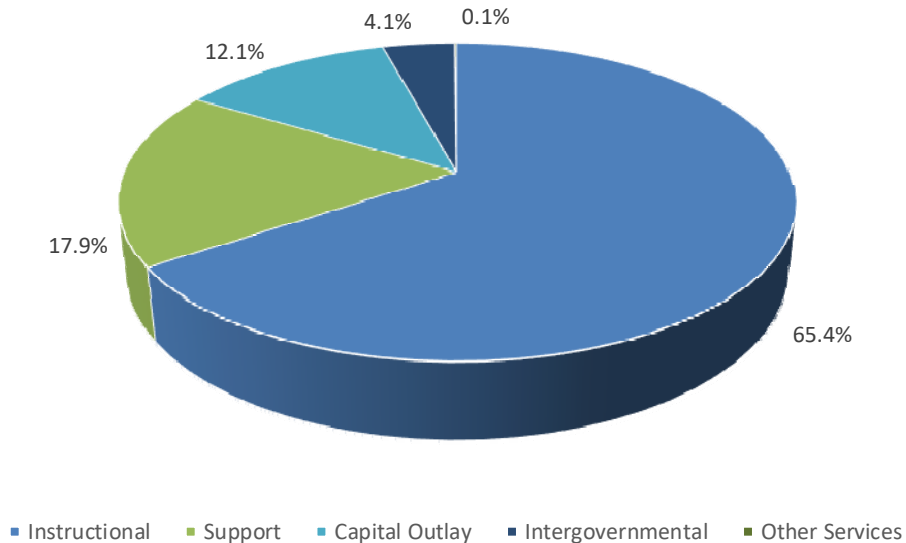
The focus of the Board’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board’s financing requirements.

The Board’s governmental funds reported a combined fund balance of \$152.1 million, an increase of \$21.0 million from the prior year. At the close of the year, state funding was \$1,000.4 million, compared to \$961.9 million in 2022, an increase of approximately \$38.5 million for the year. County funding was \$789.0 million, compared to \$773.0 million in 2022, a decrease of approximately \$16.0 million for the year. Federal grant funding, which includes both Direct Federal Grants, State Administered Federal Grants, and Coronavirus Relief Funds received in the State Public School Fund was \$285.7 million, compared to \$239.5 million in 2022, an increase of \$46.2 million for the year.

At the end of the year, the General Fund total fund balance decreased \$5.5 million primarily due to a decrease in encumbrances from the prior year of \$9.0 million and use of \$2.3 million of prior year’s assigned fund balance. In 2022, there was a decrease in net fund balance of \$20.3 million. The Capital Projects Fund’s net fund balance decreased \$1.6 million compared to an increase of \$1.2 million in 2022. The Special Revenue Fund had an increase in net fund balance of \$23.2 million compared to an increase in net fund balance of less than \$.1 million in the prior year, primarily attributable to revenues allocated to utility costs not required to be expended in the prior fiscal year. The Direct Federal Grants Fund’s net fund balance increased \$4.9 million compared to it being unchanged in prior year.

The Board’s proprietary funds reflected a total decrease in net position of \$16.7 million. The School Nutrition Program net position increased \$11.5 million over prior year driven by the U.S. Department of Agriculture’s waiver for the 2022-2023 school year that allowed all students to eat at no charge. The After School Enrichment Program increased its net position by \$5.2 million attributable to the North Carolina Early Childhood Stabilization grant, which will end in 2023. In 2022, the School Nutrition and After School Enrichment programs each had an increase in net position of \$30.7 million and \$7.2 million, respectively.

Categorization of Expenditures for Governmental Funds
(presented on the modified accrual basis of accounting)



**Charlotte-Mecklenburg Board of Education
Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the Board may revise the budget to account for changes in revenue expectations for the General Fund. This year’s budgeted revenues were not amended. Additional information about the budgetary comparisons for the Governmental Funds and budget management is included in Note 1, Section D in the Notes to the Basic Financial Statements.

CAPITAL ASSETS INCLUDING RIGHT OF USE ASSETS

At June 30, 2023, the Board had \$4.0 billion invested in a broad range of capital assets, including land, buildings and improvements, equipment and right of use assets for leased building space and equipment and subscriptions. This amount represents a net increase (including additions, deductions, depreciation and amortization) of \$151.8 million. The increase is primarily due to construction projects completed during the year.

**Table 3
Summary of Capital Assets
As of June 30, 2023 and 2022**
(Amounts expressed in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 188,442	\$ 187,774	\$ -	\$ -	\$ 188,442	\$ 187,774
Construction in Progress	248,749	348,089	-	-	248,749	348,089
Buildings	3,155,881	2,882,670	-	-	3,155,881	2,882,670
Equipment	390,587	355,639	37,869	35,913	428,456	391,552
Right-of-Use Lease Asset	1,290	2,873	-	-	1,290	2,873
Right-of-Use Subscription Asset	24,560	4,151	-	-	24,560	4,151
	<u>4,009,509</u>	<u>3,781,196</u>	<u>37,869</u>	<u>35,913</u>	<u>4,047,378</u>	<u>3,817,109</u>
Less Accumulated Depreciation	(1,361,650)	(1,288,325)	(31,196)	(30,603)	(1,392,846)	(1,318,928)
Less Accumulated Amortization	<u>(5,934)</u>	<u>(1,380)</u>	<u>-</u>	<u>-</u>	<u>(5,934)</u>	<u>(1,380)</u>
	<u>(1,367,584)</u>	<u>(1,289,705)</u>	<u>(31,196)</u>	<u>(30,603)</u>	<u>(1,398,780)</u>	<u>(1,320,308)</u>
Total	<u>\$ 2,641,925</u>	<u>\$ 2,491,491</u>	<u>\$ 6,673</u>	<u>\$ 5,310</u>	<u>\$ 2,648,598</u>	<u>\$ 2,496,801</u>

Additional information related to Capital Assets and Right to Use Assets activity is included in Notes 5, 6, 7, 14 and 23 in the Notes to the Basic Financial Statements.

DEBT OUTSTANDING

During the year, the Board’s debt increased by \$0.3 million due mainly to the change in net pension and OPEB liabilities. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds all debt issued for school capital construction. Additional information related to Debt Outstanding is included in Note 20 in the Notes to the Basic Financial Statements.

**Charlotte-Mecklenburg Board of Education
Management’s Discussion and Analysis
For the Year Ended June 30, 2023**

ECONOMIC FACTORS

County funding is a significant source of operating revenue for the Board. Therefore, the County’s economic outlook directly affects that of the school district. The County’s unemployment rate of 3.4% for 2023 reflects a decrease from 3.9% in 2022. The County’s unemployment rate is in line with the state rate of 3.3% and the national rate of 3.6%. Charlotte-Mecklenburg enjoys a balanced economy that encompasses many sectors, as well as companies that range in size from multinational to microbusiness. In recent years, Charlotte-Mecklenburg has seen significant economic growth, but economists expect this growth to slow due to high inflation, volatility in the labor market, disrupted supply chains and is having economic impacts throughout the world from war in Ukraine. As such, Mecklenburg County anticipates moderate revenue growth for next year.

IMPACT OF CORONAVIRUS ON SCHOOLS

During the past four fiscal years, the state and the nation were affected by the spread of a coronavirus and ensuing COVID- 19 global pandemic. While the 2022-2023 school year resumed with regular, daily in-person instruction, impacts from the pandemic on public education remain. In the most recent fiscal year, the Board focused on implementing strategies for academic recovery as well as managing its increased teacher vacancies, a national trend. The financial impact of the coronavirus was eased in the most recent fiscal years by an increase in federal and state funding support. Fiscal year 2023-2024 is the final year of added financial support, the Board is preparing for the loss of ESSER funds (ESSER cliff) by tightly aligning the budget with goals, guardrails and the annual plan, while continuing to focus on recovery.

REQUEST FOR INFORMATION

This report is intended to provide a summary of the financial condition of Charlotte-Mecklenburg Board of Education. Questions or requests for additional information should be addressed to:

Kelly Kluttz, Chief Financial Officer
Charlotte-Mecklenburg Board of Education
4421 Stuart Andrew Boulevard
Charlotte, NC 28217

Charlotte-Mecklenburg Board of Education
Statement of Net Position
As of June 30, 2023
(Amounts expressed in thousands)

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 216,080	\$ 71,301	\$ 287,381
Receivables:			
Mecklenburg County	32,482	-	32,482
State of North Carolina	5,999	-	5,999
US Government Agencies	6,970	2,218	9,188
Other	17,987	397	18,384
Inventories	1,859	6,346	8,205
Capital Assets			
Land, Improvements and Construction in Progress	437,191	-	437,191
Other Capital Assets, net of Depreciation	2,204,734	6,673	2,211,407
Total Capital Assets	2,641,925	6,673	2,648,598
TOTAL ASSETS	2,923,302	86,935	3,010,237
DEFERRED OUTFLOWS OF RESOURCES	744,196	13,453	757,649
LIABILITIES			
Accounts Payable	50,470	1,504	51,974
Accrued Wages Payable	25,908	465	26,373
Unearned Revenue	38,301	1,715	40,016
Long-term Liabilities:			
Due Within One Year			
Obligations Under Installment Purchases	1,844	-	1,844
Claims Liability	5,621	-	5,621
Liability for Compensated Absences	6,825	167	6,992
Lease Liability	439	-	439
Subscription Liability	7,718	-	7,718
Due in More than One Year			
Net Pension Liability	906,097	16,743	922,840
Net OPEB Liability	1,266,274	27,362	1,293,636
Obligations Under Installment Purchases	693	-	693
Claims Liability	8,618	-	8,618
Liability for Compensated Absences	93,532	1,848	95,380
Lease Liability	468	-	468
Subscription Liability	8,775	-	8,775
TOTAL LIABILITIES	2,421,583	49,804	2,471,387
DEFERRED INFLOWS OF RESOURCES	624,680	12,183	636,863
NET POSITION			
Net Investment in Capital Assets	2,638,481	6,673	2,645,154
Restricted:			
Stabilization by State Statute	72,526	-	72,526
Individual Schools	6,858	-	6,858
Insurance Claims	4,403	-	4,403
Unrestricted	(2,101,033)	31,728	(2,069,305)
TOTAL NET POSITION	\$ 621,235	\$ 38,401	\$ 659,636

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

Charlotte-Mecklenburg Board of Education
Statement of Activities
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary Government:				
Governmental Activities:				
Instructional Programs				
Regular	\$ 824,717	\$ -	\$ 41,989	\$ -
Special	208,982	-	51,208	-
Alternative	134,729	-	114,041	-
School Leadership	78,003	-	2,658	-
Co-Curricular	14,906	-	11	-
School-Based Support	90,894	7,140	16,042	-
Support and Development	11,989	-	2,903	-
Special Populations Support and Development	10,362	-	3,279	-
Technology Support Services	15,808	-	217	-
Operational support services	242,827	-	18,349	-
Financial and Human Resource	38,674	-	1,751	-
Accountability Services	6,152	-	849	-
System-wide Pupil Support	3,947	-	219	-
Policy, Leadership, and Public Relations	18,820	-	1,301	-
Community Sevices	2,996	-	2,265	-
Charter School Payments	82,109	-	-	-
Total Governmental Activities	<u>1,785,915</u>	<u>7,140</u>	<u>257,082</u>	<u>-</u>
Business-Type Activities:				
After School Program	7,837	7,501	5,267	-
School Nutrition Program	68,770	12,590	63,850	-
Total Business-Type Activities	<u>76,607</u>	<u>20,091</u>	<u>69,117</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,862,522</u>	<u>\$ 27,231</u>	<u>\$ 326,199</u>	<u>\$ -</u>
General Revenues:				
Unrestricted State Appropriations-Operating				
Unrestricted State Appropriations-Capital				
Unrestricted Mecklenburg County Appropriations-Operating				
Unrestricted Mecklenburg County Appropriations-Capital				
State OPEB Contribution - Non-Capital				
Investment Earnings, Unrestricted				
Miscellaneous, Unrestricted				
Total General Revenues				
Transfer of Capital Transfers				
Total General Revenues and Transfers				
Change in Net Position (Deficit)				
Net Position, Beginning				
Net Position, Ending				

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

Charlotte-Mecklenburg Board of Education
Statement of Activities
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 2

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (782,728)	\$ -	\$ (782,728)
(157,774)	-	(157,774)
(20,688)	-	(20,688)
(75,345)	-	(75,345)
(14,895)	-	(14,895)
(67,712)	-	(67,712)
(9,086)	-	(9,086)
(7,083)	-	(7,083)
(15,591)	-	(15,591)
(224,478)	-	(224,478)
(36,923)	-	(36,923)
(5,303)	-	(5,303)
(3,728)	-	(3,728)
(17,519)	-	(17,519)
(731)	-	(731)
(82,109)	-	(82,109)
<u>(1,521,693)</u>	<u>-</u>	<u>(1,521,693)</u>
-	4,931	4,931
-	7,670	7,670
-	<u>12,601</u>	<u>12,601</u>
(1,521,693)	12,601	(1,509,092)
995,178	-	995,178
5,177	-	5,177
557,956	-	557,956
231,155	-	231,155
9,662	158	9,820
557	1,345	1,902
56,258	-	56,258
1,855,943	1,503	1,857,446
(2,426)	2,426	-
(151)	151	-
<u>1,853,366</u>	<u>4,080</u>	<u>1,857,446</u>
331,673	16,681	348,354
289,562	21,720	311,282
<u>\$ 621,235</u>	<u>\$ 38,401</u>	<u>\$ 659,636</u>

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

Charlotte-Mecklenburg Board of Education
Balance Sheet - Governmental Funds
June 30, 2023
(Amounts expressed in thousands)

Exhibit 3

	Major Funds			
	General	State	Individual Schools	Capital Projects
		Public School		
ASSETS				
Cash and Cash Equivalents	\$ 118,052	\$ -	\$ 6,858	\$ 25,632
Receivables:				
Mecklenburg County	-	-	-	32,482
State of North Carolina	2,928	3,071	-	-
U.S. Government Agencies	-	-	-	-
Due from Other Funds	-	65	-	-
Other	573	16,166	-	331
Inventories	1,859	-	-	-
TOTAL ASSETS	\$ 123,412	\$ 19,302	\$ 6,858	\$ 58,445
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 15,055	\$ 1,390	\$ -	\$ 31,815
Claims Payable	14,239	-	-	-
Accrued Wages Payable	23,790	1,740	-	-
Unearned Revenue	-	16,166	-	-
Due to Other Funds	-	6	-	-
Total Liabilities	53,084	19,302	-	31,815
DEFERRED INFLOWS	-	-	-	331
Fund Balance				
Nonspendable:				
Inventories	1,859	-	-	-
Restricted:				
Stabilization by State Statute	37,945	-	-	26,299
Individual Schools	-	-	6,858	-
Insurance Claims	4,403	-	-	-
Assigned:				
Special Revenue	-	-	-	-
Subsequent Years Expenditures	4,769	-	-	-
Unassigned:	21,352	-	-	-
Total Fund Balance	70,328	-	6,858	26,299
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 123,412	\$ 19,302	\$ 6,858	\$ 58,445

Total fund balances - governmental funds

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of the CMS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of Capital Assets
Accumulated Depreciation and Amortization

Deferred outflows of resources related to pensions
Deferred outflows of resources related to OPEB

Long-term liabilities applicable to the CMS governmental activities are not due and payable in the current period and accordingly are not reported as governmental fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Liability for Compensated Absences
Lease Liability
Subscription Liability
Net Pension Liability
Net OPEB Liability
Deferred Inflows of Resources Related to Pensions
Deferred Inflows of Resources Related to OPEB
Obligations Under Installment Purchases

Net Position

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

Charlotte-Mecklenburg Board of Education
 Balance Sheet - Governmental Funds
 June 30, 2023

(Amounts expressed in thousands)

Exhibit 3

MAJOR FUNDS			
Special Revenue	Direct Federal Grants	State Administered Federal	Total
\$ 50,477	\$ 15,061	\$ -	\$ 216,080
-	-	-	32,482
-	-	-	5,999
-	4,859	2,111	6,970
6	-	-	71
917	-	-	17,987
-	-	-	1,859
<u>\$ 51,400</u>	<u>\$ 19,920</u>	<u>\$ 2,111</u>	<u>\$ 281,448</u>
\$ 490	\$ 6	\$ 1,714	\$ 50,470
-	-	-	14,239
46	-	332	25,908
7,834	14,301	-	38,301
-	-	65	71
<u>8,370</u>	<u>14,307</u>	<u>2,111</u>	<u>128,989</u>
-	-	-	331
-	-	-	1,859
2,817	5,465	-	72,526
-	-	-	6,858
-	-	-	4,403
40,213	148	-	40,361
-	-	-	4,769
-	-	-	21,352
<u>43,030</u>	<u>5,613</u>	<u>-</u>	<u>152,128</u>
<u>\$ 51,400</u>	<u>\$ 19,920</u>	<u>\$ 2,111</u>	<u>\$ 281,448</u>
			\$ 152,128
		\$ 4,009,509	
		<u>(1,367,584)</u>	2,641,925
			536,478
			207,718
		\$ (100,357)	
		(907)	
		(16,493)	
		(906,097)	
		<u>(1,266,274)</u>	
		(22,748)	
		(601,601)	
		<u>(2,537)</u>	(2,917,014)
			<u>\$ 621,235</u>

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

	Major Funds			
	General	State Public School	Individual Schools	Capital Projects
REVENUES				
State of North Carolina:				
State Public School	\$ -	\$ 981,787	\$ -	\$ -
Other	-	-	-	5,177
Total State	-	981,787	-	5,177
Mecklenburg County:				
County Public Schools	475,847	-	-	231,155
Charter Schools	82,109	-	-	-
Total County	557,956	-	-	231,155
U.S. Government Agencies:				
Title I--Education of Children of Low Income Families	-	-	-	-
Title VI--Education of Handicapped Children	-	-	-	-
Supporting Effective Instruction	-	-	-	-
Title III--Language Acquisition	-	-	-	-
CTE Program Involvement	-	-	-	-
Title IV--Student Support and Academic COVID-19 Education Stabilization Fund	-	-	-	-
Other	-	-	-	-
Total U.S. Government Agencies	-	-	-	-
Other:				
Insurance Proceeds	-	-	-	7
Miscellaneous	10,940	-	7,140	1,688
Total Other	10,940	-	7,140	1,695
Total Revenues	568,896	981,787	7,140	238,027
CURRENT OPERATING EXPENDITURES				
Instructional Programs:				
Regular	178,743	585,095	-	-
Special	43,437	137,084	-	-
Alternative	-	21,244	-	-
School Leadership	28,123	57,126	-	-
Co-Curricular	6,499	9	7,187	-
School-Based Support	17,507	65,943	-	-
Total Instructional Programs	274,309	866,501	7,187	-

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

Major Funds			
Special Revenue	Direct Federal Grants	State Administered Federal	Total
\$ -	\$ -	\$ -	\$ 981,787
13,391	-	-	18,568
13,391	-	-	1,000,355
-	-	-	707,002
-	-	-	82,109
-	-	-	789,111
-	-	56,396	56,396
-	-	36,556	36,556
-	-	4,272	4,272
-	-	2,904	2,904
-	-	2,335	2,335
-	-	2,746	2,746
-	-	168,005	168,005
-	11,474	968	12,442
-	11,474	274,182	285,656
-	-	-	7
44,180	-	-	63,948
44,180	-	-	63,955
57,571	11,474	274,182	2,139,077
6,799	3,463	35,961	810,061
115	2,788	46,340	229,764
12,943	78	113,925	148,190
40	-	2,658	87,947
1,558	-	11	15,264
623	18	16,042	100,133
22,078	6,347	214,937	1,391,359

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

	Major Funds			
	General	State Public School	Individual Schools	Capital Projects
CURRENT OPERATING EXPENDITURES (Continued)				
Support and Development:				
Regular Support	9,263	467	-	-
Career and Technical Support	355	342	-	-
Total Support and Development	9,618	809	-	-
Special Population Support:				
Special Population Support	1,927	3,692	-	-
Improvement	134	-	-	-
Alternative Programs	1,574	324	-	-
Total Special Population Support	3,635	4,016	-	-
Technology Support:				
Technology Support	13,106	1,303	-	-
Total Technology Support	13,106	1,303	-	-
Operational Support:				
Communication Services	1,715	16	-	-
Printing and Copying	1,315	-	-	-
Public Utility and Energy	26,267	1,854	-	-
Custodial/Housekeeping	24,034	25,415	-	-
Transportation	26,454	78,541	-	-
Warehouse and Delivery	3,580	-	-	-
Facilities Planning	3,216	-	-	-
Maintenance of Plant	34,510	321	-	-
Total Operational Support	121,091	106,147	-	-
Financial and Human Resources:				
Financial Services	12,465	340	-	-
Insurance Claims	11,600	-	-	-
Human Resources Services	11,086	165	-	-
Staff Development Services	1,247	-	-	-
Human Resources Services Covid-19	-	-	-	-
Total Financial and Human Resources	36,398	505	-	-
Accountability Services:				
Student Testing	4,180	141	-	-
Planning and Research	1,263	-	-	-
Total Accountability Services	5,443	141	-	-

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

Major Funds			
Special Revenue	Direct Federal Grants	State Administered Federal	Total
134	129	2,672	12,665
-	-	-	697
134	129	2,672	13,362
3	-	998	6,620
-	-	-	134
825	-	2,281	5,004
828	-	3,279	11,758
1,492	-	217	16,118
1,492	-	217	16,118
331	-	580	2,642
-	-	27	1,342
4,186	-	-	32,307
-	-	2,704	52,153
225	-	3,443	108,663
-	-	116	3,696
-	-	16	3,232
301	-	11,463	46,595
5,043	-	18,349	250,630
1,643	-	478	14,926
-	-	-	11,600
107	-	1,273	12,631
117	-	-	1,364
7	-	-	7
1,874	-	1,751	40,528
222	-	662	5,205
150	-	187	1,600
372	-	849	6,805

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

	Major Funds			
	General	State Public School	Individual Schools	Capital Projects
System-Wide Pupil Support:				
Educational Media	552	-	-	-
Student Accounting	371	-	-	-
Guidance Support	446	-	-	-
Health Support	121	-	-	-
Safety and Security	2,672	29	-	-
Total System-Wide Pupil Support	4,162	29	-	-
Policy, Leadership and Public Relations:				
Board of Education	715	-	-	-
Legal Services	3,415	-	-	-
Audit Services	88	-	-	-
Leadership	-	67	-	-
Office of Superintendent	545	215	-	-
Deputy, Associate, Assistant Superintendent	8,858	2,007	-	-
Public Relations and Marketing	1,875	-	-	-
Total Policy, Leadership, and Public Relations	15,496	2,289	-	-
Ancillary Services:				
Community Services	-	-	-	-
Nutrition Services	257	-	-	-
Total Ancillary Services	257	-	-	-
Total Current Operating Expenditures	483,515	981,740	7,187	-
DEBT SERVICE EXPENDITURES				
Principal	8,652	-	-	4,452
Total Debt Service Expenditures	8,652	-	-	4,452
CAPITAL OUTLAY EXPENDITURES				
Lease and Subscription Assets	20,408	-	-	-
Building and Site Improvements	-	-	-	221,278
Furniture and Equipment	-	-	-	13,853
Vehicles	-	-	-	1,028
Total Capital Outlay Expenditures	20,408	-	-	236,159
INTERGOVERNMENTAL EXPENDITURES				
Charter Schools	82,109	-	-	-
Other	-	-	-	-
Total Intergovernmental Expenditures	82,109	-	-	-
Total Expenditures	594,684	981,740	7,187	240,611

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

Major Funds			
Special Revenue	Direct Federal Grants	State Administered Federal	Total
-	-	13	565
-	-	15	386
-	-	9	455
-	-	115	236
-	-	67	2,768
-	-	219	4,410
271	-	5	991
-	136	44	3,595
-	-	-	88
-	-	533	600
-	-	5	765
1,686	-	452	13,003
25	-	31	1,931
1,982	136	1,070	20,973
531	-	379	910
9	-	1,886	2,152
540	-	2,265	3,062
34,343	6,612	245,608	1,759,005
-	-	-	13,104
-	-	-	13,104
-	-	-	20,408
-	-	-	221,278
-	-	-	13,853
-	-	-	1,028
-	-	-	256,567
-	-	-	82,109
-	-	28,574	28,574
-	-	28,574	110,683
34,343	6,612	274,182	2,139,359

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

	Major Funds			
	General	State Public School	Individual Schools	Capital Projects
REVENUES OVER (UNDER) EXPENDITURES	(25,788)	47	(47)	(2,584)
OTHER FINANCING SOURCES (USES)				
Installment Purchases Issued	-	-	-	1,028
Leases and Subscriptions	20,408	-	-	-
Transfer Out	(104)	(47)	-	-
Total Other Financing Sources (Uses)	20,304	(47)	-	1,028
CHANGE IN NET FUND BALANCE	(5,484)	-	(47)	(1,556)
Fund balances:				
FUND BALANCE--Beginning of Year	75,812	-	6,905	27,855
FUND BALANCE--End of Year	\$ 70,328	\$ -	\$ 6,858	\$ 26,299

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund
Balance - Governmental Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 4
(8 pages)

Major Funds				
Special Revenue	Direct Federal Grants	State Administered Federal		Total
23,228	4,862	-		(282)
-	-	-		1,028
-	-	-		20,408
-	-	-		(151)
-	-	-		21,285
23,228	4,862	-		21,003
19,802	751	-		131,125
<u>\$ 43,030</u>	<u>\$ 5,613</u>	<u>\$ -</u>		<u>\$ 152,128</u>

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

Charlotte-Mecklenburg Board of Education
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance with the Statement of Activities
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 5

Total net change in fund balances--governmental funds \$ 21,003

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for government-wide activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds:

Capital Outlay/Equipment	259,721	
Depreciation and Amortization Expense	<u>(101,176)</u>	158,545

Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities	162,754
Contributions to the OPEB plans in the current fiscal year are not included in the Statement of Activities	65,495

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Net OPEB Benefit	128,007
State OPEB Contribution	9,662

Proceeds from disposal of capital assets are recorded as revenues on the fund statements but are not shown in the statement of activities.	(8,830)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of 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.

Obligations Issued for Installment Purchases	(1,028)
Obligations Issued for Leases	-
Obligations Issued for Subscription Based IT Arrangements	(20,408)
Payments Related to Installment Purchases	4,452
Payments Related to Leases	1,007
Payments Related to Subscriptions	7,645

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences	(6,347)
Gain on Disposal of Assets	3,143
Transfer of Capital	(2,426)
Pension Expense	<u>(191,001)</u>

Change in net position of governmental activities	\$ <u>331,673</u>
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Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual
General Fund and Annually Budgeted Major Special Revenue Funds
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

(Amounts expressed in thousands)

Exhibit 6
(5 pages)

	General Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Budget
REVENUES				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Mecklenburg County	557,956	557,956	557,956	-
U.S. Government Agencies	-	-	-	-
Other	255	255	2,349	2,094
Total Revenues	558,211	558,211	560,305	2,094
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	177,734	173,674	173,674	-
Special	45,162	43,194	43,194	-
Alternative	-	-	-	-
School Leadership	30,814	28,149	28,149	-
Co-Curricular	5,377	6,648	6,640	8
School-Based Support	25,698	25,194	25,194	-
Total Instructional Programs	284,785	276,859	276,851	8
Support and Development	10,431	9,476	9,476	-
Special Population Support	3,771	3,495	3,495	-
Technology Support	17,246	17,465	12,579	4,886
Operational Support	112,931	122,351	119,277	3,074
Financial and Human Resources	24,169	24,662	24,480	182
Accountability Services	5,477	5,400	5,400	-
System-Wide Pupil Support	4,282	4,323	4,323	-
Policy, Leadership and Public Relations	16,055	15,371	15,371	-
Ancillary Services	600	496	257	239
Total Current Operating Expenditures	479,747	479,898	471,509	8,389
Intergovernmental Expenditures:				
Charter Schools	82,364	82,109	82,109	-
Other	-	-	-	-
Total Intergovernmental Expenditures	82,364	82,109	82,109	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	562,111	562,007	553,618	8,389
REVENUES OVER (UNDER) EXPENDITURES	(3,900)	(3,796)	6,687	10,483
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	3,900	3,900	-	(3,900)
Installment Purchases Issued	-	-	-	-
Transfer Out	-	(104)	(104)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 6,583	\$ 6,583

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual
General Fund and Annually Budgeted Major Special Revenue Funds
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

(Amounts expressed in thousands)

Exhibit 6
(5 pages)

State Public School Fund				
	Original Budget	Amended Budget	Actual	Variance From Amended Budget
REVENUES				
State of North Carolina	\$ 1,020,795	\$ 1,020,661	\$ 981,787	\$ (38,874)
Mecklenburg County	-	-	-	-
U.S. Government Agencies	-	-	-	-
Other	-	-	-	-
Total Revenues	1,020,795	1,020,661	981,787	(38,874)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	640,619	614,200	585,253	28,947
Special	131,532	137,231	137,084	147
Alternative	19,100	23,123	22,154	969
School Leadership	58,276	57,217	57,126	91
Co-Curricular	-	9	9	-
School-Based Support	62,299	70,188	69,766	422
Total Instructional Programs	911,826	901,968	871,392	30,576
Support and Development	575	829	809	20
Special Population Support	2,609	7,324	7,322	2
Technology Support	5,715	1,303	1,303	-
Operational Support	96,910	106,202	106,207	(5)
Financial and Human Resources	644	505	505	-
Accountability Services	141	141	141	-
System-Wide Pupil Support	139	40	40	-
Policy, Leadership and Public Relations	2,189	2,302	2,289	13
Ancillary Services	47	-	-	-
Total Current Operating Expenditures	1,020,795	1,020,614	990,008	30,606
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	-	-	-
Total Intergovernmental Expenditures	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	1,020,795	1,020,614	990,008	30,606
REVENUES OVER (UNDER) EXPENDITURES	-	47	(8,221)	(8,268)
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	-	-	-	-
Installment Purchases Issued	-	-	-	-
Transfer Out	-	(47)	(47)	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ (8,268)	\$ (8,268)

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual
General Fund and Annually Budgeted Major Special Revenue Funds
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

(Amounts expressed in thousands)

Exhibit 6
(5 pages)

	Special Revenue			
	Original Budget	Amended Budget	Actual	Variance From Amended Budget
REVENUES				
State of North Carolina	\$ 16,796	\$ 17,252	\$ 13,391	\$ (3,861)
Mecklenburg County	-	-	-	-
U.S. Government Agencies	-	-	-	-
Other	16,263	32,607	44,180	11,573
Total Revenues	33,059	49,859	57,571	7,712
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	765	10,553	7,162	3,391
Special	16,109	17,262	13,347	3,915
Alternative	-	-	-	-
School Leadership	-	184	40	144
Co-Curricular	1,118	2,088	1,568	520
School-Based Support	55	1,539	1,245	294
Total Instructional Programs	18,047	31,626	23,362	8,264
Support and Development	157	219	134	85
Special Population Support	921	954	851	103
Technology Support	-	1,518	1,492	26
Operational Support	9,707	8,913	5,552	3,361
Financial and Human Resources	1,831	2,762	1,874	888
Accountability Services	162	522	404	118
System-Wide Pupil Support	-	-	-	-
Policy, Leadership and Public Relations	1,641	2,642	2,022	620
Ancillary Services	593	694	552	142
Total Current Operating Expenditures	33,059	49,850	36,243	13,607
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	9	-	9
Total Intergovernmental Expenditures	-	9	-	9
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	33,059	49,859	36,243	13,616
REVENUES OVER (UNDER) EXPENDITURES	-	-	21,328	21,328
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	-	-	-	-
Installment Purchases Issued	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 21,328	\$ 21,328

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual
General Fund and Annually Budgeted Major Special Revenue Funds
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

(Amounts expressed in thousands)

Exhibit 6
(5 pages)

	Direct Federal Grants			
	Original Budget	Amended Budget	Actual	Variance From Amended Budget
REVENUES				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Mecklenburg County	-	-	-	-
U.S. Government Agencies	13,063	22,271	11,416	(10,855)
Other	-	88	58	(30)
Total Revenues	13,063	22,359	11,474	(10,885)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	5,248	5,305	3,885	1,420
Special	7,502	16,651	3,049	13,602
Alternative	-	-	-	-
School Leadership	-	-	-	-
Co-Curricular	-	-	-	-
School-Based Support	-	20	18	2
Total Instructional Programs	12,750	21,976	6,952	15,024
Support and Development	65	135	130	5
Special Population Support	-	-	-	-
Technology Support	-	-	-	-
Operational Support	111	111	-	111
Financial and Human Resources	-	-	-	-
Accountability Services	-	-	-	-
System-Wide Pupil Support	-	-	-	-
Policy, Leadership and Public Relations	137	136	136	-
Ancillary Services	-	-	-	-
Total Current Operating Expenditures	13,063	22,358	7,218	15,140
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	-	1	-	1
Total Intergovernmental Expenditures	-	1	-	1
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	13,063	22,359	7,218	15,141
REVENUES OVER (UNDER) EXPENDITURES	-	-	4,256	4,256
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	-	-	-	-
Installment Purchases Issued	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ 4,256	\$ 4,256

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget And Actual
General Fund and Annually Budgeted Major Special Revenue Funds
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

(Amounts expressed in thousands)

Exhibit 6
(5 pages)

	State Administered Federal Fund			
	Original Budget	Amended Budget	Actual	Variance From Amended Budget
REVENUES				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Mecklenburg County	-	-	-	-
U.S. Government Agencies	514,120	517,230	274,182	(243,048)
Other	-	-	-	-
Total Revenues	514,120	517,230	274,182	(243,048)
EXPENDITURES				
Current Operating Expenditures:				
Instructional Programs:				
Regular	60,156	65,577	39,700	25,877
Special	75,072	78,334	48,045	30,289
Alternative	230,244	224,514	136,468	88,046
School Leadership	3,172	3,332	2,676	656
Co-Curricular	425	11	11	-
School-Based Support	28,336	29,942	18,979	10,963
Total Instructional Programs	397,405	401,710	245,879	155,831
Support and Development	2,934	2,941	2,746	195
Special Population Support	7,365	6,508	3,466	3,042
Technology Support	261	222	217	5
Operational Support	58,142	53,308	32,462	20,846
Financial and Human Resources	2,438	2,668	1,758	910
Accountability Services	6,142	1,585	1,105	480
System-Wide Pupil Support	446	443	219	224
Policy, Leadership and Public Relations	1,645	2,041	1,070	971
Ancillary Services	3,393	2,701	2,265	436
Total Current Operating Expenditures	480,171	474,127	291,187	182,940
Intergovernmental Expenditures:				
Charter Schools	-	-	-	-
Other	33,949	43,103	28,575	14,528
Total Intergovernmental Expenditures	33,949	43,103	28,575	14,528
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Debt Service Expenditures	-	-	-	-
Total Expenditures	514,120	517,230	319,762	197,468
REVENUES OVER (UNDER) EXPENDITURES	-	-	(45,580)	(45,580)
OTHER FINANCING SOURCES (USES):				
Appropriated Fund Balance	-	-	-	-
Installment Purchases Issued	-	-	-	-
Transfer Out	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	\$ -	\$ -	\$ (45,580)	\$ (45,580)

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

Charlotte-Mecklenburg Board of Education
Statement of Net Position
Proprietary Funds
June 30, 2023
(Amounts expressed in thousands)

Exhibit 7

	Major Funds		Total
	Child Nutrition Program	After School Enrichment Program	
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 59,420	\$ 11,881	\$ 71,301
Receivables:			
U.S. Government Agencies	2,218	-	2,218
Other	382	15	397
Inventories	6,346	-	6,346
Total Current Assets	<u>68,366</u>	<u>11,896</u>	<u>80,262</u>
Noncurrent Assets			
Capital Assets, Net of Depreciation	<u>6,673</u>	<u>-</u>	<u>6,673</u>
Total Assets	<u>75,039</u>	<u>11,896</u>	<u>86,935</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>10,133</u>	<u>3,320</u>	<u>13,453</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	1,501	3	1,504
Accrued Salaries, Wages and Benefits	386	79	465
Unearned Revenue	1,534	181	1,715
Compensated Absences Due Within One Year	121	46	167
Total Current Liabilities	<u>3,542</u>	<u>309</u>	<u>3,851</u>
Noncurrent Liabilities			
Net Pension Liability	12,536	4,207	16,743
Net OPEB Liability	19,485	7,877	27,362
Compensated Absences Due in More Than One Year	1,406	442	1,848
Total Noncurrent Liabilities	<u>33,427</u>	<u>12,526</u>	<u>45,953</u>
Total Liabilities	<u>36,969</u>	<u>12,835</u>	<u>49,804</u>
DEFERRED INFLOWS OF RESOURCES	<u>8,739</u>	<u>3,444</u>	<u>12,183</u>
NET POSITION			
Net Investment in Capital Assets	6,673	-	6,673
Unrestricted Net Position	<u>32,791</u>	<u>(1,063)</u>	<u>31,728</u>
Total Net Position (Deficit)	<u>\$ 39,464</u>	<u>\$ (1,063)</u>	<u>\$ 38,401</u>

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

Charlotte-Mecklenburg Board of Education
Statement of Revenues, Expenses And Changes In Net Position
Proprietary Funds
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 8

	Major Funds		Total
	Child Nutrition Program	After School Enrichment Program	
OPERATING REVENUES			
Food Sales	\$ 12,590	\$ -	\$ 12,590
Participant Fees	-	7,501	7,501
Total Operating Revenues	12,590	7,501	20,091
OPERATING EXPENSES			
Food Cost	30,789	267	31,056
Salaries	23,668	5,249	28,917
Employee Benefits	4,837	1,074	5,911
Materials and Supplies	1,162	247	1,409
Utilities	196	-	196
Depreciation	1,146	-	1,146
Contracted Services	4,025	89	4,114
Indirect Costs	2,309	810	3,119
Other	638	101	739
Total Operating Expenses	68,770	7,837	76,607
OPERATING LOSS	(56,180)	(336)	(56,516)
NON-OPERATING REVENUES			
U.S. Government Subsidy	58,431	5,266	63,697
U.S. Government Commodities	5,391	-	5,391
Contributed Capital	2,426	-	2,426
State OPEB Contribution	127	31	158
Other	28	1	29
Interest Revenues	1,125	220	1,345
Total Non-Operating Revenues	67,528	5,518	73,046
INCOME BEFORE TRANSFERS	11,348	5,182	16,530
TRANSFER IN	151	-	151
CHANGE IN NET POSITION	11,499	5,182	16,681
TOTAL NET POSITION (DEFICIT)--Beginning of Year	27,965	(6,245)	21,720
TOTAL NET POSITION (DEFICIT)--End of Year	\$ 39,464	\$ (1,063)	\$ 38,401

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

Charlotte-Mecklenburg Board of Education
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023
(Amounts expressed in thousands)

Exhibit 9

	Major Funds		Total
	School Nutrition Program	After School Enrichment Program	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Participants	12,340	7,669	\$ 20,009
Cash Paid to Employees	(30,614)	(6,855)	(37,469)
Cash Paid to Suppliers	(34,585)	(1,592)	(36,177)
Net Cash Used in Operating Activities	<u>(52,859)</u>	<u>(778)</u>	<u>(53,637)</u>
CASH FLOWS FROM NON-CAPTIAL FINANCING ACTIVITIES			
Non-Operating Grants Received	58,692	5,266	63,958
Transfer In	151	-	151
Net Cash Provided by Non-Capital Financing Activities	<u>58,843</u>	<u>5,266</u>	<u>64,109</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Equipment	(92)	-	(92)
Proceeds from Sales of Equipment	15	-	15
Net Cash Used in Capital and Related Financing Activities	<u>(77)</u>	<u>-</u>	<u>(77)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	1,125	220	1,345
Net Cash Provided by Investing Activities	<u>1,125</u>	<u>220</u>	<u>1,345</u>
INCREASE IN CASH AND CASH EQUIVALENTS			
	7,032	4,708	11,740
CASH AND CASH EQUIVALENTS--Beginning of Year	<u>52,388</u>	<u>7,173</u>	<u>59,561</u>
CASH AND CASH EQUIVALENTS--End of Year	<u><u>59,420</u></u>	<u><u>11,881</u></u>	<u><u>\$ 71,301</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN			
OPERATING ACTIVITIES:	<u>\$ (56,180)</u>	<u>(336)</u>	<u>\$ (56,516)</u>
Operating Loss			
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:			
Depreciation	1,146	-	1,146
Donated Commodities	5,391	-	5,391
State OPEB Contribution	127	31	158
Loss on Disposals	9	-	9
Change in Assets, Deferred Outflows and Inflows of Resources and Liabilities:			
Accounts Receivable	(376)	(3)	(379)
Inventories	(988)	-	(988)
Accounts Payable	122	(90)	32
Accrued Salaries, Wages and Benefits	24	4	28
Deferred Outflows of Resources	(2,869)	(713)	(3,582)
Unearned Revenue	125	181	306
Net Pension Liability	8,201	2,039	10,240
Net OPEB Asset	33	8	41
Net OPEB Liability	(4,996)	(1,242)	(6,238)
Deferred Inflows of Resources	(2,667)	(663)	(3,330)
Compensated Absences	39	6	45
Total Adjustments	<u>3,321</u>	<u>(442)</u>	<u>2,879</u>
Net Cash Used by Operating Activities	<u><u>\$ (52,859)</u></u>	<u><u>\$ (778)</u></u>	<u><u>\$ (53,637)</u></u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES			

The Child Nutrition Fund received non-cash donated commodities and contributed capital with a value of \$5.4 million and \$2.4 million, respectively, during the fiscal year. The receipt of the commodities and contributed capital are recognized as a nonoperating revenue on Exhibit 8.

During the fiscal year, the State Health Plan transferred assets to the Retiree Health Benefit Fund as a result of cost savings to the State Health Plan. The School Nutrition and After School Enrichment programs recorded \$127 thousand and \$31 thousand, respectively, as a nonoperating revenue on Exhibit 8 as a result of this transfer.

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

1. Summary of Significant Accounting Policies and Detail Notes on All Funds

The accounting policies of Charlotte-Mecklenburg Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies.

A. Reporting Entity

The Charlotte-Mecklenburg Board of Education (the “Board”) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control the activities related to public school education in Charlotte-Mecklenburg, North Carolina. The Board receives state, local, and federal government funding and must adhere to the legal requirements of each funding entity. Although Mecklenburg County (the “County”) levies all taxes, the Board determines how the school system will spend the funds generated for schools. The County cannot modify the school system’s budget, nor is the County entitled to share in any surpluses or required to finance any deficits of the school system. For these reasons, the Board is not fiscally dependent on the County and therefore is recognized as a primary government.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position and the Statement of Activities present information about the Board. These statements include the financial activities of the overall government. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Board and for each function of the Board’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Board’s funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

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 and investment earnings, result from non-exchange transactions or ancillary activities.

The Board reports the following major governmental funds:

General Fund: The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund. This fund is the “Local Current Expense Fund,” which is mandated by State law [G.S. 115C-426].

State Public School Fund: The State Public School Fund includes appropriations from the Department of Public Instruction for the current operating expenditures of the public school system.

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Individual Schools Fund: The Individual Schools Fund includes revenues and expenditures of the activity funds of the individual schools. The primary revenue sources include funds held on the behalf of various clubs and organizations, receipts from athletic events, and proceeds from various fund-raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

Capital Projects Fund: The Capital Projects Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S. 115C-426]. Capital projects are funded by Mecklenburg County appropriations and proceeds of Mecklenburg County bonds issued for public school construction.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes including local, state, and federal government grants and private donations received from individual and corporate donors.

Direct Federal Grants Fund: The Direct Federal Grants Fund is used to account for grant monies administered through the US Department of Education, US Department of Health and Human Services and other federal grants from various government agencies.

State Administered Federal Fund: The State Administered Federal Fund is used to account for federal and state grant monies administered by the State.

The Board reports the following major enterprise funds:

School Nutrition Program: The School Nutrition Program is used to account for the food service program within the school system.

After School Enrichment Program: The After School Enrichment Program is used to account for the before and after school childcare service program within the school system.

C. Measurement Focus and Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements: The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Board gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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. Internally dedicated resources are reported as general revenues rather than as program revenues.

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 Board enterprise funds are charges to customers for food sales and participant fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, state, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under leases are reported as other financing sources.

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

D. Budgetary Data

The **North Carolina School Budget and Fiscal Control Act** requires separate budgeting and accounting for resources entitled “Local Current Expense” (General), “State Public School Fund”, “Capital Projects”, “State Administered Federal Fund”, “Special Revenue Fund” and “Direct Federal Grants.” These represent the principal operating resources available to the Board. Formal budgetary integration, including encumbrance accounting, is used during the fiscal year for the Governmental Funds. Budgetary comparisons, therefore, are on an encumbered, non-GAAP basis.

(Amounts expressed in thousands)

	General Fund	State Public School Fund	Capital Projects	State Administered Federal Fund	Special Revenue Fund	Direct Federal Grants
Revenues over (under) expenditures and other financing sources (uses), Budgetary Basis	\$ 6,583	\$ (8,268)	\$ 89,930	\$ (45,580)	\$ 21,328	\$ 4,256
Increase in Insurance Fund Balance	(3,074)	-	-	-	-	-
Appropriated Fund Balance	-	-	(1,446)	-	-	-
Encumbrances at June 30, 2023	34,444	8,268	209,234	45,580	1,900	606
Encumbrances at June 30, 2022	(43,437)	-	(299,275)	-	-	-
Change in Fund Balance, GAAP Basis	\$ (5,484)	\$ -	\$ (1,557)	\$ -	\$ 23,228	\$ 4,862

The Board operates under an annual balanced budget adopted and administered in accordance with the **North Carolina School Budget and Fiscal Control Act**. The State law promulgates a standard budget format, which defines budgetary control at the fund, purpose/function or project level. The State law also provides for budget amendments and transfers. The budget amounts reported in the financial statements reflect approved amendments and transfers made during the year.

Annual budgets are adopted for all funds, except the individual schools fund, as required by the North Carolina General Statutes. State law for individual school funds requires no budget. The primary sources of revenues for the General Fund are budgeted allocations and appropriations from the State of North Carolina, Mecklenburg County and the Federal Government. Unexpended allocations from the State of North Carolina generally lapse at the end of the fiscal year; unexpended federal program allocations lapse on the program termination date. If any appropriations from Mecklenburg County are unexpended at the end of the fiscal year, they are included in the ending fund balance of the General Fund.

The appropriations in the various funds are formally budgeted and controlled at the functional level. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. By resolution of the Board, the Financial Officer, with the approval of the Superintendent, is authorized to transfer appropriations within a fund as follows:

**Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

- Proposed expenditures from state, federal, or other sources of revenues, may be amended upon the receipt of information altering the anticipated revenues. A report of such budget amendments shall be made to the Board of Education on a monthly basis.
- Allocations may be transferred within a function with a report of such transfers made to the Board of Education on a monthly basis.
- Transfers between functions or from contingency appropriations may be made with a report of such transfers made to the Board of Education.
- Transfers between funds shall not be made without prior approval of the Board of Education.
- The Board and the Board of County Commissioners must approve transfers to or from the “Capital Outlay” allocation.

North Carolina state law prohibits school systems from raising funds via direct taxation or issuance of debt. Mecklenburg County raises revenue to be used by the school system for capital projects from bond issues. The Board approves capital projects on a project-by-project basis. Although projects may continue for longer than one year, detail budgets, including encumbrance accounting are used to manage the projects. Bond funds are available to the school system as project costs become measurable and do not lapse at year-end.

E. Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Fund Equity

1) Deposits

All deposits of the Board are made in board-designated official depositories and are secured as required by State law [G.S. 115C-444]. The Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. The Board also has money credited in its name with the State Treasurer and may issue State warrants against these funds.

All of the Board’s deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board’s agents in the unit’s name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer’s agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Board, these deposits are considered to be held by the agent in the entity’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

On June 30, 2023, \$2.7 million of bank balances were covered by federal depository insurance and \$82.6 million were covered by collateral using the Pooling Method. Cash related to insurance reserves of \$18.5 million is held by the Division of Insurance and Risk Management, City of Charlotte, as administrator, for payment of insurance premiums or claims.

The carrying value of cash and cash equivalents at June 30, 2023 (expressed in thousands) is:

North Carolina Short-Term Investment Fund	\$	248,953
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**Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

Cash in Banks	<u>38,428</u>
	<u>\$ 287,381</u>

2) Investments

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAA rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .15 years. Both the NCCMT Government and Term Portfolios are reported at fair value. The Board places no limit on the amount the Board may invest with any one issuer.

The Short-Term Investment Fund (STIF) is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. It consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

3) Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

4) Lease Receivables

The Board's lease receivable is measured at the present value of lease payments expected to be received during the lease terms. Under some lease agreements, the Board may receive variable lease payments. A deferred inflow of resources is recorded for the leases. The deferred inflow of resources is recorded at the initiation of the leases 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 leases.

5) Inventories

The Board uses the purchases method to account for inventories in the governmental funds. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. At the end of each fiscal year, inventory and applicable expense accounts are adjusted to reflect actual inventory on hand. The inventories are valued at average cost.

The Board uses the consumption method to account for inventories in the proprietary funds. Inventories consist of food and supplies and are recorded as expenses when consumed.

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6) Capital Assets

Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed.

The County holds title to certain properties, which are reflected as capital assets in the financial statements of the Board. The properties have been deeded to the County to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board give the schools full use of the facilities, full responsibility for maintenance of the facilities, and provides that the County will convey title of the property back to the Board, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met.

It is the policy of the Board to capitalize all capital assets costing \$5,000 or more with an estimated useful life of two or more years. In addition, library books purchased as part of a full library collection for a new school library or library renovation are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	35 - 50
Equipment	10 - 12
Library books	7
Vehicles and motorized equipment	6
Computer equipment	3

Land and construction in progress are not depreciated.

7) Right to Use Assets

The Board reports right to use assets initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any lease or subscription payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary changes necessary to place the lease or subscription into service exceeding \$25,000. The right to use assets are amortized on a straight-line basis over the life of the related lease.

8) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position (deficit) 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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - a pension and OPEB related deferral and contributions made to the plans in the current fiscal year. The statement of net position (deficit) also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has lease and pension and OPEB related deferrals that meet this criterion.

9) Unearned Revenue

Unearned revenue in the State Public School Fund, Special Revenue Fund and Direct Federal Grants Fund is principally for textbooks and programs for which funds have been received but not earned.

Unearned revenue in the Enterprise Funds represents prepaid lunches for the School Nutrition Program.

10) Compensated Absences

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

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

11) Intergovernmental Expenditures

The 1997 North Carolina General Assembly passed legislation creating charter schools, an alternative to traditional public schools. Charter schools are separate entities and are not a component unit of the local school system. As part of the funding for charter schools, the legislation requires a portion of the local county funds designated for education to be redirected to charter schools.

The portion of local county education funds redirected to the charter schools for Mecklenburg County students in fiscal year 2023 was \$82.1 million. The amount was calculated in accordance with the legislation and passed through the Board.

12) Net Position/Fund Balances

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

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

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources.

Restricted Fund Balance – This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Restricted for Stabilization by State Statute – portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)]. The district’s reserve for encumbrances and accounts receivables are included in this section.

Restricted for Individual Schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fund-raising activities for which they were collected.

Restricted for Insurance Claims – portion of fund balance that is restricted to meet claims incurred or expected to be incurred as determined by actuarial studies.

Assigned Fund Balance – This classification includes a portion of fund balance that Charlotte-Mecklenburg Board of Education intends to use for specific purposes.

Special Revenue – portion of fund balance that will be used by special revenue fund activities, as determined by the governing body.

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 body approves the appropriation; however, the budget ordinance authorizes the Superintendent to transfer appropriations as disclosed in the notes to the basic financial statements at Note 1 (D).

Unassigned Fund Balance – This classification includes a portion of fund balance that has not been restricted, committed, or assigned to specific purposes. The general fund is the only fund that reports a positive unassigned fund balance amount.

The Board has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, board of education 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 Board of Education.

13) Defined Benefit Pension Plan and OPEB Plans

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

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

14) Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental Activities:					
Capital Assets, not Being Depreciated:					
Land	\$ 187,774	\$ 1,882	\$ (1,214)	\$ -	\$ 188,442
Construction in Progress	348,089	213,586	-	(312,926)	248,749
Total Capital Assets not Being Depreciated	<u>535,863</u>	<u>215,468</u>	<u>(1,214)</u>	<u>(312,926)</u>	<u>437,191</u>
Capital Assets being Depreciated:					
Buildings and Improvements	2,882,670	-	(23,356)	296,567	3,155,881
Equipment, Library, and Vehicles	355,639	23,845	(2,830)	13,933	390,587
Right-to-Use Lease Asset	2,873	-	(1,583)	-	1,290
Right-to-Use Subscription Asset	4,152	20,408	-	-	24,560
Total Capital Assets being Depreciated	<u>3,245,334</u>	<u>44,253</u>	<u>(27,769)</u>	<u>310,500</u>	<u>3,572,318</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	(1,074,990)	(63,331)	19,231	-	(1,119,090)
Equipment, Library, and Vehicles	(213,335)	(31,708)	2,483	-	(242,560)
Right-to-Use Lease Asset	(958)	(1,030)	1,583	-	(405)
Right-to-Use Subscription Asset	(422)	(5,107)	-	-	(5,529)
Total Accumulated Depreciation	<u>(1,289,705)</u>	<u>(101,176)</u>	<u>23,297</u>	<u>-</u>	<u>(1,367,584)</u>
Total Capital Assets being Depreciated, Net	<u>1,955,629</u>	<u>(56,923)</u>	<u>(4,472)</u>	<u>310,500</u>	<u>2,204,734</u>
Governmental Activity Capital Assets, Net	<u>\$ 2,491,492</u>	<u>\$ 158,545</u>	<u>\$ (5,686)</u>	<u>\$ (2,426)</u>	<u>\$ 2,641,925</u>

Depreciation and amortization expense was charged to functions/programs of the Board as follows (expressed in thousands):

Governmental Activities:		
Regular Instructional		\$ 95,643
Special Instructional		19
Co-Curricular		132
Technology Support		607
Operational Support		4,755
Policy, Leadership, and PR		19
		<u>101,175</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Business-type Activities:					
School Nutrition Fund:					
Capital Assets being Depreciated:					
Equipment and Vehicles	\$ 35,913	\$ 92	\$ (562)	\$ 2,426	\$ 37,869
	<u>35,913</u>	<u>92</u>	<u>(562)</u>	<u>2,426</u>	<u>37,869</u>
Less Accumulated Depreciation for:					
Equipment and Vehicles	(30,603)	(1,146)	553	-	(31,196)
Business-type Activities Capital Assets, Net	<u>\$ 5,310</u>	<u>\$ (1,054)</u>	<u>\$ (9)</u>	<u>\$ 2,426</u>	<u>\$ 6,673</u>

15) Lease Receivables

The Board has entered into various agreements to lease certain components of its buildings. The agreements have effective dates ranging from November 2010 through June 2016 and range in term from three to ten years. One of the leases includes a renewal option on a year-to-year basis for up to 5 additional years through June 14, 2028.

As of June 30, 2023, the Board reported \$464 thousand of lease receivables and recognized lease revenue of \$162 thousand for the year ended June 30, 2023.

16) Retirement Plan, Other Employment, and Post-Employment Benefits

a. Teachers' and State Employees' Retirement System

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

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate was 17.38 percent of covered payroll from July 1, 2022 to December 31, 2022 and 16.09 percent of covered payroll from January 1, 2023 to June 30, 2023. These actuarially determined contribution rates were determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned during the year. Contributions to the pension plan from the Board were \$166.1 million for the year ended June 30, 2023.

Refunds of Contributions. Board employees who have terminated service as a contributing member of TSERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by TSERS.

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

At June 30, 2023, the Board reported a liability of \$922.8 million for its proportionate share of the net pension liability, an increase of \$634.5 million since the prior measurement date. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 6.2177% and 6.1574%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$186.5 million. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 4,018	\$ 12,578
Changes of Assumptions	72,809	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	303,098	-
Changes in Proportions and Differences Between Board Contributions and Proportionate Share of Contributions	-	10,014
Board Contributions Subsequent to the Measurement Date	<u>166,075</u>	<u>-</u>
Total	<u>\$ 546,000</u>	<u>\$ 22,784</u>

The Board reported \$166.1 million as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows (expressed in thousands):

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

<u>Year Ended June 30:</u>	
2024	\$ 94,728
2025	87,928
2026	29,187
2027	<u>145,298</u>
	<u>\$ 357,141</u>

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

Inflation	2.5%
Salary increases	3.25 % to 8.05%, including inflation and productivity factor
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

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

The assumptions used for the December 31, 2021 actuarial valuation are based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2022, Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

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

**Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Totals	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.5%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the Board's proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate (expressed in thousands):

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Board's Proportionate Share of the Net Pension Liability	\$ 1,631,628	\$ 922,840	\$ 337,792

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

b. Other Postemployment Benefits

1. Healthcare Benefits

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

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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

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

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

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2022. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2022, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2022 will not be eligible to receive retiree medical benefits.

RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

Appropriations Bill. The Board’s contractually required contribution rate was 6.89 percent of covered payroll from July 1, 2022 to December 31, 2022 and 6.62 percent of covered payroll from January 1, 2023 to June 30, 2023. Board contributions to the plan were \$65.9 million for the year ended June 30, 2023. During the year ended June 30, 2023, the North Carolina State Health Plan (“SHP”) contributed \$9.8 million to the Retiree Health Benefit Fund. The Board recognized revenue of \$9.8 million as a result of this non-employer contribution.

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

At June 30, 2023, the Board reported a liability of \$1.29 billion for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board’s proportion of the net OPEB liability was based on a projection of the Board’s present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board’s proportion was 5.4407% and 5.4294%, respectively.

For the year ended June 30, 2023, the Board recognized OPEB expense of \$144.1 million associated with RHBF. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to RHBF from the following sources (expressed in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 12,544	\$ 3,575
Changes of Assumptions	103,441	588,020
Net Difference Between Projected and Actual Earnings on Pension plan Investments	11,188	-
Changes in Proportions and Differences Between Board Contributions and Proportionate Share of Contributions	13,977	21,513
Board Contributions Subsequent to the Measurement Date	<u>65,876</u>	<u>-</u>
Total	<u>\$ 207,026</u>	<u>\$ 613,108</u>

The Board reported \$65.9 million as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Year Ended June 30:	
2023	\$ (171,004)
2024	(110,880)
2025	(118,473)
2026	(71,601)
2027	<u>-</u>
	<u>\$ (471,958)</u>

**Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

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

Inflation	2.5%
Salary Increases Based on Service	3.25% to 8.05%, including inflation and productivity factor
Investment Rate of Return	6.5%
Healthcare Cost Trend Rates:	
Medical	5.0% to 6.0%
Prescription Drug	5.0% to 9.5%
Medicare Advantage	0.0% to 5.0%
Administrative Costs	3.0%
Post-Retirement Mortality Rates	Pub-2010 Health Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

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

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate (expressed in thousands):

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Board's Proportionate Share of the Net OPEB Liability	\$ 1,521,828	\$ 1,292,000	\$ 1,104,294

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point (expressed in thousands).

	1% Decrease Medical – 5.5%, Pharmacy -6.25%, Administrative - 2.0%	Healthcare Trend Rates Medical - 6.5%, Pharmacy – 7.25%, Administrative - 3.0%	1% Increase Medical - 7.5%, Pharmacy – 8.25% Administrative – 4.0%
Board's Proportionate Share of the Net OPEB Liability	\$1,063,523	\$1,292,000	\$1,587,340

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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

2. Disability Benefits

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

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

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

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

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System or the University Employees' Optional Retirement Program.

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the state fiscal year. For the fiscal year ended June 30, 2023, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$0.96 million for the year ended June 30, 2023.

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

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

At June 30, 2023, the Board reported a liability of \$1.6 million for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 5.4961 % and 5.4904 %, respectively.

For the year ended June 30, 2023, the Board recognized OPEB expense of \$2.2 million associated with disability benefits. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to disability benefits from the following sources (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 1,833	\$ -
Changes of Assumptions	105	303
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,729	-
Changes in Proportions and Differences Between Board Contributions and Proportionate Share of Contributions	-	337
Board Contributions Subsequent to the Measurement Date	<u>956</u>	<u>-</u>
Total	<u>\$ 4,623</u>	<u>\$ 640</u>

The Board reported \$0.96 million as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (expressed in thousands):

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

<u>Year Ending June 30</u>		
2024	\$	776
2025		896
2026		652
2027		494
2028		68
Thereafter		<u>141</u>
	<u>\$</u>	<u>3,027</u>

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

Inflation	2.5%
Salary Increases	3.25% to 8.05%, including inflation and productivity factor
Investment Rate of Return	3.00%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the Board's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.0 percent) or 1 percentage point higher (4.0 percent) than the current discount rate (expressed in thousands):

	<u>1% Decrease (2.08%)</u>	<u>Discount Rate (3.08%)</u>	<u>1% Increase (4.08%)</u>
Board's Proportionate Share of the Net OPEB Liability	\$ 2,013	\$ 1,635	\$ 1,256

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Totals	<u>100.0%</u>	

Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and OPEB expense (expressed in thousands):

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB Expense	\$ 131,428	\$ 2,237	\$ 133,665
OPEB Liability	1,292,001	1,635	1,293,636
State OPEB Contribution	(9,820)	-	(9,820)
Proportionate Share of the Net OPEB Liability	5.4407%	5.4961%	
Deferred Outflows of Resources			
Differences Between Expected and Actual Experience	12,544	1,833	14,377
Changes in Assumptions	103,441	105	103,546
Net Difference Between Projected and Actual Earnings on Plan Investments	11,188	1,729	12,917
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	13,977	-	13,977
Board Contributions Subsequent to the Measurement Date	65,876	956	66,832
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	3,575	-	3,575
Changes of Assumptions	588,020	303	588,323
Net Difference Between Projected and Actual Earnings on Plan Investments	-	-	-
Changes in Proportion and Differences Between Board Contributions and Proportionate Share of Contributions	21,513	337	21,850

The Board does provide benefit eligible employees with paid basic term life insurance of \$10,000. Employees who are permanent full-time or part-time employees are eligible to receive the paid benefit. The benefit does not continue post-employment. The benefit is paid in the event of the employee's death while employed with the Board to the employee's designated beneficiary.

**Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023**

17) Commitments and Contingencies

State law requires that all contracts be recorded as encumbrances when signed. At year end, the Board's commitments with contractors for school construction totaled approximately \$159.5 million. These commitments will be funded by future revenues from Mecklenburg County.

The Board is involved in various pending and threatened claims and legal actions pertaining to the normal course of business activities. In the opinion of the Board's management, the ultimate resolution of these contingencies individually or in the aggregate will not have a material adverse effect on the Board's financial position.

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

18) Risk Management

On July 1, 1993, the Board established a Self-Funded Loss Program (the Program) administered by the Risk Management Division of the City of Charlotte Finance Department. The Program includes the following areas of risks: Commercial General Liability, Automobile Liability and Physical Damage, and Workers' Compensation. Property and other insurance coverage is purchased for risks that are best covered by an independent insurance carrier. There has been minimal change in the level of insurance coverage between years and no settlements by independent carriers have exceeded insurance coverage in the last three years.

The Program establishes a Loss Fund for accumulating resources to meet the financial needs of the Program not otherwise covered by insurance contracts. Contributions will be made to the fund as needed, preferably annually, in amounts believed to be sufficient to meet claims incurred or expected to be incurred as determined by actuarial studies. Payments for claims under the terms of the Program are limited to a total of \$1.0 million per any one occurrence for General Liability and Automobile Liability, \$0.5 million per any one claim for Workers' Compensation and \$100,000 per any one claim for property damage.

The Program is reported as part of the General Fund. The excess of expenditures over revenues in the amount of \$3.1 million results in the decrease in retained earnings from fiscal year 2022. The loss decreases the prior year's net position of \$7.5 million to \$4.4 million.

The claims liability related to self-insurance in the General Fund for the current and prior year is based on GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Claims liabilities are based on the estimated ultimate cost of settling the claims, which includes incremental claim adjustment expenditures/expenses (i.e., outside legal assistance) and estimated recoveries on unsettled claims as required by GASB Statement No. 30. The changes in the claims liability are as follows:

	<u>2023</u>	<u>2022</u>
Claims Liability, Beginning of Year	\$ 11,390	\$ 10,514
Payments	(4,445)	(4,742)
Additions	<u>7,294</u>	<u>5,618</u>
Claims Liability, End of Year	<u>\$ 14,239</u>	<u>\$ 11,390</u>

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees who have access to funds are bonded under a blanket bond for \$250,000.

19) Deferred Outflows and Inflows of Resources

The balance in deferred outflows and inflows of resources at year-end is composed of the following (expressed in thousands):

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience (Pension & OPEB)	\$ 18,395	\$ 16,153
Changes of Assumptions (Pension & OPEB)	176,355	588,323
Difference Between Projected and Actual Earnings on Plan Investments (Pension & OPEB)	316,015	-
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions (Pension & OPEB)	13,977	32,056
Board Contributions Subsequent to the Measurement Date (Pension & OPEB)	232,907	-
Leases (Capital Projects Fund)	<u>-</u>	<u>331</u>
Totals	<u>\$ 757,649</u>	<u>\$ 636,863</u>

20) Long-Term Obligations

a. Leases

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

Lease agreements where the Board is the lessee are summarized as follows:

	<u>Date Ranges</u>	<u>Payment Terms</u>	<u>Payment Amount</u>	<u>Range of Interest Rates</u>	<u>Balance June 30, 2023</u>
Building Space	6/30/2021 - 6/30/2025	4 years	\$37 / month	2.81%	\$ 907
Total Lease Agreements					<u>\$ 907</u>

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	439	19	458
2025	468	6	474
	<u>\$ 907</u>	<u>\$ 25</u>	<u>\$ 932</u>

b. Subscription Based Information Technology Arrangements

The Board has entered into various subscription-based information technology agreements. The agreements qualify as other than short-term subscription-based information technology arrangements and, therefore, have been recorded at the present value of the future minimum payments as of the date of their inception.

The agreements were executed between July 2021, and June 2023, with terms of 16 to 48 months, and require monthly payments in accordance with the respective contract. There are no variable payment components of the subscription-based technology arrangements. The subscription liabilities were measured using a discount rate ranging from 0.3% to 3.1%.

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

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	7,718	236	7,954
2025	4,556	90	4,646
2026	3,781	13	3,794
2027	438	3	441
	<u>\$ 16,493</u>	<u>\$ 342</u>	<u>\$ 16,835</u>

c. Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third-party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price.

The future minimum payment of the installment purchases as of June 30, 2023, are as follows (expressed in thousands):

Year Ending June 30,	
2024	\$ 1,844
2025	346
2026	347
	<u>\$ 2,537</u>

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

d. Compensated Absences

The Board follows the State's policy for vacation leave. Employees may accumulate up to fifty-five (55) days earned vacation leave with such leave being fully vested when earned. Compensated absences as of June 30, 2023 are as follows (expressed in thousands):

Year Ending June 30,	
Governmental Activities	\$ 100,357
Business-Type Activities	<u>2,015</u>
	<u>\$ 102,372</u>

e. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations outstanding for the fiscal year ended June 30, 2023 (expressed in thousands):

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Governmental Activities:					
Claims Liability	\$ 11,390	\$ 7,294	\$ (4,445)	14,239	\$ 5,621
Direct Placement installment Purchases	5,961	1,028	(4,452)	2,537	1,844
Net Pension Liability	281,824	815,274	(191,001)	906,097	-
Net OPEB Liability	1,644,963	-	(378,689)	1,266,274	-
Lease Liabilities	1,914	-	(1,007)	907	439
Subscription Liabilities	3,730	20,408	(7,645)	16,493	7,718
Compensated Absences	94,010	13,172	(6,825)	100,357	6,825
Total Governmental	<u>\$ 2,043,792</u>	<u>\$ 857,176</u>	<u>\$ (594,064)</u>	<u>\$ 2,306,904</u>	<u>\$ 22,447</u>
Business-Type Activities:					
Net Pension Liability	\$ 6,502	\$ 13,374	\$ (3,133)	\$ 16,743	-
Net OPEB Liability	33,583	-	(6,221)	27,362	-
Compensated Absences	1,970	160	(115)	2,015	167
Total Business-Type Activities	<u>\$ 42,055</u>	<u>\$ 13,534</u>	<u>\$ (9,469)</u>	<u>\$ 46,120</u>	<u>\$ 167</u>

Compensated absences, net pension liability, and net OPEB liability for governmental activities are typically liquidated by the State Public School Fund.

21) Interfund Balances and Activity

Due to/from other funds as of June 30, 2023, consisted of the following:

Due From the State Public School Fund to the Special Revenue Fund	\$ 6
Due From the State Administered Federal Fund to the State Public School Fund	<u>65</u>
	<u>\$ 71</u>

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

From the General Fund to the School Nutrition Fund for charged meals	\$ 104
From the State Public School Fund to the School Nutrition Fund for salaries and benefits	<u>47</u>

Charlotte-Mecklenburg Board of Education
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

\$ 151

22) Fund Balance

The Board of Education has a revenue spending practice that provides guidance for programs with multiple revenue sources. The Finance Officer will typically use resources in the following hierarchy: bond proceeds, federal funds, state funds, local board of education 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 Board of Education.

The following schedule provides management and residents with information on the portion of General Fund balance that is available for appropriation (expressed in thousands):

Total Fund Balance – General Fund		\$	70,328
Less:			
Inventories			1,859
Stabilization by State Statute			37,945
Insurance Claims			4,403
Subsequent Years Expenditures			<u>4,769</u>
Remaining Fund Balance		\$	<u>21,352</u>

23) Encumbrances

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end (expressed in thousands):

General Fund		\$	34,444
State Public School Fund			8,268
Capital Projects Fund			209,234
State Administered Federal Fund			45,580
Special Revenue Fund			1,900
Direct Federal Grants Fund			606

24) Change in Accounting Principal

Effective July 1, 2022, the Board implemented the accounting and financial reporting requirements of GASB 96, *Subscription-Based Information Technology Arrangements*. This statement establishes a single model for accounting of subscription-based information technology arrangements based on the principle that such arrangements are financings of the right to use the underlying asset. Under this statement, a user of a subscription-based information technology arrangement is required to recognize a subscription liability and an intangible right-to-use subscription asset, and a governmental entity provider of a subscription-based technology arrangement is required to recognize a subscription receivable and a deferred inflow of resources. On July 1, 2022, the Board recognized right-to use subscription assets and subscription liabilities of \$3,730. There was no effect to net position as a result of the adoption of this statement.

Required Supplementary Information

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net Pensions Liability
Teachers' and State Employees' Retirement System
For the Last Ten Fiscal Years*

(Amounts expressed in thousands)

Schedule 1

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board's Proportion of the Net Pension Liability (Asset)	6.2177%	6.1574%	6.0376%	6.0040%	6.0300%	5.9781%	5.8662%	5.6790%	5.6980%	5.6660%
Board's Proportionate Share of the Net Pension Liability (Asset)	\$ 922,840	\$ 288,326	\$ 288,326	\$ 622,449	\$ 600,317	\$ 474,324	\$ 539,165	\$ 209,272	\$ 66,800	\$ 344,002
Board's Covered Payroll	\$ 947,647	\$ 901,304	\$ 885,436	\$ 860,685	\$ 813,559	\$ 788,109	\$ 751,856	\$ 736,769	\$ 695,981	\$ 89,571,335
Board's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	97.38%	31.99%	32.56%	72.32%	73.79%	60.19%	71.71%	28.40%	9.60%	0.38%
Plan Fiduciary Net Position as a Percentage of the total pension liability	84.14%	94.86%	92.01%	91.89%	89.51%	87.32%	94.64%	98.24%	90.60%	90.60%

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

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of Board Contributions
Teachers' and State Employees' Retirement System
For the Last Ten Fiscal Years

(Amounts expressed in thousands)

Schedule 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 166,075	\$ 162,420	\$ 132,856	\$ 113,774	\$ 105,271	\$ 87,246	\$ 78,355	\$ 68,385	\$ 66,636	\$ 60,166
Contributions in Relation to the Contractually Required Contribution	166,075	162,420	132,856	113,774	105,271	87,246	78,355	68,385	66,636	60,166
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board's Covered Payroll	\$ 957,520	\$ 947,647	\$ 901,304	\$ 885,436	\$ 860,685	\$ 813,559	\$ 788,109	\$ 751,856	\$ 736,769	\$ 695,981
Contributions as a Percentage of Covered Payroll	17.34%	17.14%	14.74%	12.85%	12.23%	10.72%	9.94%	9.10%	9.04%	8.64%

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund
For the Last Seven Fiscal Years*
(Amounts expressed in thousands)

Schedule 3

	2023	2022	2021	2020	2019	2018	2017
Board's Proportion of the Net OPEB Liability (Asset)	5.4407%	5.4294%	5.4000%	5.3400%	5.4400%	5.4800%	5.2200%
Board's Proportionate Share of the Net OPEB Liability (Asset)	\$ 1,292,002	\$ 1,678,546	\$ 1,678,546	\$ 1,688,234	\$ 1,549,041	\$ 1,795,539	\$ 2,272,413
Board's Covered Payroll	\$ 947,647	\$ 901,304	\$ 885,436	\$ 860,685	\$ 813,559	\$ 788,109	\$ 751,856
Board's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	136.34%	186.24%	189.57%	196.15%	190.40%	227.83%	302.24%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	10.58%	7.72%	4.40%	3.52%	3.52%	2.41%	2.41%

* The amounts presented for the fiscal year were determined as of the prior fiscal year ending June 30. Due to implementation of GASB 75, Accounting and Financial Reporting for Other Post-Employment Benefits, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027.

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of Board Contributions
Retiree Health Benefit Fund
For the Last Seven Fiscal Years*
(Amounts expressed in thousands)

Schedule 4

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 65,876	\$ 62,761	\$ 60,046	\$ 56,756	\$ 53,706	\$ 48,964	\$ 45,710
Contributions in Relation to the Contractually Required Contribution	<u>65,876</u>	<u>62,761</u>	<u>60,046</u>	<u>56,756</u>	<u>53,706</u>	<u>48,964</u>	<u>45,710</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's Covered Payroll	\$ 957,520	\$ 947,647	\$ 901,304	\$ 885,436	\$ 860,685	\$ 101,507,781	\$ 788,109
Contributions as a Percentage of Covered Payroll	6.88%	6.62%	6.66%	6.41%	6.24%	0.05%	5.80%

* Due to implementation of GASB 75, Accounting and Financial Reporting for OPEB Liability, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027.

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of Board's Proportionate Share of the Net OPEB Asset (Liability) -
Disability Income Plan of North Carolina
For the Last Seven Fiscal Years*

(Amounts expressed in thousands)

Schedule 5

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's Proportion of the Net OPEB Asset (Liability)	5.4961%	5.4904%	5.3506%	5.3700%	5.4300%	5.3700%	5.3300%
Board's Proportionate Share of the Net OPEB Asset (Liability)	\$ (1,635)	\$ 897	\$ 2,633	\$ 2,319	\$ 1,651	\$ 3,284	\$ 3,307
Board's Covered Payroll	\$ 947,647	\$ 901,304	\$ 885,436	\$ 860,685	\$ 813,559	\$ 788,109	\$ 751,856
Board's Proportionate Share of the Net OPEB Asset (Liability) as a Percentage of its Covered Payroll	-0.17%	0.10%	0.30%	0.27%	0.20%	0.42%	0.44%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset (Liability)	90.34%	105.18%	116.47%	116.37%	116.23%	116.06%	117.06%

* The amounts presented for the fiscal year were determined as of the prior fiscal year ending June 30. Due to implementation of GASB 75, Accounting and Financial Reporting for Other Post-Employment Benefits, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027.

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of Board Contributions
Disability Income Plan of North Carolina
For the Last Seven Fiscal Years*

(Amounts expressed in thousands)

Schedule 6

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contribution	\$ 956	\$ 849	\$ 809	\$ 877	\$ 1,199	\$ 1,133	\$ 2,948
Contributions in Relation to the Contractually Required Contribution	<u>956</u>	<u>849</u>	<u>809</u>	<u>877</u>	<u>1,199</u>	<u>1,133</u>	<u>2,948</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's Covered Payroll	\$ 957,520	\$ 947,647	\$ 901,304	\$ 885,436	\$ 860,685	\$ 813,559	\$ 788,109
Contributions as a Percentage of Covered Payroll	0.10%	0.09%	0.09%	0.10%	0.14%	0.14%	0.37%

* Due to implementation of GASB 75, Accounting and Financial Reporting for OPEB Liability, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2027.

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
Capital Projects Fund
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023

(Amounts expressed in thousands)

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance From Budget</u>
REVENUES:			
Mecklenburg County:			
Appropriation	\$ 54,540	\$ 21,276	\$ (33,264)
Land Proceeds	-	110	110
Capital Improvement Fund	474,393	209,769	(264,624)
	<u>528,933</u>	<u>231,155</u>	<u>(297,778)</u>
State of North Carolina			
State Appropriations - Buses	15,045	4,452	(10,593)
SCIF Grant	725	725	-
	<u>15,770</u>	<u>5,177</u>	<u>(10,593)</u>
Other:			
Sale of School Property	-	284	284
Insurance Proceeds on Property			
Damage and Loss	4	7	3
Interest Earned on Investments	494	557	63
Other	66	847	781
	<u>564</u>	<u>1,695</u>	<u>1,131</u>
Total Revenues	<u>545,267</u>	<u>238,027</u>	<u>(307,240)</u>
EXPENDITURES:			
Land and Buildings:			
Land:			
Purchase of New Sites	14,658	250	14,408
Buildings:			
General Contracts	377,344	85,849	291,495
Heating Contracts	6,723	4,156	2,567
Electrical Contracts	4,381	3,849	532
Plumbing Contracts	1,456	464	992
Architect Fees	15,750	5,717	10,033
Miscellaneous Contracts	87,222	13,242	73,980
	<u>492,876</u>	<u>113,277</u>	<u>379,599</u>
Improvements to Sites	7,442	5,601	1,841
Furniture and Equipment	31,913	17,002	14,911
School Buses	15,068	13,413	1,655
Total Expenditures	<u>561,957</u>	<u>149,543</u>	<u>412,414</u>
REVENUES OVER (UNDER) EXPENDITURES	(16,690)	88,484	105,174
OTHER FINANCING SOURCES			
Appropriated Fund Balance	16,690	1,446	15,244
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)	<u>\$ -</u>	<u>\$ 89,930</u>	<u>\$ 89,930</u>

Charlotte-Mecklenburg Board of Education
Schedules of Required Supplementary Information
Schedule of Revenues and Expenses - Budget and Actual
Proprietary Funds
(Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2023
(Amounts expressed in thousands)

Schedule 8

	School Nutrition Program			After School Enrichment Program		
	Budget	Actual	Variance From Budget	Budget	Actual	Variance From Budget
OPERATING REVENUES						
Food Sales	\$ 1,863	\$ 12,590	\$ 10,727	\$ -	\$ -	\$ -
Participant Fees	-	-	-	14,093	7,501	(6,592)
Total Operating Revenues	1,863	12,590	10,727	14,093	7,501	(6,592)
OPERATING EXPENSES						
Food Cost	37,242	30,789	6,453	364	267	97
Salaries and Benefits	30,676	28,505	2,171	10,638	6,323	4,315
Other Operating Expenses	21,387	9,476	11,911	3,091	1,247	1,844
Total Operating Expenses	89,305	68,770	20,535	14,093	7,837	6,256
OPERATING INCOME (LOSS)	(87,442)	(56,180)	31,262	-	(336)	(336)
NON-OPERATING REVENUES:						
U.S. Government Subsidy	73,392	58,431	(14,961)	-	5,266	5,266
U.S. Government Commodities	6,196	5,391	(805)	-	-	-
Other	6	155	149	-	32	32
Interest Earned	103	1,125	1,022	-	220	220
Total Non-Operating Revenues	79,697	65,102	(14,595)	-	5,518	5,518
INCOME (LOSS) BEFORE TRANSFER	(7,745)	8,922	16,667	-	5,182	5,182
OTHER FINANCING SOURCES:						
Appropriated Net Position	7,656	-	(7,656)	-	-	-
Capital Contributions	38	2,426	2,388	-	-	-
Transfer In	51	151	100	-	-	-
REVENUES UNDER EXPENDITURES AND OTHER FINANCING SOURCES	\$ -	\$ 11,499	\$ 11,499	\$ -	\$ 5,182	\$ 5,182

STATISTICAL SECTION
(UNAUDITED)

This section of Charlotte Mecklenburg Schools' Comprehensive Annual Financial Report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about CMS' overall financial health.

Contents	Page
Financial Trends.....	66-97
These schedules provide trend information to help the reader understand how CMS' financial performance and well-being have changed over time.	
Revenue Capacity.....	98-100
Since CMS revenues are primarily provided by Mecklenburg County, these schedules on the county's revenue sources are relevant to an understanding of Mecklenburg County's most significant local revenue source, the property tax.	
Debt Capacity.....	101
Since CMS construction funding is primarily provided by Mecklenburg County, these schedules of the county's debt capacity assist the reader in assessing the affordability of Mecklenburg County's current levels of outstanding debt and Mecklenburg County's ability to issue additional debt in the future.	
Demographic and Economic Information.....	102-103
Details found in these schedules offer demographic and economic indicators to aid the reader in understanding the environment within which CMS' financial activities take place.	
Operating Information.....	104-112
These schedules contain select operating indicators to help the reader understand how the information in CMS' financial report relates to the services CMS provides and the activities it performs.	

Charlotte-Mecklenburg Board of Education

Facts and Information About

Mecklenburg County, North Carolina

Charlotte-Mecklenburg was first settled by Scots-Irish immigrants in the 1740's. The County of Mecklenburg was established in 1762 and the City of Charlotte was incorporated in 1768. The city was named for Queen Charlotte, wife of England's King George III. The county was named for her birthplace, the German principality of Mecklenburg.

Charlotte grew as a crossroads of commerce with effective government and a strong business environment. In 1799, America's first major gold discovery occurred near Charlotte. The city quickly became the center of gold production in the United States until the California Gold Rush of 1849.

The Charlotte area became industrialized in the late 19th century when the "Cotton Mill Campaign" brought the textile industry from the New England area to the Carolinas. The first graded school system was established in Charlotte in 1882 with an enrollment of 500. Prior to that there had been a separate male academy and female institute. By 1903, over half of the textile production in the United States was located within a 100-mile radius of Charlotte. The Charlotte school system had grown to 2,600 pupils, the largest school system south of Baltimore.

By 1949, the Charlotte school system had an enrollment of 20,000 students and employed 672 staff. Railroads and the early development of an excellent state highway system encouraged the development of wholesale and distribution facilities in Charlotte to serve the Carolinas and Southeastern United States. Today, because of on-going attention to transportation development, over half of the population of the United States can be reached from Charlotte within one hour's flight time or one day by truck.

In 1960, the city and county school systems were consolidated resulting in the Charlotte-Mecklenburg Board of Education.

Facts of interest about the Charlotte-Mecklenburg Schools:

County area served	546 square miles
Number of schools	
Elementary	105
Middle	29
High	30
PreK – 8	6
K – 8	6
6 – 12	2
7 – 12	1
Alternative Schools	3
Number of support facilities	14

Pupil Transportation data:	
Total number of buses	836
Total average number of students transported daily	76,381
Average miles traveled daily	94,061
Average number of routes	836
Cost per mile refund rate	\$4.97

A Profile of Charlotte-Mecklenburg Schools

Charlotte-Mecklenburg Schools serves approximately 140,000 students and had experienced continued enrollment growth in recent years before the COVID-19 pandemic. The district is consolidated and serves students who live in the city of Charlotte, in Mecklenburg County, and in all the small towns and communities throughout the county.

Charlotte-Mecklenburg Schools does not discriminate against any person on the basis of sex, national origin, race, ethnic background, color, religion, age or disability in any of its educational or employment programs or activities.

ORGANIZATION

The Charlotte-Mecklenburg Board of Education has nine members, three elected at large and six elected by district. Members serve four-year terms. The Board appoints the superintendent.

The district is administratively divided into nine geographic learning communities. Under this plan, each school becomes more closely aligned with the community it serves. It puts resources and administration closer to the parents and other members of the public. Learning community superintendents are assigned administrative responsibilities for these sections. There is a rich variety of school offerings that address the learning styles and interests of all students. Many schools use new and innovative techniques and strategies, and technology is emphasized in all schools.

Performance standards have been developed for all grades and courses and criterion-referenced tests ensure that high standards are maintained. Site-based management is an expectation for all schools.

ELEMENTARY SCHOOLS

CMS provides free kindergarten. Attendance is not required but is strongly recommended.

Students must be five years old on or before August 31 to be eligible for kindergarten.

The elementary curriculum is standardized to ensure that each child receives a quality education in the basics of language arts, social studies, math, science, health and physical education. A strong emphasis is placed on literacy in the primary grades and computers are used in all elementary schools.

MIDDLE SCHOOLS

Middle schools, for grades six through eight, use a team approach where each instructional team teaches one group of students. This allows teachers to personalize instruction and helps ease the transition from elementary school.

The middle school instructional program emphasizes language arts, math, science and social studies while allowing students to explore interests through Career and Technical Education, fine arts, and foreign language courses. There is a diversified program of physical activities which includes intramural sports.

MAGNET SCHOOLS

Charlotte-Mecklenburg Schools is committed to the program choice concept with 34 magnet themes operating across 71 schools. Each program focuses on an area of special interest such as Visual and Performing Arts, STEM, World Languages and Language Immersion, IB, Montessori or Leadership. Selection is based on application, with more than 30,000 students attending magnet programs. The district also offers virtual and blended learning opportunities through the Charlotte Mecklenburg Virtual Academy and iMeck programs. In commitment to providing the most advanced experiences CMS has four middle and two early colleges in its portfolio of school choice options allowing students the opportunity to earn their high school diploma while pursuing an associate's degree.

A Profile of Charlotte-Mecklenburg Schools

HIGH SCHOOLS

Charlotte-Mecklenburg Schools has stringent graduation requirements. A hybrid form of the 4 x 4 scheduling format is used in high schools.

High schools offer a variety of courses to prepare students for college and careers. Students may earn college credits in general education or career-specific courses through a special agreement with Central Piedmont Community College. Programs are in place in each high school to help students boost their scores. All 10th-graders take the preliminary SAT for exposure to the actual test.

ADDITIONAL PROGRAMS

The school system provides services to students with special education needs. Programs operate for students who meet eligibility in the following areas: Autism, Deaf-Blindness, Deafness, Developmental Delay, Emotional Disability, Hearing Impairment, Intellectual Disability, Multiple Disabilities, Orthopedic Impairment, Other Health Impairment, Specific Learning Disability, Speech or Language Impairment, Traumatic Brain Injury and Visual Impairment. The majority of students with disabilities are served in their home school or school of choice. Students with significant needs are served in specialized classrooms throughout the district based on the district's student assignment plan. Two separate schools, Metro School and Charlotte-Mecklenburg Academy, provide services for students with the most significant disabilities.

Services are also provided in other programs such as Performance Learning Center (PLC) for students who prefer a smaller learning environment than our comprehensive high schools, Turning Point Academy serving students in an alternative setting, and Northwest School of the Arts for the artistically talented. The district also has a number of schools that are career-focused such as Hawthorne Academy of Health Sciences, Phillip O. Berry Academy of Technology, Harding Institute of Technology,

Charlotte Engineering Early College, and Charlotte Teachers Early College.

Services are also available for students whose native language is not English. The English as a Second Language program concentrates on helping students adjust to a new language and culture so they can be successful in a regular classroom setting.

AFTER SCHOOL ENRICHMENT PROGRAM

Mecklenburg County has a high percentage of working parents. As a result, before- and after-school care for children is a challenge for many parents.

Therefore, before-school and after-school care is provided at many schools. The programs serve children in pre-kindergarten through middle school for a weekly fee.

The programs offer students supervised recreational, snack and homework time and opportunities for cultural enrichment.

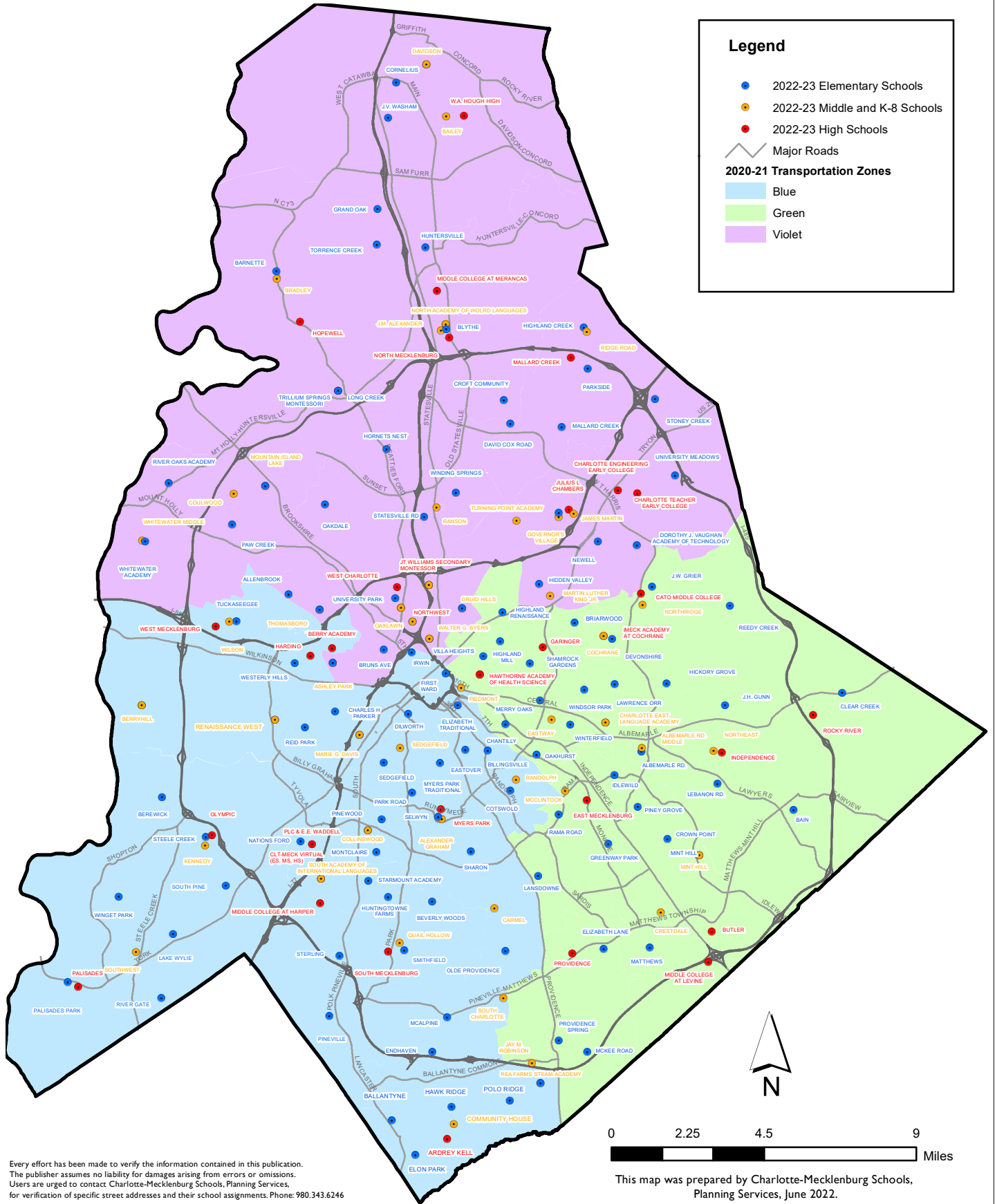
PRE-KINDERGARTEN PROGRAM

The pre-kindergarten program, initiated in 1996, serves more than 4,200 four-year-olds. This innovative and creative full-day program focusing on language development and literacy is designed for children who demonstrate educational and/or financial need. The program is funded by federal, state and local sources.

CHARLOTTE-MECKLENBURG SCHOOLS 2022-2023 ELEMENTARY, MIDDLE, AND HIGH SCHOOLS

Legend

- 2022-23 Elementary Schools
- 2022-23 Middle and K-8 Schools
- 2022-23 High Schools
- Major Roads
- 2020-21 Transportation Zones**
- Blue
- Green
- Violet



Every effort has been made to verify the information contained in this publication. The publisher assumes no liability for damages arising from errors or omissions. Users are urged to contact Charlotte-Mecklenburg Schools, Planning Services, for verification of specific street addresses and their school assignments. Phone: 980.343.6246

0 2.25 4.5 9 Miles

This map was prepared by Charlotte-Mecklenburg Schools, Planning Services, June 2022.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND SPECIAL PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	ADM 2023	ADM 2022		ADM 2023	ADM 2022
PRESCHOOL PROGRAMS:			Merry Oaks International Academy	572	562
Distributed Sites	4,287	4,221	Mint Hill Elementary School	523	-
Total Preschool Programs	<u>4,287</u>	<u>4,221</u>	Montclair Elementary	498	487
ELEMENTARY SCHOOLS:			Myers Park Traditional	626	604
Albemarle Road Elementary	737	734	Nations Ford Elementary	565	659
Allenbrook Elementary	222	224	Newell Elementary	691	686
Bain Elementary	770	903	Oakdale Elementary	456	436
Ballantyne Elementary	919	873	Oakhurst STEAM Academy	557	514
Barnette Elementary	684	646	Olde Providence Elementary	669	632
Berewick Elementary	657	633	Palisades Park Elementary	891	811
Beverly Woods Elementary	607	597	Park Road Montessori	439	433
Billingsville Elementary	340	313	Parkside Elementary	326	321
Blythe Elementary	882	821	Paw Creek Elementary	642	663
Briarwood Academy	612	638	Pineville Elementary	768	695
Bruns Avenue Elementary	306	285	Pinewood Elementary	509	473
Chantilly Montessori	254	247	Piney Grove Elementary	504	689
Charles H. Parker Academic Center	469	471	Polo Ridge Elementary	594	566
Charlotte East Language Academy	764	729	Providence Spring Elementary	601	574
Charlotte Mecklenburg Virtual Elementary	242	866	Rama Road Elementary	477	458
Clear Creek Elementary	443	422	Rea Farms STEAM Academy	1,103	943
Cornelius Elementary	561	547	Reedy Creek Elementary	938	838
Cotswold Elementary	345	392	Reid Park Academy	289	329
Croft Community School	333	355	Renaissance West STEAM Academy	651	632
Crown Point Elementary	580	469	River Gate Elementary	696	670
David Cox Road Elementary	630	640	River Oaks Academy	507	462
Davidson K-8 School	1,166	1,100	Selwyn Elementary	646	611
Devonshire Elementary	508	529	Shamrock Gardens Elementary	460	403
Dilworth Elem Sedgefield Campus	338	311	Sharon Elementary	720	750
Dilworth Elementary School: Latta Campus	290	259	Smithfield Elementary	577	559
Eastover Elementary	346	350	South Pine Academy	606	445
Elizabeth Lane Elementary	704	798	Starmount Academy of Excellence	413	399
Elizabeth Traditional Elem	422	446	Statesville Road Elementary	418	436
Elon Park Elementary	834	828	Steele Creek Elementary	438	474
Endhaven Elementary	648	597	Sterling Elementary	610	616
First Ward Creative Arts Acad	494	526	Stoney Creek Elementary	732	761
Gov's Village STEM (Lower)	688	770	Torrence Creek Elementary	699	676
Grand Oak Elementary	479	453	Trillium Springs Montessori	186	180
Greenway Park Elementary	467	480	Tuckaseegee Elementary	585	555
Hawk Ridge Elementary	684	645	University Meadows Elementary	629	592
Hickory Grove Elementary	482	499	University Park Creative Arts	265	330
Hidden Valley Elementary	898	811	Vaughan Academy of Technology	328	340
Highland Creek Elementary	433	411	Villa Heights Elementary	128	118
Highland Mill Montessori	260	259	Westerly Hills Academy	422	360
Highland Renaissance Academy	340	325	Whitewater Academy	722	709
Hornets Nest Elementary	510	518	Winding Springs Elementary	661	658
Huntersville Elementary	857	739	Windsor Park Elementary	415	450
Huntingtowne Farms Elementary	814	802	Winget Park Elementary	610	591
Idlewild Elementary	838	832	Winterfield Elementary	569	551
Irwin Academic Center	402	388	Total Elementary Schools	<u>59,247</u>	<u>58,319</u>
J. H. Gunn Elementary	619	594	PreK-8:		
J.V. Washam Elementary	807	853	Ashley Park PreK-8 School	327	334
Joseph W Grier Academy	648	636	Berryhill School	390	395
Lake Wylie Elementary	498	522	Druid Hills Academy	255	285
Lansdowne Elementary	556	478	North Academy of World Languages	617	364
Lawrence Orr Elementary	598	607	Mountain Island Lake Academy	728	684
Lebanon Road Elementary	536	672	Walter G. Byers School	310	345
Long Creek Elementary	471	487	Total PreK-8 Schools	<u>2,627</u>	<u>2,407</u>
Mallard Creek Elementary	517	505			
Matthews Elementary	800	815			
McAlpine Elementary	517	457			
McKee Road Elementary	490	511			

Source: Charlotte-Mecklenburg Schools Planning Services. Membership for the first month of the 2022-2023 school year.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPARATIVE AVERAGE DAILY MEMBERSHIP - SCHOOLS AND SPECIAL PROGRAMS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022**

	ADM 2023	ADM 2022		ADM 2023	ADM 2022
K-8 SCHOOLS:					
Collinswood Language Academy	766	781			
Gov's Village STEM (Upper)	699	743			
Marie G Davis School	357	387			
Oaklawn Language Academy	507	539			
South Academy of International Languages	1,220	1,220			
Thomasboro Academy	543	567			
Total K-8 Schools	<u>4,092</u>	<u>4,237</u>			
MIDDLE SCHOOLS:					
Albemarle Road Middle	901	874			
Alexander Graham Middle	1,222	1,240			
Bailey Middle	1,319	1,366			
Carmel Middle	1,059	1,132			
Charlotte Mecklenburg Virtual Middle	475	935			
Community House Middle	1,397	1,488			
Coulwood STEM Academy	592	611			
Crestdale Middle	990	984			
Eastway Middle	801	829			
Francis Bradley Middle	1,054	1,063			
J. M. Alexander Middle	780	847			
James Martin Middle	748	673			
Jay M. Robinson Middle	1,301	1,254			
Kennedy Middle	908	923			
Martin Luther King, Jr Middle	908	921			
McClintock Middle	1,072	1,140			
Mint Hill Middle	942	914			
Northeast Middle	559	563			
Northridge Middle	1,073	1,025			
Piedmont Middle School	1,077	1,089			
Quail Hollow Middle	1,139	1,170			
Randolph Middle	1,146	1,129			
Ranson Middle	799	823			
Ridge Road Middle	979	1,086			
Sedgefield Middle	493	494			
South Charlotte Middle	803	827			
Southwest Middle School	1,344	1,294			
Whitewater Middle	698	725			
Wilson STEM Academy	360	414			
Total Middle Schools	<u>26,939</u>	<u>27,833</u>			
HIGH SCHOOLS:					
Ardrey Kell High School	3,522	3,489			
Butler High School	1,860	1,934			
Cato Middle College High School	201	166			
Char Eng Early College-UNCC	299	296			
Char-Mecklenburg Virtual School	605	790			
Charlotte Teacher Early College	207	202			
East Mecklenburg High School	2,382	2,100			
Garinger High School	1,602	1,579			
Harding University High School	1,263	1,553			
Harper Middle College High	172	164			
Hawthorne Academy of Health Sciences	293	311			
Hopewell High School	1,732	1,781			
Independence High School	1,992	1,957			
Julius L. Chambers High School	2,139	1,961			
Levine Middle College High Sch	224	233			
Mallard Creek High School	2,161	2,234			
Merancas Middle College-CPCC	202	174			
Military and Global Leadership	165	182			
Myers Park High School	3,557	3,514			
North Mecklenburg High School	2,182	2,062			
			Olympic High School	1,690	2,567
			Palisades High School	1,569	-
			Performance Learning Center	73	71
			Phillip O Berry Academy of Technology	1,547	1,711
			Providence High School	2,045	2,019
			Rocky River High School	1,616	1,526
			South Mecklenburg High School	3,306	3,221
			West Charlotte High School	1,500	1,392
			West Mecklenburg High School	1,179	1,182
			William Amos Hough High	2,507	2,455
			Total High Schools	<u>43,792</u>	<u>42,826</u>
			6-12 SCHOOLS:		
			Cochrane Collegiate Academy	920	885
			Northwest School of the Arts	1,049	1,030
			Total 6-12 Schools	<u>1,969</u>	<u>1,915</u>
			7-12 SCHOOLS:		
			Williams Secondary Montessori	374	365
			Total 7-12 Schools	<u>374</u>	<u>365</u>
			ALTERNATIVE SCHOOLS:		
			Charlotte-Mecklenburg Academy	75	71
			Metro School	203	181
			Turning Point Academy	254	43
			Total Alternative Schools	<u>532</u>	<u>295</u>
			TOTAL AVERAGE DAILY MEMBERSHIP (ADM)		
				<u>139,572</u>	<u>138,197</u>
			(Does not include Pre-K)		
			ADA/ADM		
				<u>94.1%</u>	<u>92.3%</u>

Source: Charlotte-Mecklenburg Schools Planning Services. Membership for the first month of the 2022-2023 school year.

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
NET POSITION BY COMPONENTS
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Fiscal Year				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Governmental activities					
Net Investment in capital assets	\$ 1,830,641	\$ 1,872,793	\$ 1,902,658	\$ 1,939,956	\$ 1,945,042
Restricted	57,893	62,675	76,176	93,170	70,122
Unrestricted	(37,853)	(278,217)	(232,388)	(270,651)	(2,540,103)
Total governmental activities net position	<u>1,850,681</u>	<u>1,657,251</u>	<u>1,746,446</u>	<u>1,762,475</u>	<u>(524,939)</u>
Business-type activities					
Net Investment in capital assets	8,477	9,016	8,766	7,750	7,163
Restricted	-	-	-	-	64
Unrestricted	30,205	27,739	35,045	39,989	(2,281)
Total business-type activities net position	<u>38,682</u>	<u>36,755</u>	<u>43,811</u>	<u>47,739</u>	<u>4,946</u>
Primary government					
Net Investment in capital assets	1,839,118	1,881,809	1,911,424	1,947,706	1,952,205
Restricted	57,893	62,675	76,176	93,170	73,406
Unrestricted	(7,648)	(250,478)	(197,343)	(230,662)	(2,545,604)
Total primary government net position	<u>\$ 1,889,363</u>	<u>\$ 1,694,006</u>	<u>\$ 1,790,257</u>	<u>\$ 1,810,214</u>	<u>\$ (519,993)</u>

Continued on next page

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
NET POSITION BY COMPONENTS
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Fiscal Year				
	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Governmental activities					
Net Investment in capital assets	\$ 2,008,177	\$ 2,126,681	\$ 2,326,604	\$ 2,479,886	\$ 2,638,481
Restricted	79,251	89,773	109,358	92,810	83,787
Unrestricted	(2,516,441)	(2,539,314)	(2,489,767)	(2,283,134)	(2,101,033)
Total governmental activities net position	<u>(429,013)</u>	<u>(322,860)</u>	<u>(53,805)</u>	<u>289,562</u>	<u>621,235</u>
Business-type activities					
Net Investment in capital assets	6,181	5,212	4,834	5,310	6,673
Restricted	34	45	50	23	0
Unrestricted	(1,684)	(7,875)	(21,031)	16,387	31,728
Total business-type activities net position	<u>4,531</u>	<u>(2,618)</u>	<u>(16,147)</u>	<u>21,720</u>	<u>38,401</u>
Primary government					
Net Investment in capital assets	2,014,358	2,131,893	2,331,438	2,485,196	2,645,154
Restricted	79,285	89,818	109,408	92,833	83,787
Unrestricted	(2,518,125)	(2,547,189)	(2,510,798)	(2,266,747)	(2,069,305)
Total primary government net position	<u>\$ (424,482)</u>	<u>\$ (325,478)</u>	<u>\$ (69,952)</u>	<u>\$ 311,282</u>	<u>\$ 659,636</u>

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year	Fiscal Year
Functions/Programs	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Primary government:					
EXPENSES					
Governmental Activities:					
Instructional Programs					
Regular	\$ 633,635	\$ 658,638	\$ 667,299	\$ 740,032	\$ 826,181
Special	203,086	215,586	217,382	241,720	260,169
Alternative	-	-	-	-	-
School Leadership	72,628	62,045	71,223	79,038	76,909
Co-Curricular	12,700	12,663	13,100	13,329	14,061
School-Based Support	58,368	57,790	58,872	66,734	76,477
Support and Development	5,515	6,998	6,700	8,505	10,759
Special Population Support	6,944	6,770	6,911	7,881	8,124
Technology Support	15,169	16,209	14,498	15,319	17,002
Operational Support	168,947	163,761	173,325	187,220	209,706
Financial and Human Resources	27,683	32,305	26,077	31,124	29,753
Accountability Services	6,164	4,475	4,087	4,038	4,058
System-Wide Pupil Support	3,145	2,909	3,772	4,124	4,070
Policy, Leadership and Public Relations	15,579	15,535	15,183	16,784	17,864
Community Services	1,262	873	1,289	1,085	853
Charter School Payments	24,394	31,747	38,168	40,802	45,910
Debt Service-Interest	582	354	173	85	15
Total Governmental Activities Expenses	<u>1,255,801</u>	<u>1,288,658</u>	<u>1,318,059</u>	<u>1,457,820</u>	<u>1,601,911</u>
Business Type Activities:					
After School Program	13,718	12,106	12,239	13,477	14,993
School Nutrition	65,004	65,527	64,891	66,706	69,813
Total Business Type Activities Expenses	<u>78,722</u>	<u>77,633</u>	<u>77,130</u>	<u>80,183</u>	<u>84,806</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>1,334,523</u>	<u>1,366,291</u>	<u>1,395,189</u>	<u>1,538,003</u>	<u>1,686,717</u>
REVENUES					
Governmental Activities:					
Charges for services:					
Instructional Programs - Regular	138	960	558	537	1,004
Instructional Programs - School-Based Support	-	-	-	-	-
Community Services	1,032	2,112	1,770	1,694	2,111
Operating Grants and Contributions	99,024	111,283	102,429	114,040	109,081
Total Governmental Activities Revenues	<u>100,194</u>	<u>114,355</u>	<u>104,757</u>	<u>116,271</u>	<u>112,196</u>
Business Type Activities:					
Charges for services:					
After School Program	12,678	13,141	13,295	13,972	13,854
School Nutrition	15,204	11,908	12,109	11,885	11,309
Operating Grants and Contributions:					
After School Program	-	-	-	-	-
School Nutrition	49,737	55,334	57,479	57,213	58,716
Capital Grants and Contributions:					
School Nutrition	790	214	743	420	709
Total Business Type Activities Revenues	<u>78,409</u>	<u>80,597</u>	<u>83,626</u>	<u>83,490</u>	<u>84,588</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>178,603</u>	<u>194,952</u>	<u>188,383</u>	<u>199,761</u>	<u>196,784</u>

Continued on next page

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
<u>Functions/Programs</u>	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
Primary government:					
EXPENSES					
Governmental Activities:					
Instructional Programs					
Regular	\$ 756,087	\$ 813,719	\$ 824,698	\$ 798,365	\$ 824,717
Special	248,223	262,839	214,289	186,928	208,982
Alternative	-	-	65,317	106,860	134,729
School Leadership	72,733	79,041	77,643	71,324	78,003
Co-Curricular	13,752	12,277	7,525	12,622	14,906
School-Based Support	71,476	84,438	92,226	85,020	90,894
Support and Development	11,523	12,304	12,003	11,722	11,989
Special Population Support	7,917	8,884	9,100	8,559	10,362
Technology Support	13,293	20,548	22,892	22,287	15,808
Operational Support	202,800	209,943	172,897	229,402	242,827
Financial and Human Resources	29,968	29,929	28,364	34,875	38,674
Accountability Services	4,581	4,828	4,852	4,467	6,152
System-Wide Pupil Support	3,882	3,967	3,871	3,743	3,947
Policy, Leadership and Public Relations	16,143	15,787	16,387	15,835	18,820
Community Services	1,142	2,238	8,160	4,039	2,996
Charter School Payments	51,760	62,370	73,784	76,711	82,109
Debt Service-Interest	-	-	-	-	-
Total Governmental Activities Expenses	<u>1,505,280</u>	<u>1,623,112</u>	<u>1,634,007</u>	<u>1,672,759</u>	<u>1,785,915</u>
Business Type Activities:					
After School Program	12,999	12,083	6,181	8,511	7,837
School Nutrition	67,034	65,156	40,510	62,426	68,770
Total Business Type Activities Expenses	<u>80,033</u>	<u>77,239</u>	<u>46,691</u>	<u>70,937</u>	<u>76,607</u>
TOTAL PRIMARY GOVERNMENT EXPENSES	<u>1,585,313</u>	<u>1,700,351</u>	<u>1,680,698</u>	<u>1,743,696</u>	<u>1,862,522</u>
REVENUES					
Governmental Activities:					
Charges for services:					
Instructional Programs - Regular	478	244	-	-	-
Instructional Programs - School-Based Support	-	-	2,486	6,440	7,140
Community Services	2,038	1,718	-	-	-
Operating Grants and Contributions	113,715	115,264	141,505	205,124	257,082
Total Governmental Activities Revenues	<u>116,231</u>	<u>117,226</u>	<u>143,991</u>	<u>211,564</u>	<u>264,222</u>
Business Type Activities:					
Charges for services:					
After School Program	13,158	10,393	1,343	8,240	7,501
School Nutrition	11,277	9,910	-	4,309	12,590
Operating Grants and Contributions:					
After School Program	-	-	304	7,395	5,267
School Nutrition	53,819	47,414	29,801	86,992	63,850
Capital Grants and Contributions:					
School Nutrition	253	229	-	-	0
Total Business Type Activities Revenues	<u>78,507</u>	<u>67,946</u>	<u>31,448</u>	<u>106,936</u>	<u>89,208</u>
TOTAL PRIMARY GOVERNMENT REVENUES	<u>194,738</u>	<u>185,172</u>	<u>175,439</u>	<u>318,500</u>	<u>353,430</u>

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**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

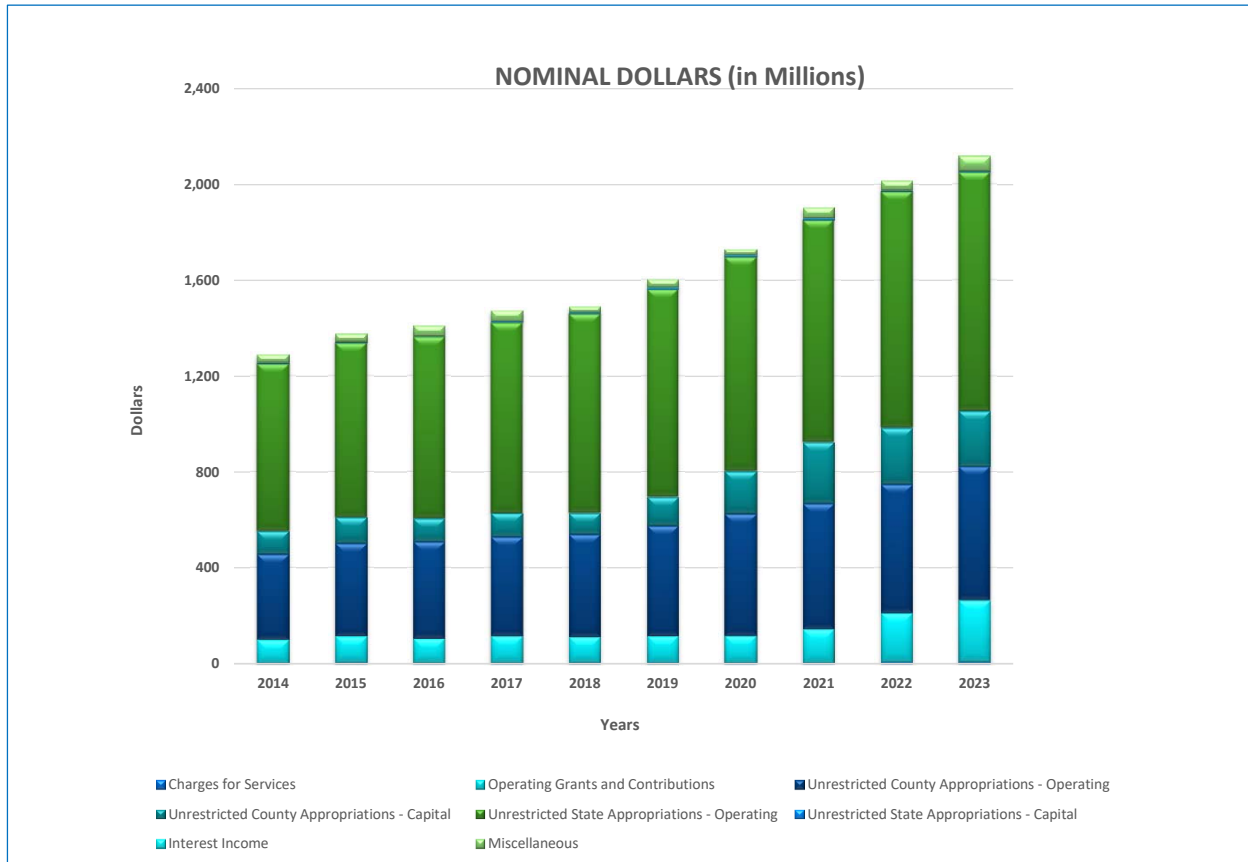
	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
Net (Expense)/Revenue					
Governmental Activities	(1,155,607)	(1,174,303)	(1,213,302)	(1,341,549)	(1,489,715)
Business Type Activities	(313)	2,964	6,496	3,307	(218)
TOTAL PRIMARY GOVERNMENT NET EXPENSES	<u>(1,155,920)</u>	<u>(1,171,339)</u>	<u>(1,206,806)</u>	<u>(1,338,242)</u>	<u>(1,489,933)</u>
General Revenues and Other Changes in Net Position					
Unrestricted State Appropriations-Operating	696,584	725,253	756,161	793,362	832,192
Unrestricted State Appropriations-Capital	4,691	4,835	1,654	3,805	3,911
Unrestricted Mecklenburg County Appropriations-Operating	356,545	388,237	404,286	413,494	428,745
Unrestricted Mecklenburg County Appropriations-Capital	95,420	108,232	96,538	99,414	88,356
State OPEB Contribution - Non-Capital	-	-	-	-	-
Investment Earnings, Unrestricted	403	491	789	1,278	1,653
Miscellaneous	34,117	32,637	43,416	46,486	24,856
Transfers	(517)	(517)	(347)	(261)	(234)
Total Governmental Activities	<u>1,187,243</u>	<u>1,259,168</u>	<u>1,302,497</u>	<u>1,357,578</u>	<u>1,379,479</u>
Business Type Activities					
Unrestricted Mecklenburg County Appropriations-Capital	-	-	-	-	-
State OPEB Contribution - Non-Capital	-	-	-	-	-
Interest Income	118	134	213	360	550
Transfers	517	517	347	261	234
Total Business Type Activities Revenues	<u>635</u>	<u>651</u>	<u>560</u>	<u>621</u>	<u>784</u>
TOTAL PRIMARY GOVERNMENT	<u>1,187,878</u>	<u>1,259,819</u>	<u>1,303,057</u>	<u>1,358,199</u>	<u>1,380,263</u>
Change in Net Position					
Governmental Activities	31,636	84,865	89,195	16,029	(110,236)
Business Type Activities	322	3,615	7,056	3,928	566
TOTAL PRIMARY GOVERNMENT	<u>\$ 31,958</u>	<u>\$ 88,480</u>	<u>\$ 96,251</u>	<u>\$ 19,957</u>	<u>\$ (109,670)</u>

Continued on next page

CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE LAST TEN FISCAL YEARS
(Amounts expressed in thousands)

	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
Net (Expense)/Revenue					
Governmental Activities	(1,389,049)	(1,505,886)	(1,490,016)	(1,460,570)	(1,521,693)
Business Type Activities	(1,526)	(9,293)	(15,243)	35,999	12,601
TOTAL PRIMARY GOVERNMENT NET EXPENSES	<u>(1,390,575)</u>	<u>(1,515,179)</u>	<u>(1,505,259)</u>	<u>(1,424,571)</u>	<u>(1,509,092)</u>
General Revenues and Other Changes in Net Position					
Unrestricted State Appropriations-Operating	865,986	894,925	926,261	985,964	995,178
Unrestricted State Appropriations-Capital	5,586	5,311	7,523	4,719	5,177
Unrestricted Mecklenburg County Appropriations-Operating	459,865	509,451	524,933	538,015	557,956
Unrestricted Mecklenburg County Appropriations-Capital	118,089	176,289	255,686	234,985	231,155
State OPEB Contribution - Non-Capital	-	-	25,376	10,000	9,662
Interest Income	2,494	2,442	589	47	557
Miscellaneous	33,259	24,966	19,139	31,833	56,258
Transfers	(304)	(1,345)	(436)	(1,626)	(2,577)
Total Governmental Activities	<u>1,484,975</u>	<u>1,612,039</u>	<u>1,759,071</u>	<u>1,803,937</u>	<u>1,853,366</u>
Business Type Activities					
Unrestricted Mecklenburg County Appropriations-Capital	-	-	848	-	-
State OPEB Contribution - Non-Capital	-	-	285	153	158
Interest Income	807	799	145	89	1,345
Transfers	304	1,345	436	1,626	2,577
Total Business Type Activities Revenues	<u>1,111</u>	<u>2,144</u>	<u>581</u>	<u>1,868</u>	<u>4,080</u>
TOTAL PRIMARY GOVERNMENT	<u>1,486,086</u>	<u>1,614,183</u>	<u>1,759,652</u>	<u>1,805,805</u>	<u>1,857,446</u>
Change in Net Position					
Governmental Activities	95,926	106,153	269,055	343,367	331,673
Business Type Activities	(415)	(7,149)	(13,529)	37,867	16,681
TOTAL PRIMARY GOVERNMENT	<u>\$ 95,511</u>	<u>\$ 99,004</u>	<u>\$ 255,526</u>	<u>\$ 381,234</u>	<u>\$ 348,354</u>

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GENERAL SCHOOL SYSTEM REVENUES BY FUNCTION - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**



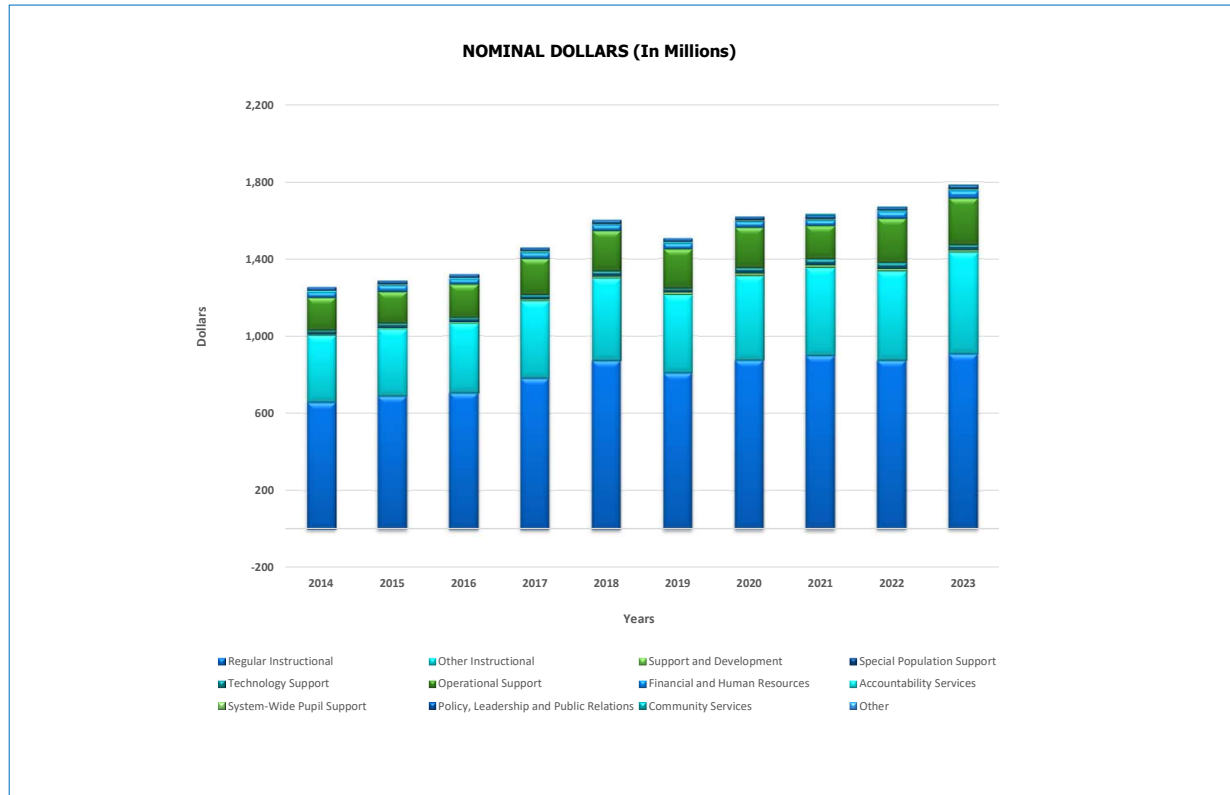
NOMINAL DOLLARS (in Millions)									
Year	Total	Program Revenue		General Revenues					
		Charges for Services	Operating Grants and Contributions	Unrestricted County Appropriations - Operating	Unrestricted County Appropriations - Capital	Unrestricted State Appropriations - Operating	Unrestricted State Appropriations - Capital	Interest Income	Miscellaneous
2014	1,287.9	1.2	99.0	356.5	95.4	696.6	4.7	0.4	34.1
2015	1,374.0	3.1	111.3	388.2	108.2	725.3	4.8	0.5	32.6
2016	1,407.6	2.3	102.4	404.3	96.5	756.2	1.7	0.8	43.4
2017	1,474.0	2.2	114.0	413.5	99.4	793.3	3.8	1.3	46.5
2018	1,492.0	3.1	109.1	428.7	88.4	832.2	3.9	1.7	24.9
2019	1,601.6	2.5	113.7	459.9	118.1	866.0	5.6	2.5	33.3
2020	1,730.7	2.0	115.3	509.5	176.3	894.9	5.3	2.4	23.6
2021	1,903.5	2.5	141.5	524.9	255.7	926.3	7.5	0.6	44.1
2022	2,015.4	6.4	205.1	538.0	235.0	986.0	4.7	-	40.2
2023	2,117.7	7.1	257.1	558.0	231.2	995.2	5.2	0.6	63.3

NOTES:

Miscellaneous Revenue includes Miscellaneous and Transfers.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GENERAL SCHOOL SYSTEM EXPENSES BY FUNCTION - GOVERNMENT-WIDE
FOR THE LAST TEN FISCAL YEARS**

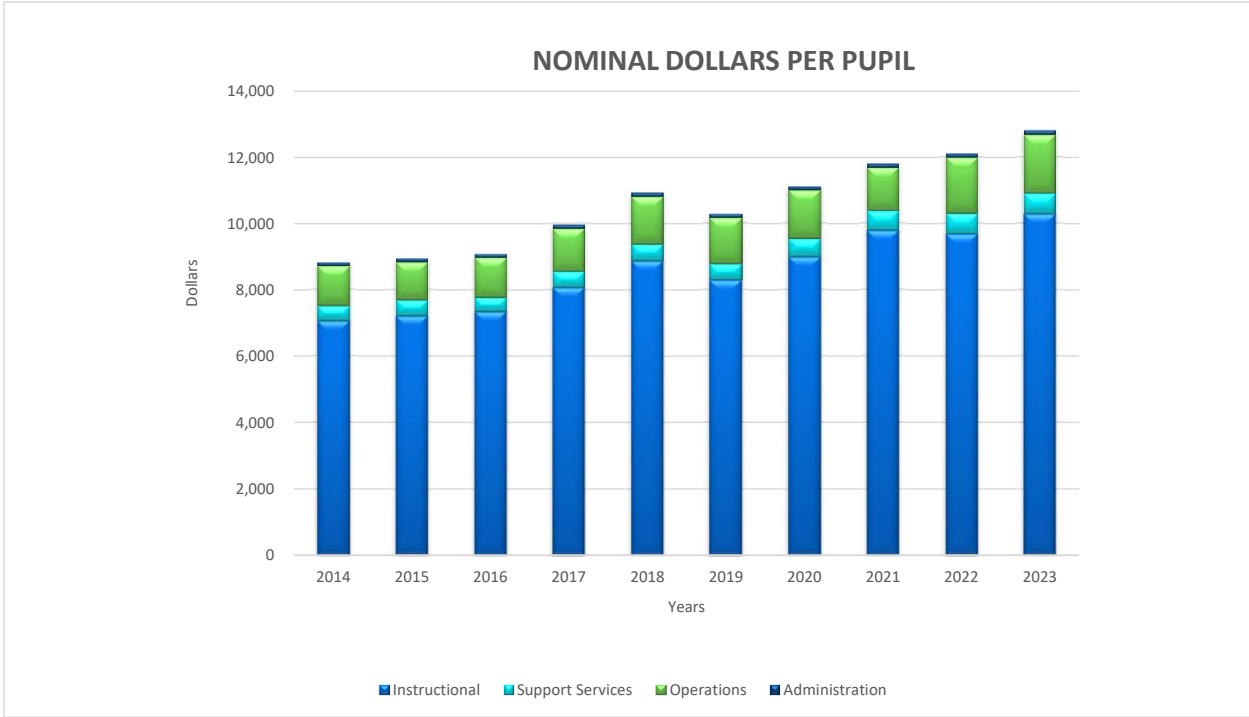


NOMINAL DOLLARS (in Millions)													
Year	Total	Regular Instructional	Other Instructional	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources	Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Community Services	Other
2014	1,255.8	658.0	346.8	5.5	6.9	15.2	168.9	27.7	6.2	3.1	15.6	1.3	0.6
2015	1,288.7	690.4	348.1	7.0	6.8	16.2	163.8	32.3	4.5	2.9	15.5	0.9	0.3
2016	1,318.1	705.5	360.5	6.7	6.9	14.5	173.3	26.1	4.1	3.8	15.2	1.3	0.2
2017	1,457.8	780.9	400.8	8.5	7.9	15.3	187.2	31.1	4.0	4.1	16.8	1.1	0.1
2018	1,601.9	872.1	427.6	10.8	8.1	17.0	209.7	29.7	4.0	4.1	17.9	0.9	-
2019	1,505.3	807.9	406.2	11.5	7.9	13.3	202.8	30.0	4.6	3.9	16.1	1.1	-
2020	1,623.1	876.1	438.6	12.3	8.9	20.6	209.9	29.9	4.8	4.0	15.8	2.2	-
2021	1,634.0	898.5	456.9	12.0	9.1	22.9	172.9	28.4	4.8	3.9	16.4	8.2	-
2022	1,672.8	875.1	462.8	11.7	8.6	22.3	229.4	34.9	4.5	3.7	15.8	4.0	-
2023	1,785.9	906.8	527.5	12.0	10.4	15.8	242.8	38.7	6.2	3.9	18.8	3.0	-

NOTES:

Other Instructional Expenses includes Special, School Leadership, Co-Curricular and School-Based Support.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
OPERATIONAL EXPENSES GOVERNMENT-WIDE PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS						
Year	Ave. Daily Membership	Expenses				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2014	142,466	7,053	454	1,199	109	8,815
2015	144,087	7,207	484	1,145	108	8,944
2016	145,154	7,344	427	1,204	105	9,080
2017	146,394	8,072	485	1,287	115	9,959
2018	146,385	8,879	504	1,438	122	10,943
2019	146,534	8,285	486	1,392	110	10,273
2020	146,244	8,990	550	1,451	108	11,099
2021	138,587	9,781	585	1,306	118	11,790
2022	138,197	9,681	620	1,689	115	12,105
2023	139,572	10,277	623	1,761	135	12,796

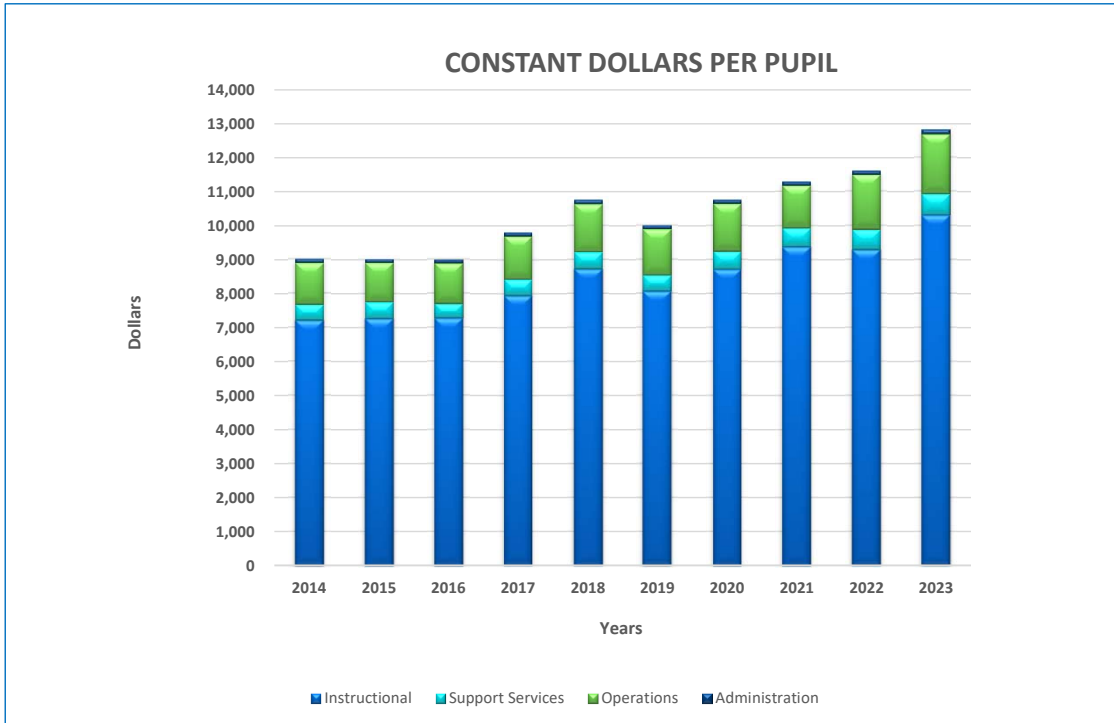
NOTES:

The above operational expenses per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Average Daily Membership is for the first month of the 2022-2023 school year.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
OPERATIONAL EXPENSES GOVERNMENT-WIDE PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



CONSTANT DOLLARS						
Year	Ave. Daily Membership	Expenses				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2014	142,466	7,199	463	1,224	111	8,997
2015	144,087	7,270	488	1,155	109	9,022
2016	145,154	7,267	423	1,191	104	8,985
2017	146,394	7,949	478	1,267	113	9,808
2018	146,385	8,719	495	1,413	120	10,746
2019	146,534	8,060	473	1,354	107	9,994
2020	146,244	8,705	533	1,405	105	10,747
2021	138,587	9,375	561	1,252	113	11,300
2022	138,197	9,279	594	1,619	110	11,602
2023	139,572	10,297	624	1,764	135	12,820

NOTES:

Constant dollars reflect dollars having a constant purchasing power as shown by the U.S. Bureau of Labor Statistics Employment Cost Index for total compensation, for State and local government workers Elementary and Secondary Schools (December 2010 = 100).

Average Daily Membership is for the first month of the 2022-2023 school year.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 FUND BALANCES, GOVERNMENTAL FUNDS
 FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	Fiscal Years				
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>	<u>6/30/2018</u>
General Fund					
Nonspendable:					
Inventories	\$ 1,135	\$ 931	\$ 931	\$ 1,062	\$ 1,116
Restricted:					
Stabilization by State Statute	43,511	45,422	51,953	53,361	32,043
Insurance Claims	4,283	4,437	4,117	7,473	9,176
Assigned:					
Subsequent years expenditures	9,082	9,200	8,300	6,404	5,600
Unassigned:	<u>15,768</u>	<u>15,882</u>	<u>17,498</u>	<u>13,698</u>	<u>15,652</u>
Total General Fund	<u>\$ 73,779</u>	<u>\$ 75,872</u>	<u>\$ 82,799</u>	<u>\$ 81,998</u>	<u>\$ 63,587</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ 5,528	\$ 8,092	\$ 15,052	\$ 27,095	\$ 23,353
School Capital Projects	-	-	-	-	-
Individual Schools	4,570	4,724	5,054	5,241	5,550
Assigned:					
Special Revenue	<u>10,368</u>	<u>10,859</u>	<u>4,883</u>	<u>240</u>	<u>6,644</u>
Total all other governmental funds	<u>\$ 20,466</u>	<u>\$ 23,675</u>	<u>\$ 24,989</u>	<u>\$ 32,576</u>	<u>\$ 35,547</u>

Continued on next page

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	Fiscal Years				
	<u>6/30/2019</u>	<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>
General Fund					
Nonspendable:					
Inventories	\$ 1,190	\$ 1,583	\$ 1,326	\$ 1,570	\$ 1,859
Restricted:					
Stabilization by State Statute	37,745	47,588	63,587	46,113	37,945
Insurance Claims	8,248	8,856	8,096	7,477	4,403
Assigned:					
Subsequent years expenditures	-	4,100	6,450	3,900	4,769
Unassigned:	<u>21,022</u>	<u>18,219</u>	<u>16,656</u>	<u>16,752</u>	<u>21,352</u>
Total General Fund	<u>\$ 68,205</u>	<u>\$ 80,346</u>	<u>\$ 96,115</u>	<u>\$ 75,812</u>	<u>\$ 70,328</u>
All other governmental funds					
Restricted:					
Stabilization by State Statute	\$ 25,492	\$ 24,692	\$ 28,806	\$ 31,441	\$ 34,582
School Capital Projects	-	-	-	-	-
Individual Schools	6,149	6,364	6,286	6,905	6,858
Assigned:					
Special Revenue	<u>3,922</u>	<u>12,317</u>	<u>18,387</u>	<u>16,967</u>	<u>40,360</u>
Total all other governmental funds	<u>\$ 35,563</u>	<u>\$ 43,373</u>	<u>\$ 53,479</u>	<u>\$ 55,313</u>	<u>\$ 81,800</u>

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	2014	2015	2016	2017	2018
REVENUES:					
State of North Carolina	\$ 710,970	\$ 739,654	\$ 768,542	\$ 807,440	\$ 847,213
Mecklenburg County	451,965	496,469	500,824	512,908	517,101
U.S. Government Agencies	89,205	101,601	87,380	95,810	91,437
Other	35,824	36,904	46,620	50,406	38,987
Total Revenues	<u>1,287,964</u>	<u>1,374,628</u>	<u>1,403,366</u>	<u>1,466,564</u>	<u>1,494,738</u>
EXPENDITURES:					
Current Operating Expenditures:					
Instructional Programs	905,323	967,992	998,589	1,047,583	1,083,105
Support and Development	5,515	7,223	6,990	8,346	10,023
Special Population Support	6,944	7,028	7,248	7,726	7,493
Technology Support	14,797	16,162	14,515	14,738	15,853
Operational Support	170,086	167,735	170,831	177,510	192,956
Financial and Human Resources	25,226	29,626	24,385	28,347	26,815
Accountability Services	6,164	4,607	4,244	3,971	3,804
System-Wide Support	3,145	3,018	3,924	4,052	3,770
Policy, Leadership, and Public Relations	15,567	15,981	15,735	16,495	16,721
Ancillary Services	1,262	905	1,340	1,066	788
Debt Service					
Principal	5,659	5,619	2,300	4,403	4,478
Interest	107	80	56	35	15
Capital Outlay	99,109	107,981	108,536	109,777	102,806
Intergovernmental Expenditures	26,851	34,852	40,385	43,325	47,821
Total Expenditures	<u>1,285,755</u>	<u>1,368,809</u>	<u>1,399,078</u>	<u>1,467,374</u>	<u>1,516,448</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,209</u>	<u>5,819</u>	<u>4,288</u>	<u>(810)</u>	<u>(21,710)</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Lease	-	-	4,300	7,857	6,504
Transfer In (Out)	(517)	(517)	(347)	(261)	(234)
Total Other Financing Sources (Uses)	<u>(517)</u>	<u>(517)</u>	<u>3,953</u>	<u>7,596</u>	<u>6,270</u>
CHANGE IN FUND BALANCE	1,692	5,302	8,241	6,786	(15,440)
FUND BALANCE--Beginning of Year	<u>92,553</u>	<u>94,245</u>	<u>99,547</u>	<u>107,788</u>	<u>114,574</u>
FUND BALANCE--End of Year	<u>\$ 94,245</u>	<u>\$ 99,547</u>	<u>\$ 107,788</u>	<u>\$ 114,574</u>	<u>\$ 99,134</u>
Debt Service as a percent of non-capital expenditures	0.49%	0.45%	0.18%	0.33%	0.31%

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS
FOR THE LAST TEN FISCAL YEARS**

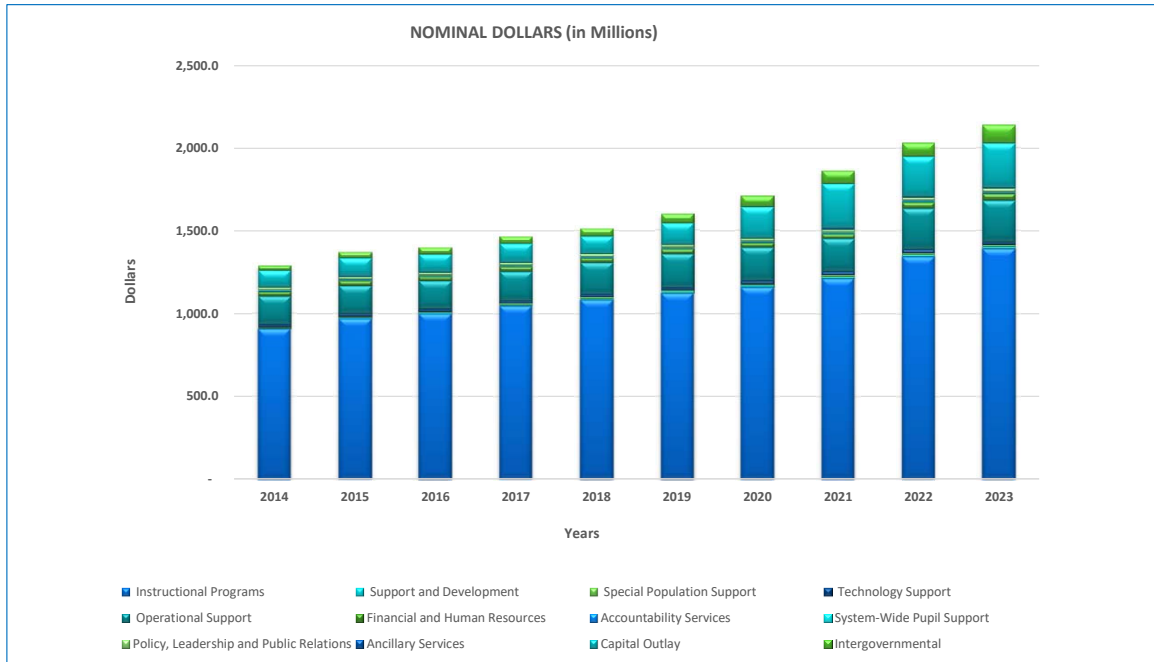
(Amounts expressed in thousands)

	2019	2020	2021	2022	2023
REVENUES:					
State of North Carolina	\$ 891,604	\$ 910,765	\$ 913,665	\$ 961,893	\$ 1,000,355
Mecklenburg County	577,954	685,740	780,619	773,000	789,111
U.S. Government Agencies	91,723	97,342	164,863	239,512	285,656
Other	39,815	29,434	22,214	38,328	63,955
Total Revenues	<u>1,601,096</u>	<u>1,723,281</u>	<u>1,881,361</u>	<u>2,012,733</u>	<u>2,139,077</u>
EXPENDITURES:					
Current Operating Expenditures:					
Instructional Programs	1,120,169	1,158,184	1,212,878	1,344,700	1,391,359
Support and Development	11,815	12,039	12,167	13,469	13,362
Special Population Support	8,135	8,699	9,218	9,863	11,758
Technology Support	13,124	19,942	22,463	23,596	16,118
Operational Support	206,215	201,602	198,062	247,413	250,630
Financial and Human Resources	28,067	26,914	28,522	37,257	40,528
Accountability Services	4,688	4,729	4,915	5,114	6,805
System-Wide Support	3,979	3,881	3,924	4,347	4,410
Policy, Leadership, and Public Relations	16,500	15,448	16,588	18,147	20,973
Ancillary Services	1,167	2,184	8,240	4,107	3,062
Debt Service					
Principal	5,586	5,311	7,523	5,677	13,104
Interest	-	-	-	2	-
Capital Outlay	124,591	185,329	262,304	238,496	256,567
Intergovernmental Expenditures	54,031	65,072	77,023	82,309	110,683
Total Expenditures	<u>1,598,067</u>	<u>1,709,334</u>	<u>1,863,827</u>	<u>2,034,497</u>	<u>2,139,359</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,029</u>	<u>13,947</u>	<u>17,534</u>	<u>(21,764)</u>	<u>(282)</u>
OTHER FINANCING SOURCES (USES)					
Capitalized Lease	1,909	7,349	8,777	3,340	21,436
Transfer In (Out)	(304)	(1,345)	(436)	(45)	(151)
Total Other Financing Sources (Uses)	<u>1,605</u>	<u>6,004</u>	<u>8,341</u>	<u>3,295</u>	<u>21,285</u>
CHANGE IN FUND BALANCE	4,634	19,951	25,875	(18,469)	21,003
FUND BALANCE--Beginning of Year	99,134	103,768	123,719	149,594	131,125
FUND BALANCE--End of Year	<u>\$ 103,768</u>	<u>\$ 123,719</u>	<u>\$ 149,594</u>	<u>\$ 131,125</u>	<u>\$ 152,128</u>
Debt Service as a percent of non-capital expenditures	0.38%	0.35%	0.47%	0.32%	0.70%

Additional fiscal years reported on next page.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GOVERNMENTAL EXPENDITURES BY FUNCTION
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in millions)



Fiscal Year Ended June 30	Instructional Programs	Support and Development	Special Population Support	Technology Support	Operational Support	Financial and Human Resources
<i>Expressed in Nominal Dollars</i>						
2014	905.3	5.5	6.9	14.8	171.2	25.2
2015	968.0	7.2	7.0	16.2	168.6	29.6
2016	998.6	7.0	7.3	14.5	171.5	24.4
2017	1,047.6	8.3	7.7	14.7	178.1	28.4
2018	1,083.1	10.0	7.5	15.9	193.0	26.8
2019	1,120.2	11.8	8.1	13.1	206.2	28.1
2020	1,158.2	12.0	8.7	19.9	201.6	26.9
2021	1,212.9	12.2	9.2	22.5	198.1	28.5
2022	1,344.7	13.5	9.9	22.5	247.4	37.3
2023	1,391.4	13.4	11.8	16.1	250.6	40.5

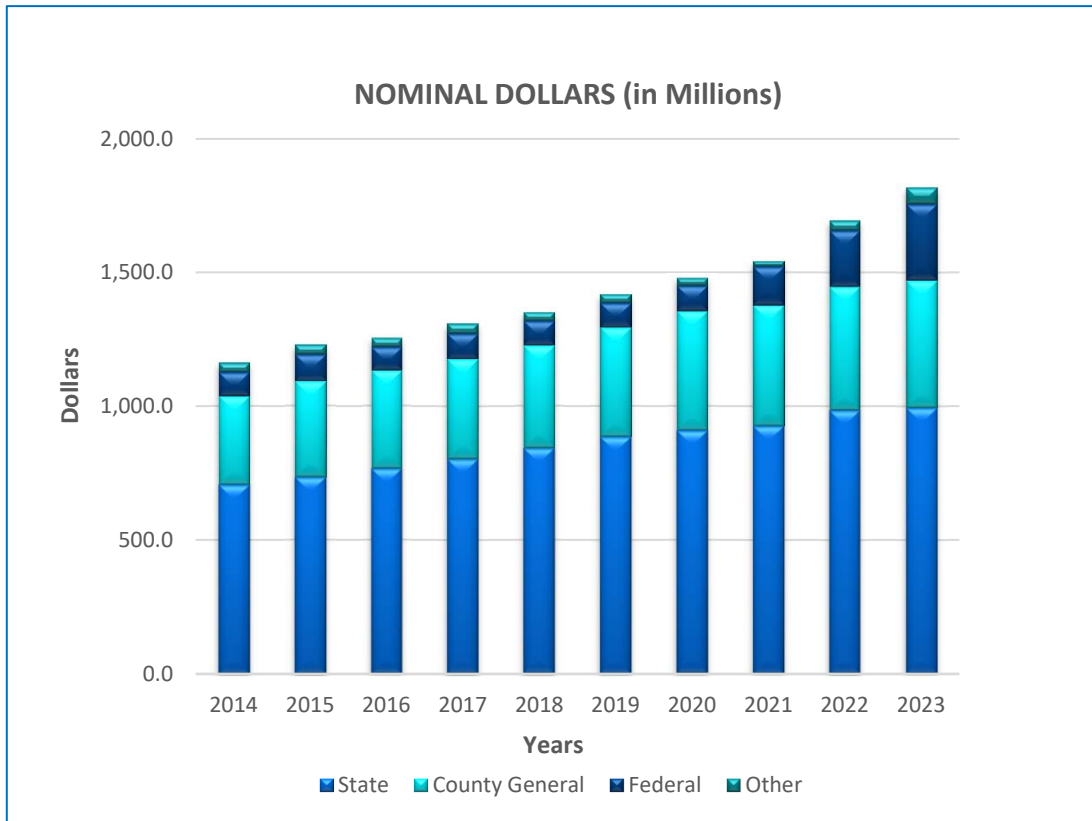
Fiscal Year Ended June 30	Accountability Services	System-Wide Pupil Support	Policy, Leadership and Public Relations	Ancillary Services	Capital Outlay	Intergovernmental	Totals
<i>Expressed in Nominal Dollars</i>							
2014	6.2	3.1	15.6	1.3	103.8	26.9	1,285.8
2015	4.7	3.0	16.0	0.9	112.8	34.8	1,368.8
2016	4.3	3.9	15.7	1.3	110.2	40.4	1,399.1
2017	4.0	4.1	16.5	1.1	113.6	43.3	1,467.4
2018	3.8	3.8	16.7	0.8	107.2	47.8	1,516.4
2019	4.7	4.0	16.5	1.2	130.2	54.0	1,598.1
2020	4.7	3.9	15.5	2.2	190.6	65.1	1,709.3
2021	4.9	3.9	16.6	8.2	269.8	77.0	1,863.8
2022	5.1	4.3	18.1	4.1	244.2	82.3	2,034.5
2023	6.8	4.4	21.0	3.1	269.7	110.7	2,139.5

NOTES:

The Governmental fund type includes the general fund (local current expense fund), the state public school fund, the federal grants fund, capital outlay fund and the capital projects fund.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SOURCES OF REVENUES (ALL FUNDS EXCEPT CAPITAL PROJECTS)
FOR THE LAST TEN FISCAL YEARS**



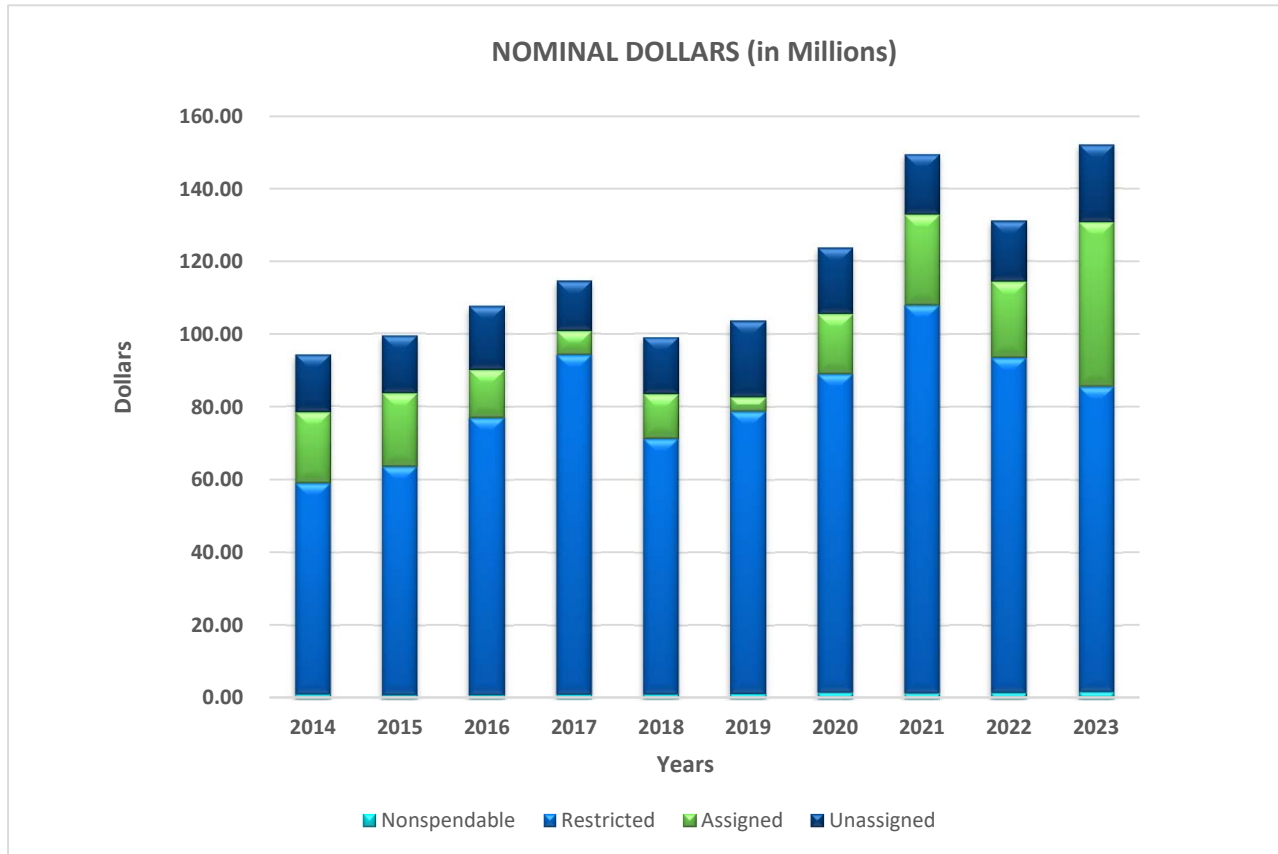
NOMINAL DOLLARS (in Millions)					
Year	Total	County			
		State	General	Federal	Other
2014	1,162.46	706.28	332.15	89.21	34.82
2015	1,228.65	734.82	356.49	101.60	35.74
2016	1,253.10	766.89	366.12	87.38	32.71
2017	1,309.60	803.64	372.69	95.81	37.46
2018	1,350.40	843.30	382.83	91.44	32.83
2019	1,419.00	886.02	408.11	91.72	33.15
2020	1,478.20	908.50	447.10	94.30	28.30
2021	1,543.08	926.26	451.15	144.74	20.92
2022	1,694.95	985.96	461.30	210.72	36.96
2023	1,818.90	995.20	475.80	285.70	62.20

NOTES:

County General revenue excludes the pass through funds for the charter schools.

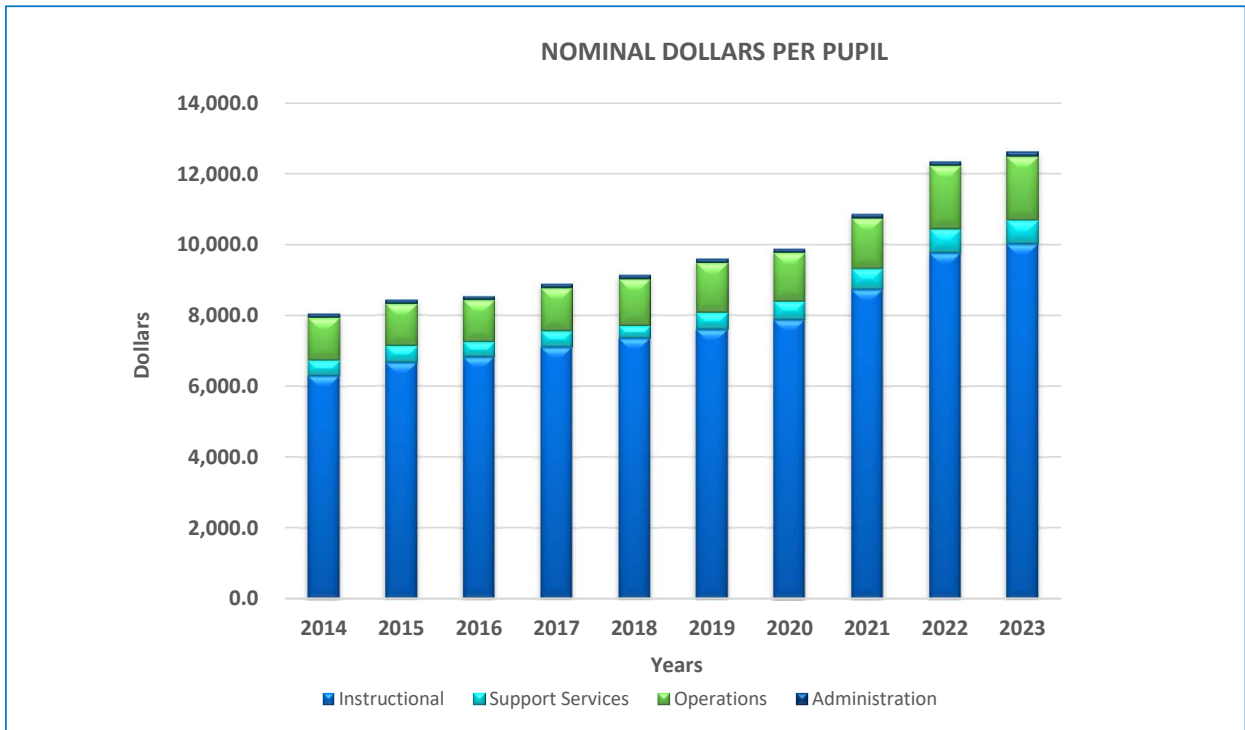
Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
FUND BALANCE EQUITY
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)							
Year	Fund Balance				Total	Expenditures	Fund Balance as a % of Expenditures
	Nonspendable	Restricted	Assigned	Unassigned			
2014	1.14	57.89	19.45	15.77	94.25	1,285.76	7.3%
2015	0.93	62.68	20.06	15.88	99.55	1,368.81	7.3%
2016	0.93	76.18	13.18	17.50	107.79	1,399.08	7.7%
2017	1.06	93.17	6.64	13.70	114.57	1,467.37	7.8%
2018	1.12	70.12	12.24	15.65	99.13	1,516.45	6.5%
2019	1.19	77.64	3.92	21.02	103.77	1,598.07	6.5%
2020	1.58	87.50	16.42	18.22	123.72	1,709.33	7.2%
2021	1.33	106.78	24.84	16.66	149.59	1,863.83	8.0%
2022	1.57	91.94	20.87	16.75	131.13	2,034.50	8.0%
2023	1.86	83.79	45.13	21.35	152.13	2,138.80	7.1%

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
GOVERNMENTAL OPERATIONAL EXPENDITURES PER PUPIL
FOR THE LAST TEN FISCAL YEARS**



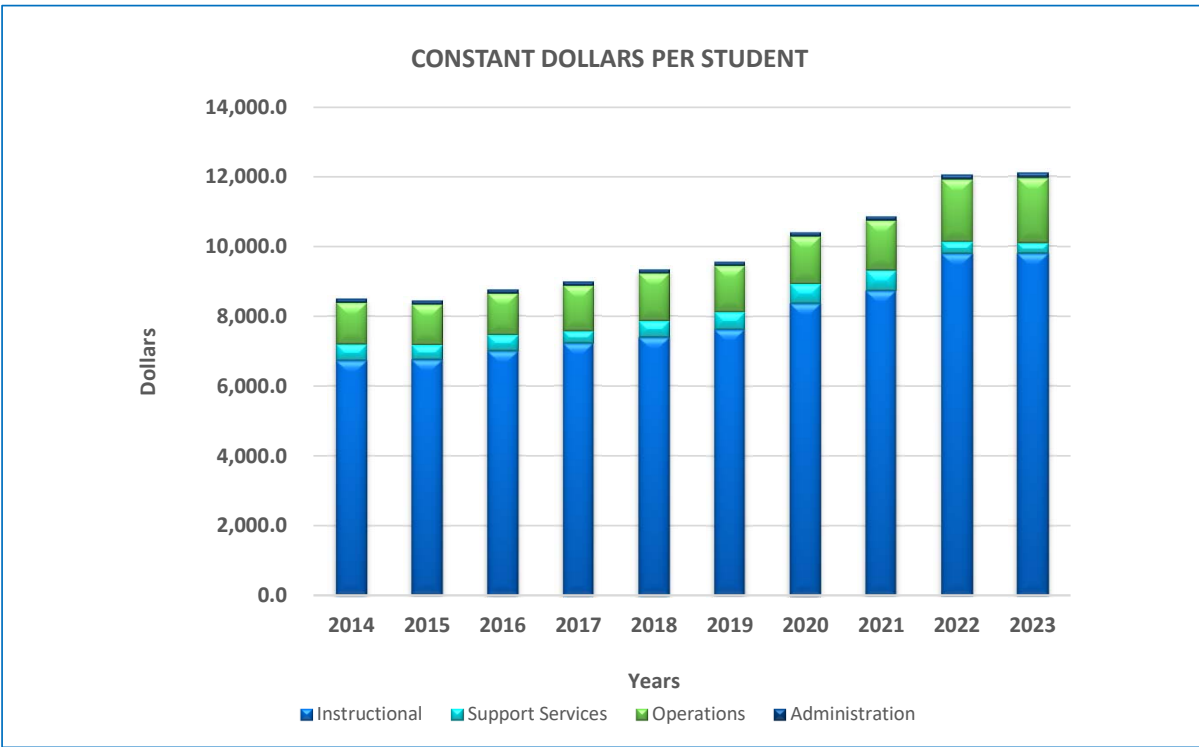
NOMINAL DOLLARS						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2014	142,466	6,303	434	1,210	109	8,056
2015	144,087	6,668	470	1,176	111	8,425
2016	145,154	6,828	422	1,182	108	8,540
2017	146,394	7,107	459	1,217	113	8,896
2018	146,385	7,351	355	1,322	114	9,142
2019	146,534	7,596	476	1,407	113	9,592
2020	146,244	7,878	521	1,379	106	9,884
2021	138,587	8,733	586	1,429	120	10,868
2022	138,197	9,772	678	1,790	131	12,372
2023	139,572	10,020	666	1,796	150	12,632

NOTES:

The above operational expenditures per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 GOVERNMENTAL OPERATIONAL EXPENDITURES PER PUPIL
 FOR THE LAST TEN FISCAL YEARS**



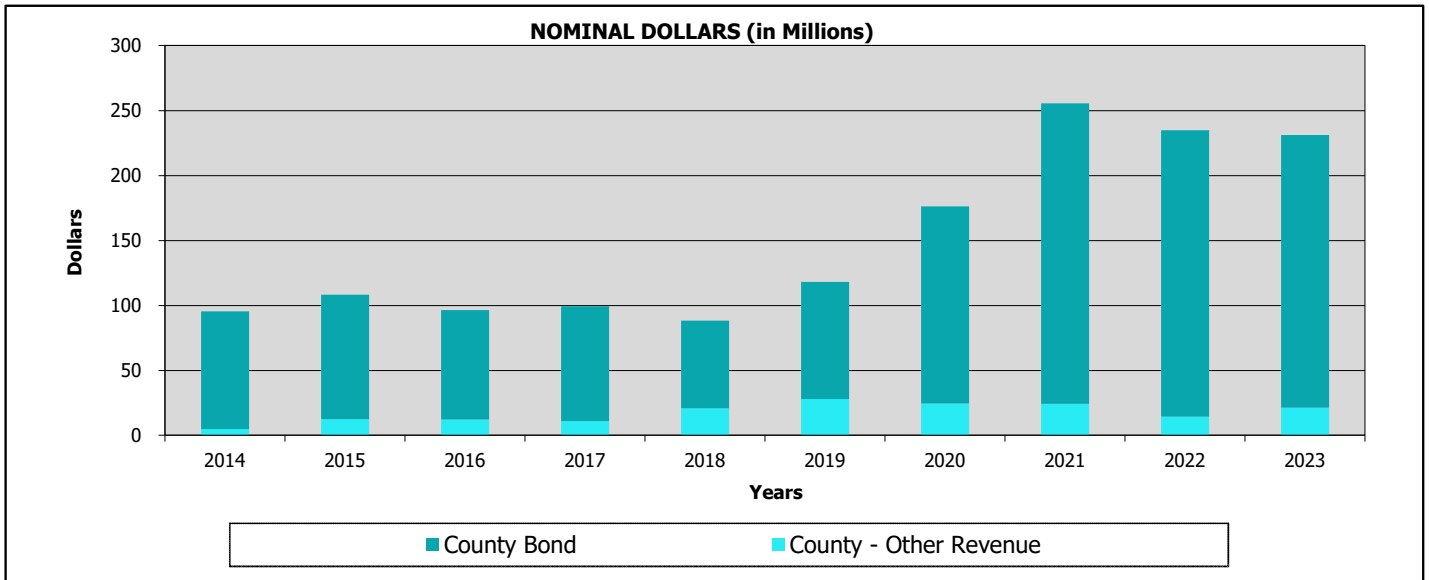
CONSTANT DOLLARS						
Year	Ave. Daily Membership	Expenditures				Total per Pupil
		Instructional	Support Services	Operations	Administration	
2014	144,087	6,726	474	1,186	112	8,499
2015	145,154	6,756	418	1,170	107	8,450
2016	146,394	6,999	452	1,199	111	8,761
2017	146,385	7,219	349	1,298	112	8,978
2018	146,534	7,390	463	1,369	110	9,331
2019	146,244	7,628	504	1,335	103	9,571
2020	138,587	8,370	562	1,370	115	10,416
2021	138,587	8,733	586	1,429	120	10,868
2022	138,197	9,792	340	1,794	132	12,058
2023	139,572	9,792	306	1,861	156	12,115

NOTES:

The above operational expenditures per pupil for the Governmental Fund excludes Capital Outlay, Individual Schools and pass-through to Charter Schools. Support Services includes Support and Development, Special Population Support, Technology Support, Financial and Human Resources, Accountability Services and System-Wide Pupil Support.

Constant dollars reflect dollars having a constant purchasing power as shown by the U.S. Bureau of Labor Statistics Employment Cost Index for total compensation, for State and local government workers Elementary and Secondary Schools (December 2010 = 100).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SOURCES OF MECKLENBURG COUNTY CAPITAL PROJECT REVENUES
FOR THE LAST TEN FISCAL YEARS**

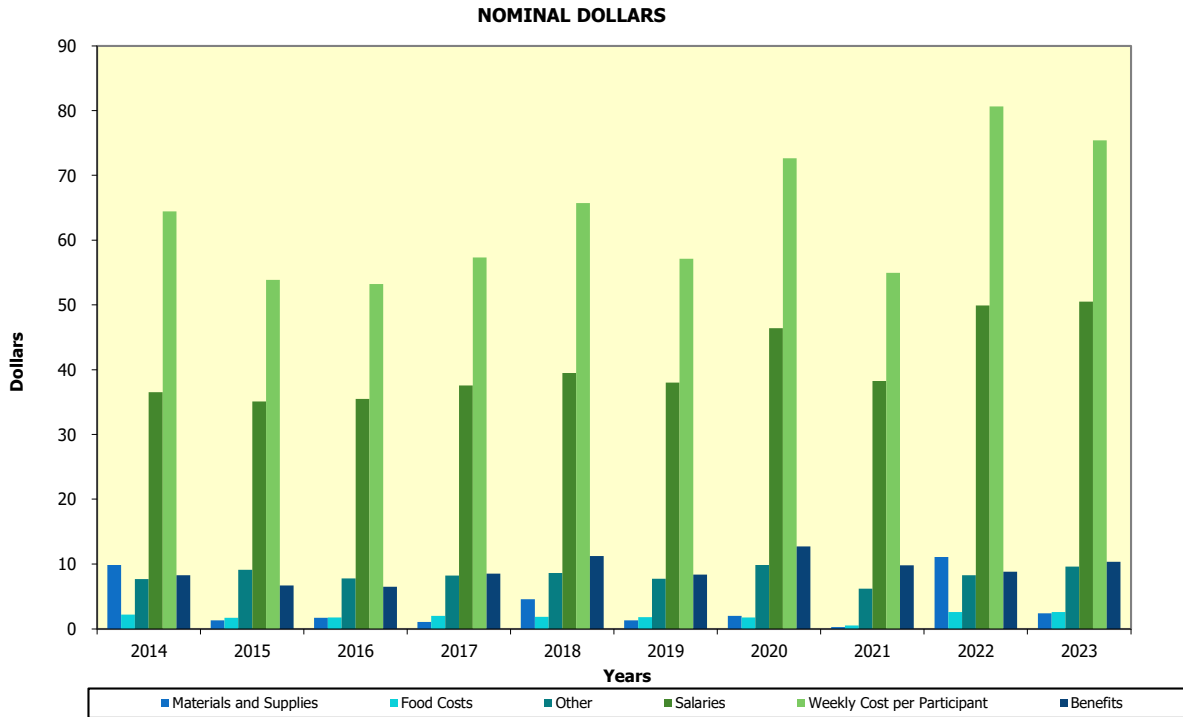


NOMINAL DOLLARS (in Millions)										
Year Ended June 30,	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
County Bond - Certificates of Participation	\$ 0.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1997 (\$415.0) Referendum	-	-	-	-	-	-	-	-	-	-
2000 (\$275.5) Referendum	-	-	-	-	-	-	-	-	-	-
2002 (\$224.0) Referendum	2.96	-	-	-	-	-	-	-	-	-
2007 (\$516.0) Referendum	87.28	83.67	21.49	9.76	1.06	1.62	1.48	-	5.37	2.26
2013 (\$301.7) Referendum	0.18	12.08	62.83	77.23	60.38	37.30	36.11	2.03	23.45	2.88
2017 (\$766.4) Referendum	-	-	-	1.46	6.05	51.04	114.12	229.43	191.75	204.65
County - Other Revenue	4.96	12.48	12.22	10.96	20.87	28.13	24.58	24.23	14.42	21.38
Total	\$ 95.42	\$ 108.23	\$ 96.54	\$ 99.41	\$ 88.36	\$ 118.09	\$ 176.29	\$ 255.69	\$ 234.99	\$ 231.17

NOTES:

Nominal dollars reflect actual dollars of the period of the transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
AFTER SCHOOL ENRICHMENT PROGRAM COST PER PARTICIPANT PER WEEK
FOR THE LAST TEN FISCAL YEARS**

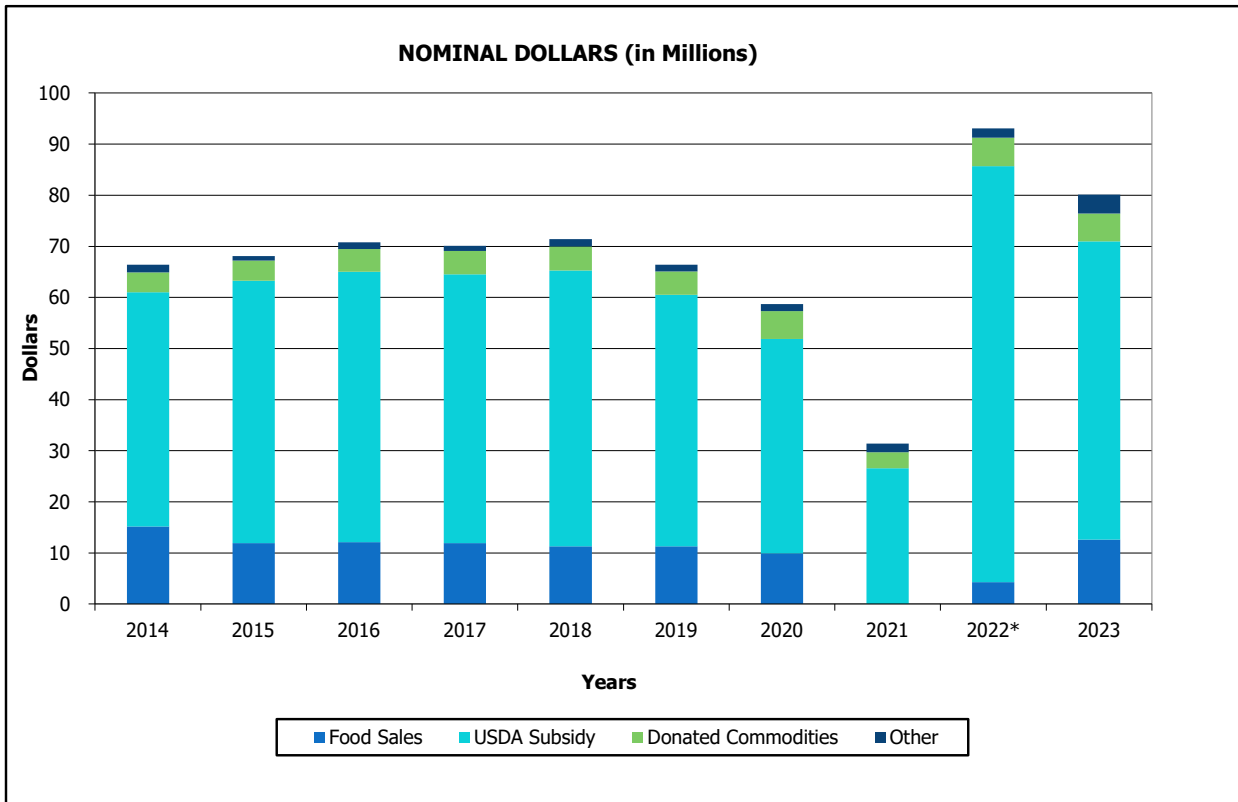


NOMINAL DOLLARS								
Year	Number of Sites	Participants per Week	Expenditures					Total per Participant per Week
			Food Costs	Salaries	Employee Benefits	Materials & Supplies	Other	
2014	94	5,601	2.19	36.51	8.24	9.83	7.67	64.44
2015	91	5,762	1.70	35.08	6.67	1.31	9.11	53.87
2016	93	5,899	1.74	35.49	6.49	1.70	7.77	53.19
2017	93	6,030	1.97	37.57	8.52	1.04	8.22	57.32
2018	95	5,850	1.83	39.46	11.23	4.58	8.62	65.72
2019	96	5,822	1.78	37.99	8.36	1.28	7.71	57.12
2020	94	4,244	1.73	46.40	12.69	1.99	9.83	72.64
2021	80	2,885	0.49	38.23	9.79	0.25	6.17	54.93
2022	79	2,708	2.58	49.91	8.80	11.08	8.24	80.61
2023	77	2,666	2.57	50.50	10.32	2.38	9.61	75.38

NOTE:
Nominal dollars reflect actual dollars of the period of the transaction.

*The material and supplies expense is higher due to computer purchases in 2022

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SOURCES OF SCHOOL NUTRITION PROGRAM REVENUES
FOR THE LAST TEN FISCAL YEARS**



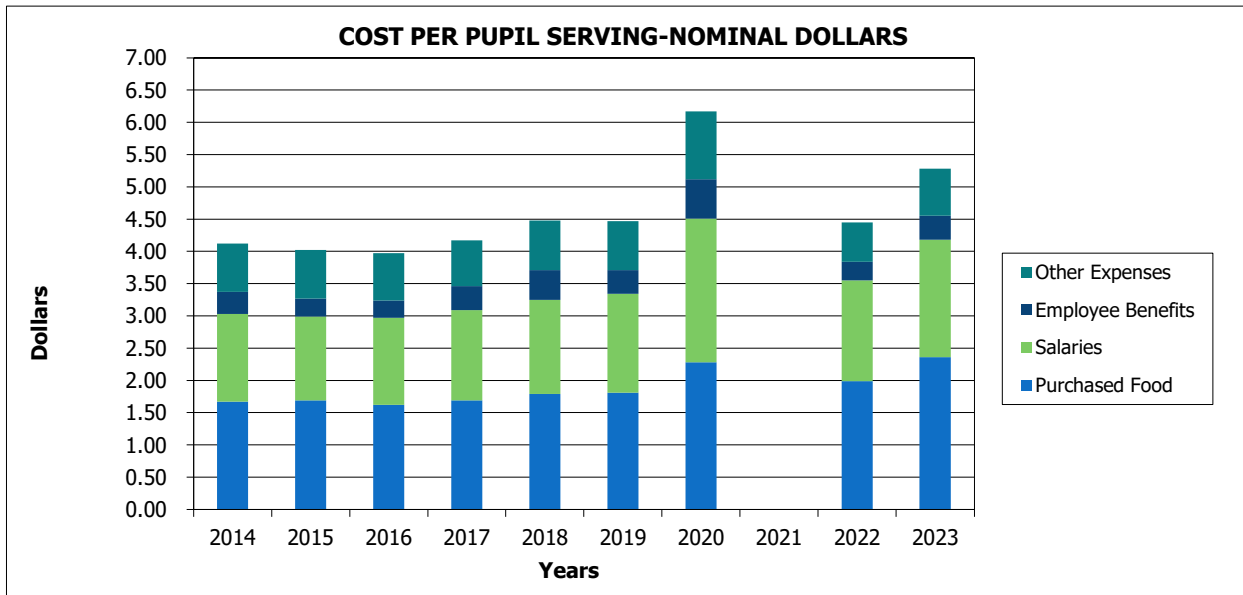
NOMINAL DOLLARS (in Millions)					
Year	Revenues				Total
	Food Sales	USDA Subsidy	Donated Commodities	Other	
2014	15.2	45.8	3.9	1.5	66.4
2015	11.9	51.4	3.9	0.9	68.1
2016	12.1	52.9	4.5	1.3	70.8
2017	11.9	52.6	4.6	1.0	70.1
2018	11.3	54.0	4.7	1.4	71.4
2019	11.3	49.2	4.6	1.3	66.4
2020	9.9	42.0	5.4	1.4	58.7
2021	0.0	26.6	3.1	1.7	31.4
2022*	4.3	81.4	5.6	1.8	93.1
2023	12.6	58.4	5.4	3.7	80.1

NOTES:

Other revenue includes transfers from other funds and interest income. Nominal dollars reflect actual dollars of the period of the transaction.

U.S. Department of Agriculture’s waiver for the 2021-2022 school year that allowed all students to eat at no charge. As a result, Food Sales represent only supplemental sales.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL NUTRITION PROGRAM COST PER PUPIL SERVING
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS						
Year	Daily Avg. Served	Purchased Food	Salaries	Employee Benefits	Other Expenses	Total Per Pupil Served
2014	88,529	1.67	1.36	0.34	0.75	4.12
2015	91,217	1.69	1.30	0.28	0.75	4.02
2016	91,172	1.62	1.35	0.27	0.73	3.97
2017	90,840	1.69	1.40	0.37	0.71	4.17
2018	89,535	1.79	1.46	0.46	0.77	4.48
2019	87,131	1.81	1.53	0.37	0.76	4.47
2020	85,847	2.28	2.23	0.61	1.05	6.17
2021	-	-	-	-	-	-
2022	80,606	1.99	1.56	0.29	0.61	4.45
2023	74,830	2.36	1.82	0.37	0.73	5.28

NOTES:

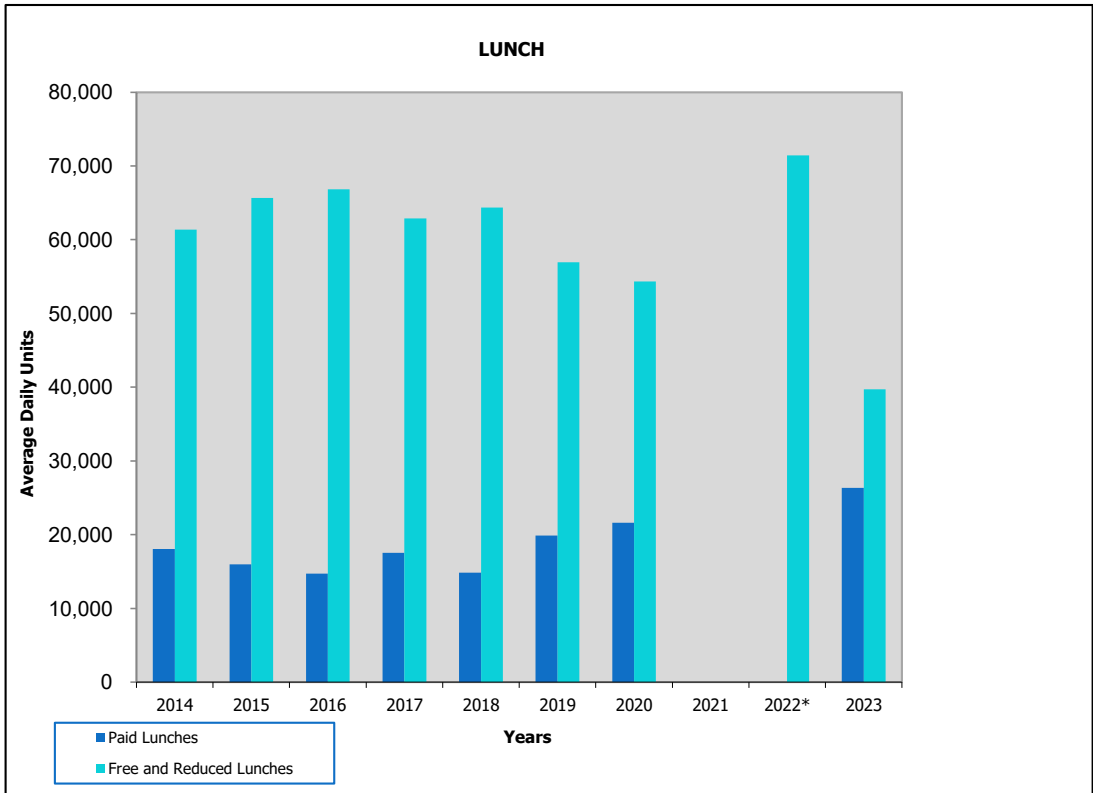
A breakfast serving is counted as equivalent to 25% of lunch service; adult meals and a la carte servings are excluded from serving counts.

Data is not available for fiscal year 2021 due to the ongoing impact of the COVID-19 pandemic on the operations of the School Nutrition program.

Nominal dollars reflect actual dollars of the period of the transaction.

Source: School Nutrition Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL NUTRITION PROGRAM SERVINGS
FOR THE LAST TEN FISCAL YEARS**



LUNCH									
Year	Average Daily Servings						Total	Average Daily Membership	Percent Served
	Paid	%	Free	%	Reduced	%			
2014	18,034	22.7	55,885	70.3	5,482	6.9	79,401	142,466	57.9
2015	15,971	19.6	63,081	77.2	2,572	3.2	81,624	144,087	58.8
2016	14,693	18.0	64,401	78.9	2,403	2.9	81,497	145,154	56.6
2017	17,519	21.8	60,361	75.0	2,524	3.1	80,404	146,394	58.5
2018	14,821	18.7	61,961	78.2	2,389	3.0	79,171	146,385	58.5
2019	19,850	26.2	54,420	71.6	2,500	3.3	76,770	146,534	52.4
2020	21,588	28.4	51,287	67.5	3,018	4.0	75,893	146,244	51.9
2021	-	-	-	-	-	-	-	138,587	-
2022*	0	0.0	71,413	100.0	0	0.0	71,413	138,197	51.7
2023	26,325	39.9	37,691	57.1	2,018	3.1	66,034	139,572	47.3

NOTES:

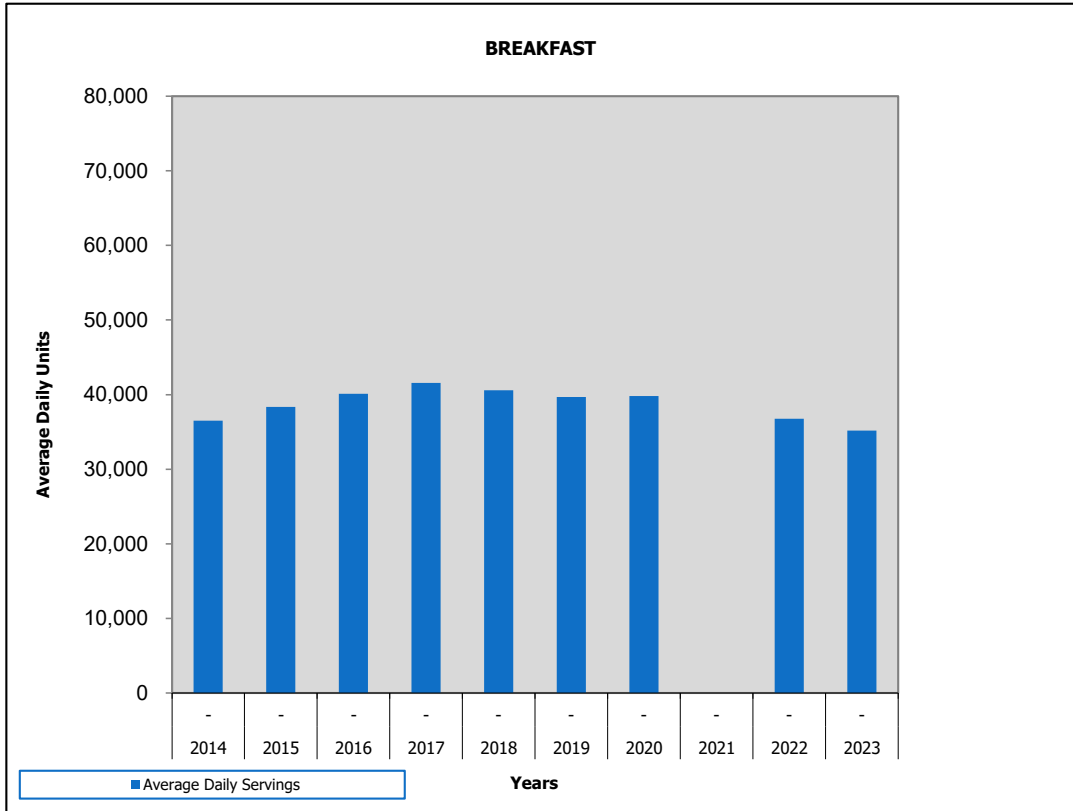
The above data represents meals served to students only and thus excludes any servings to adults and staff.

Average Daily Servings is not available for fiscal year 2021 due to the ongoing impact of the COVID-19 pandemic on the operations of the School Nutrition program.

U.S. Department of Agriculture’s waiver for the 2021-2022 school year that allowed all students to eat at no charge.

Source: School Nutrition Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL NUTRITION PROGRAM SERVINGS
FOR THE LAST TEN FISCAL YEARS**



BREAKFAST									
Year	Average Daily Servings						Average Daily Membership	Percent Served	
	Paid	%	Free	%	Reduced	%			Total
2014	-	-	36,513	100.0	-	-	36,513	142,466	26.6
2015	-	-	38,368	100.0	-	-	38,368	144,087	28.7
2016	-	-	40,123	100.0	-	-	40,123	145,154	27.8
2017	-	-	41,557	100.0	-	-	41,557	146,394	30.2
2018	-	-	40,570	100.0	-	-	40,570	146,385	30.2
2019	-	-	39,695	100.0	-	-	39,695	146,534	27.1
2020	-	-	39,819	100.0	-	-	39,819	146,244	27.2
2021	-	-	-	-	-	-	-	138,587	0.0
2022	-	-	36,774	100.0	-	-	36,774	138,197	26.6
2023	-	-	35,185	100.0	-	-	35,185	139,572	25.2

NOTES:

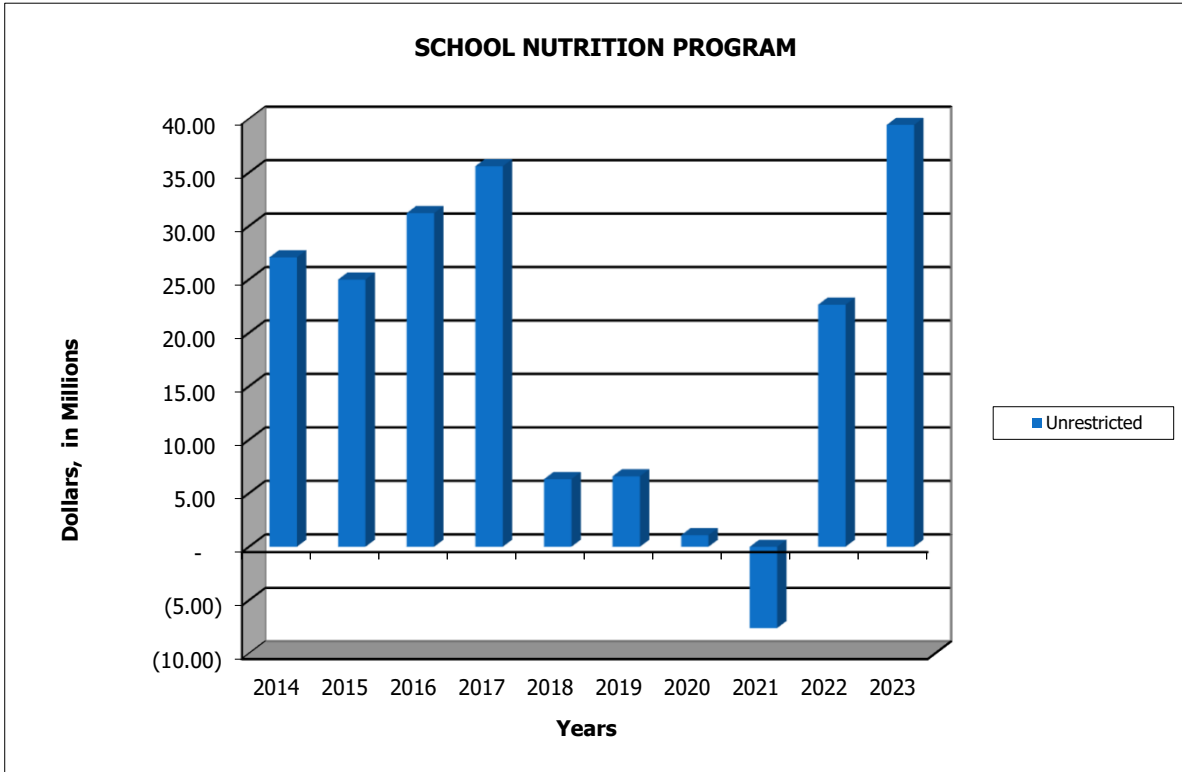
The above data represents meals served to students only and thus excludes any servings to adults and staff.

a) Beginning in the 2012-2013 school year free breakfast was available to all students.

Average Daily Servings is not available for fiscal year 2021 due to the ongoing impact of the COVID-19 pandemic on the operations of the School Nutrition program.

Source: School Nutrition Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
UNRESERVED FUND EQUITY - SCHOOL NUTRITION PROGRAM
FOR THE LAST TEN FISCAL YEARS**



SCHOOL NUTRITION PROGRAM IN NOMINAL DOLLARS (in Millions)			
Year	Unrestricted Net Position and Retained Earnings	Expenditures	Fund Balance to Expenditures
2014	27.07	65.00	41.6%
2015	24.99	65.53	38.1%
2016	31.21	64.89	48.1%
2017	35.60	66.71	53.4%
2018	6.32	69.81	9.1%
2019	6.59	67.03	9.8%
2020	1.08	65.16	1.7%
2021	(7.60)	40.51	-18.8%
2022	22.64	62.43	36.3%
2023	39.46	68.77	57.4%

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
ESTIMATED POPULATION, ASSESSED VALUE AND GENERAL REVENUES BY SOURCE
FOR MECKLENBURG COUNTY
FOR THE LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Population Estimate (1)	Assessed Value (in Millions)	General Revenues by Source (in Millions)			Totals
			Taxes and Assessments	Inter- Governmental	Other	
<i>Expressed in Nominal Dollars</i>						
2022	1,154,783	\$ 195,870.8	\$ 1,680.0	\$ 238.7	\$ 173.7	\$ 2,092.4
2021	1,138,138	\$ 191,570.5	\$ 1,577.1	\$ 183.8	\$ 184.3	\$ 1,945.2
2020	1,131,342	185,555.8	1,492.4	163.3	174.2	1,829.9
2019	1,115,571	130,042.2	1,419.5	140.1	182.5	1,742.1
2018	1,093,901	127,005.6	1,370.5	147.3	144.4	1,662.2
2017	1,076,837	123,921.5	1,310.4	182.7	127.6	1,620.7
2016	1,057,237	122,557.6	1,297.0	178.8	127.8	1,603.6
2015	1,034,442	118,633.2	1,176.4	171.4	121.3	1,469.1
2014	1,011,315	112,934.1	1,192.7	165.3	127.6	1,485.6
2013	991,619	113,936.6	1,152.4	170.8	110.0	1,433.2

The above data is provided for information as the Charlotte-Mecklenburg Board of Education has no direct taxing authority and Mecklenburg County levies no specific taxes solely for the Board of Education. Mecklenburg County transfers funds accruing to the Board of Education under Article IX, Section 7 of the North Carolina Constitution.

(1) Population for 2013 - 2019 based on U.S. Census Bureau.

Population for 2020 - 2022 based on estimate from North Carolina Office of State Budget and Management.

Source: Mecklenburg County, North Carolina, Comprehensive Annual Financial Report for the Year Ended June 30, 2022 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 FOR MECKLENBURG COUNTY
 FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in millions)

MECKLENBURG COUNTY								
Year		Real Property		Personal Property		State Certification	Total Assesed Valuation	Direct Tax Rate
2022	\$	165,396.1	\$	25,082.4	\$	5,392.3	\$ 195,870.8	0.6169
2021	\$	162,009.1	\$	24,119.3	\$	5,442.1	\$ 191,570.5	0.6169
2020	(3)	157,685.0		22,640.1		5,230.7	185,555.8	0.6169
2019		104,746.4		21,016.4		4,279.4	130,042.2	0.8232
2018		102,261.0		20,131.6		4,613.0	127,005.6	0.8157
2017		100,015.2		19,282.8		4,623.5	123,921.5	0.8157
2016	(4)	97,328.5		18,741.0		4,982.3	121,051.8	0.8157
2015	(4)	95,216.5		17,979.0		3,928.8	117,124.3	0.8157
2014	(4)	93,527.2		17,873.5		3,569.4	114,970.1	0.8157
2013	(4)	92,571.8		14,570.7		3,430.4	110,572.9	0.7922

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2022 (most current information available).

NOTES:

- (1) Assessed valuations are based on 100% of estimated market value for real property and 100% of actual value for all other property. A revaluation of real property is required by North Carolina General Statutes at least every eight years.
- (2) Assessed valuation equals estimated actual value, which approximates market value with certain statutory adjustments or exclusions for historic properties, elderly and disabled property owners, and builder's inventory.
- (3) Revaluation based on assessed value listed as of January 1, 2019.
- (4) Restated based on effects of SL 362, 2012 one-time charge for prior audits in business personal property, shift of tag and tax to the state, and State Certified Properties adjustment.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
TEN HIGHEST TAXPAYERS FOR MECKLENBURG COUNTY**

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	\$ 3,733,278,187	1	1.91 %	\$ 2,114,958,237	1	1.86 %
Wells Fargo Bank	1,825,570,944	2	0.93	1,479,723,560	3	1.30
Bank of America	1,774,323,440	3	0.91	1,643,304,341	2	1.44
American Airlines	754,198,701	4	0.39	556,308,956	4	0.49
Truist	536,128,952	5	0.27	-	-	-
Spectrum	486,556,777	6	0.25	325,524,928	8	0.29
Piedmont Natural Gas Co.	485,116,928	7	0.25	387,750,552	6	0.34
South Park Mall	391,113,919	8	0.2	342,442,340	7	0.30
AT&T	300,558,445	9	0.15	491,135,745	5	0.43
Panthers Stadium	265,827,985	10	0.14	-	-	-
Teachers Insurance	-	-	-	321,033,187	9	0.28
CK-Southern Associates	-	-	-	183,424,313	10	0.16
Total	\$ <u>10,552,674,278</u>		<u>5.40 %</u>	\$ <u>7,845,606,159</u>		<u>6.89 %</u>

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2022 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

Note: Bonds are issued by the County on the District's behalf, resulting in no direct debt other than obligations for State bus installment purchases and leases.

Mecklenburg County [A]:

	Assessed Valuation (1)	Percent of Countywide Total	Pro Rata Share of Governmental Activities Debt	Municipalities' Debt (2)	Total Overlapping Debt
Charlotte	\$ 151,102,975,363	77.14 %	\$ 1,253,148,157	\$ 744,075,391	\$ 1,997,223,548
Cornelius	7,557,775,677	3.86	62,706,143	19,160,000	81,866,143
Davidson	2,799,267,219	1.43	23,230,514	16,080,000	39,310,514
Huntersville	10,338,197,873	5.28	85,774,206	30,782,000	116,556,206
Matthews	5,179,314,272	2.64	42,887,103	3,400,000	46,287,103
Mint Hill	3,773,802,047	1.93	31,353,072	-	31,353,072
Pineville	2,572,654,944	1.31	21,281,100	-	21,281,100
Unincorporated Areas	12,546,912,003	6.41	104,131,187	-	104,131,187
Total Mecklenburg County:	\$ <u>195,870,899,398</u>	<u>100.00 %</u>	\$ <u>1,624,511,482</u>	\$ <u>813,497,391</u>	\$ <u>2,438,008,873</u>

Charlotte-Mecklenburg Board of Education:

Obligations Under Installment Purchases (in thousands)	14,239
Lease Liability (in thousands)	907
Subscription Liability (in thousands)	16,493
	<u>24,290</u>

[A] Mecklenburg County computation of direct and overlapping debt is from the Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2022 (most current information available).

(1) Provided by N.C. Department of Revenue, Tax Research Division

(2) Provided by Department of State Treasurer.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
 DEMOGRAPHIC STATISTICS FOR MECKLENBURG COUNTY
 FOR THE LAST TEN FISCAL YEARS**

Year	Population (1)	Total Personal Income (2)	Per Capita Income (2)	Median Age (2)	Unemployment Rate (3)	
2022	1,154,783	\$ N/A	\$ N/A	N/A	4.1	%
2021	1,138,138	\$ N/A	\$ N/A	N/A	4.9	
2020	1,131,342	73657194	65244	35.2	8.5	
2019	1,115,571	69,830,164	62,890	35.1	4.1	
2018	1,093,901	66,805,797	61,080	35.0	4.0	
2017	1,076,837	61,775,890	57,368	34.9	4.3	
2016	1,057,237	58,469,183	55,304	34.7	4.9	
2015	1,034,442	55,925,668	54,064	34.5	5.7	
2014	1,011,315	51,980,697	51,399	34.3	6.2	
2013	991,619	48,823,565	49,236	34.2	8.1	

N/A: Data not available

(1) Population for 2013 - 2019 based on U.S. Census Bureau. Prior years are restated to reflect change in date source. Population for 2020 - 2022 based on estimate from North Carolina Office of State Budget and Management.

(2) Personal Income, Per Capita Income and Median Age based on U.S. Bureau of Economic Analysis.

(3) Unemployment rates based on North Carolina Department of Commerce Local Area Unemployment Statistics.

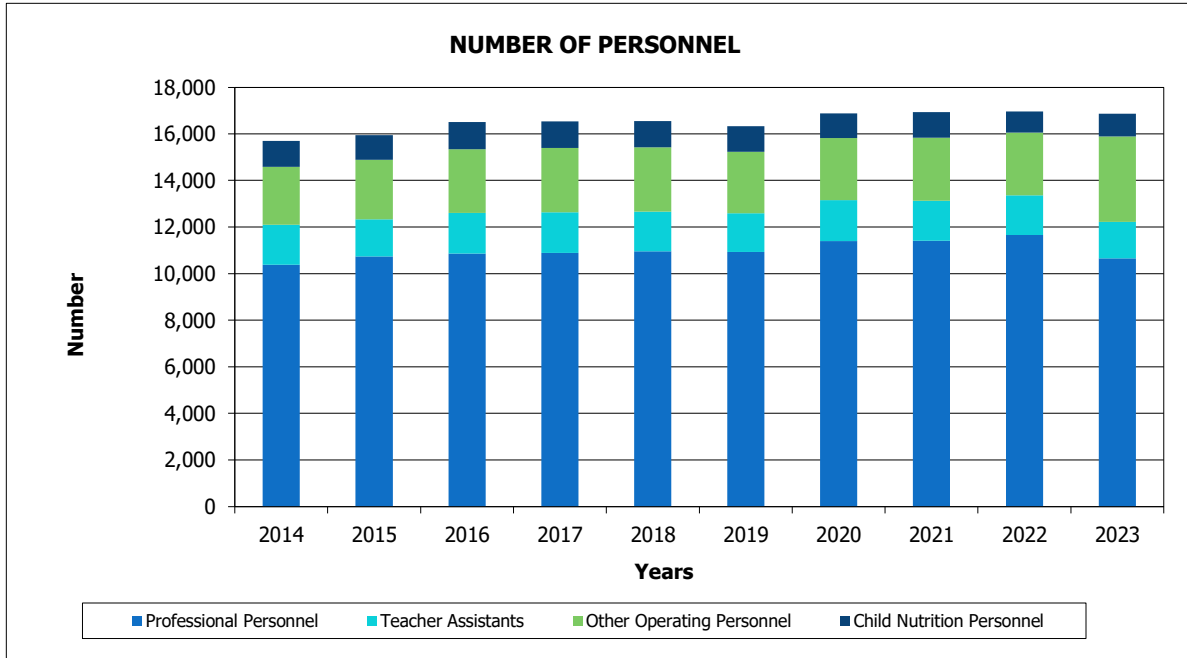
Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2022 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PRINCIPAL EMPLOYERS FOR MECKLENBURG COUNTY**

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Atrium (formerly Carolinas HealthCare)	37,000	1	6.02 %	32,500	1	7.17 %
Wells Fargo Bank	30,291	2	4.93	20,600	2	4.54
Charlotte-Mecklenburg Schools	18,495	3	3.01	18,143	3	4.00
Bank of America Corporation	15,000	4	2.44	15,000	4	3.31
Novant Health	11,698	5	1.90	10,573	6	2.33
American Airlines	11,000	6	1.79	-	-	-
Harris Teeter	8,239	7	1.34	-	-	-
Duke Energy	7,900	8	1.29	7,700	9	1.70
Lowe's Companies, Inc.	7,801	9	1.27	8,500	7	1.87
City of Charlotte	6,800	10	1.11	-	-	-
Wal-Mart Stores	-	-	-	12,220	5	2.69
Food Lion, Inc. (Delhaize America)	-	-	-	7,734	8	1.71
State of North Carolina	-	-	-	7,684	10	1.69
Total	154,224			140,654		

Source: Mecklenburg County, North Carolina Comprehensive Annual Financial Report for the Year Ended June 30, 2022 (most current information available).

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PERSONNEL SUMMARY
FOR THE LAST TEN FISCAL YEARS**



NUMBER OF PERSONNEL					
Year	Professional Personnel	Teacher Assistants	Other Operating Personnel	School Nutrition Personnel	Total Personnel
2014	10,384	1,710	2,484	1,120	15,698
2015	10,740	1,585	2,565	1,051	15,941
2016	10,862	1,739	2,740	1,161	16,502
2017	10,887	1,751	2,760	1,129	16,527
2018	10,950	1,712	2,753	1,129	16,544
2019	10,930	1,654	2,641	1,095	16,320
2020	11,394	1,755	2,665	1,067	16,881
2021	11,407	1,718	2,706	1,100	16,931
2022	11,660	1,696	2,689	914	16,959
2023	10,655	1,561	3,670	971	16,857

NOTES:

Professional personnel includes all administrative and certified personnel, including teachers, media coordinators, counselors, principals and assistant principals.

Other operating personnel includes maintenance, secretarial, clerical and custodial employees. Bus drivers are not included in the above tabulations. Personnel composition is taken from the North Carolina Public Schools Statistical Profile.

Source: Charlotte-Mecklenburg Schools Human Resource Department

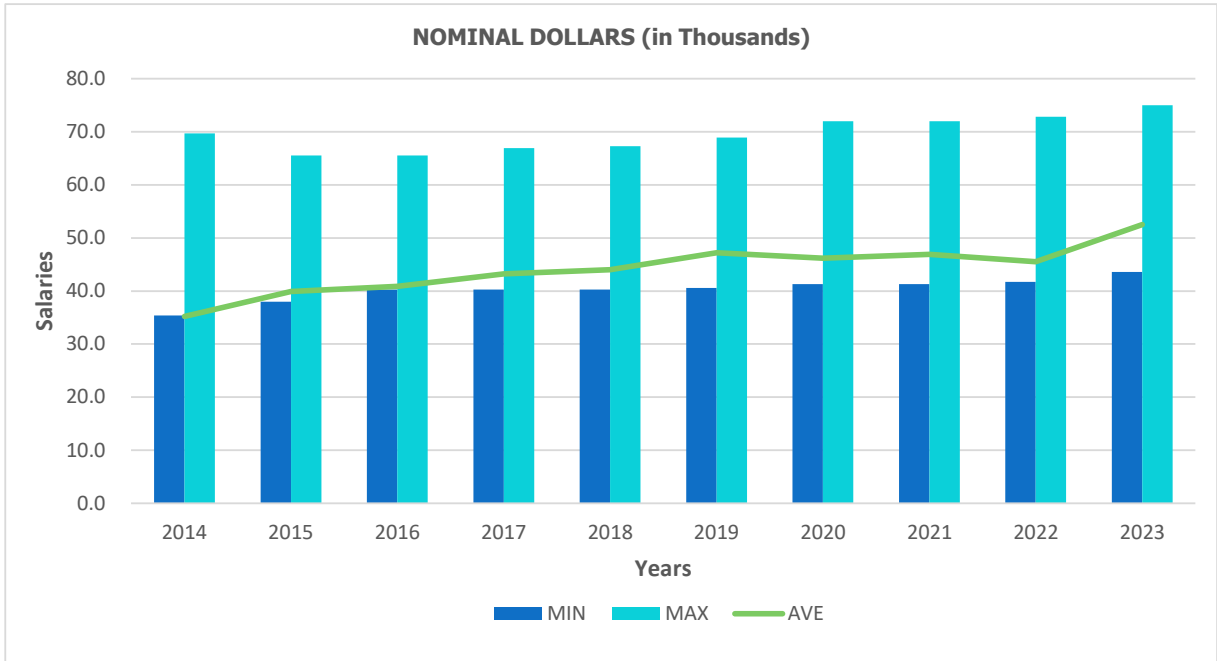
**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
PERSONNEL SUMMARY
FOR THE LAST TEN FISCAL YEARS**

PUPIL TO PERSONNEL RATIO			
	Average Daily	Pupil to	Pupil to Other
<u>Year</u>	<u>Membership</u>	<u>Professional Ratio</u>	<u>Personnel Ratio</u>
2014	142,466	13.7	26.8
2015	144,087	13.4	27.7
2016	145,154	13.4	25.7
2017	146,394	13.4	25.9
2018	146,385	13.4	26.2
2019	146,534	13.4	27.2
2020	145,832	12.8	26.7
2021	138,587	12.1	25.1
2022	138,197	11.9	26.1
2023	139,572	13.1	22.5

PERSONNEL COMPOSITION					
<u>Year</u>	<u>Percent Male</u>	<u>Percent Female</u>	<u>Percent White</u>	<u>Percent Black</u>	<u>Percent Other Race</u>
2014	21.9	78.1	56.7	35.7	7.6
2015	20.8	79.2	55.8	37.0	7.2
2016	20.6	79.4	54.5	37.8	7.7
2017	20.8	79.2	53.8	38.5	7.7
2018	20.7	79.3	53.0	39.2	7.8
2019	20.5	79.5	52.4	39.5	8.1
2020	20.3	79.7	52.2	39.6	8.2
2021	20.4	79.6	52.7	39.2	8.1
2022	20.6	79.4	51.8	39.8	8.4
2023	20.6	79.4	48.7	42.4	8.9

Source: Charlotte-Mecklenburg Schools Human Resource Department

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
TEACHER SALARIES
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Thousands)			
Year	Teachers		
	MIN	MAX	AVE
2014	35.4	69.7	35.2
2015	38.0	65.6	39.9
2016	40.3	65.6	40.9
2017	40.3	66.9	43.2
2018	40.3	67.3	44.0
2019	40.6	68.9	47.2
2020	41.3	72.0	46.2
2021	41.3	72.0	46.9
2022	41.7	72.8	45.5
2023	43.6	75.0	52.5

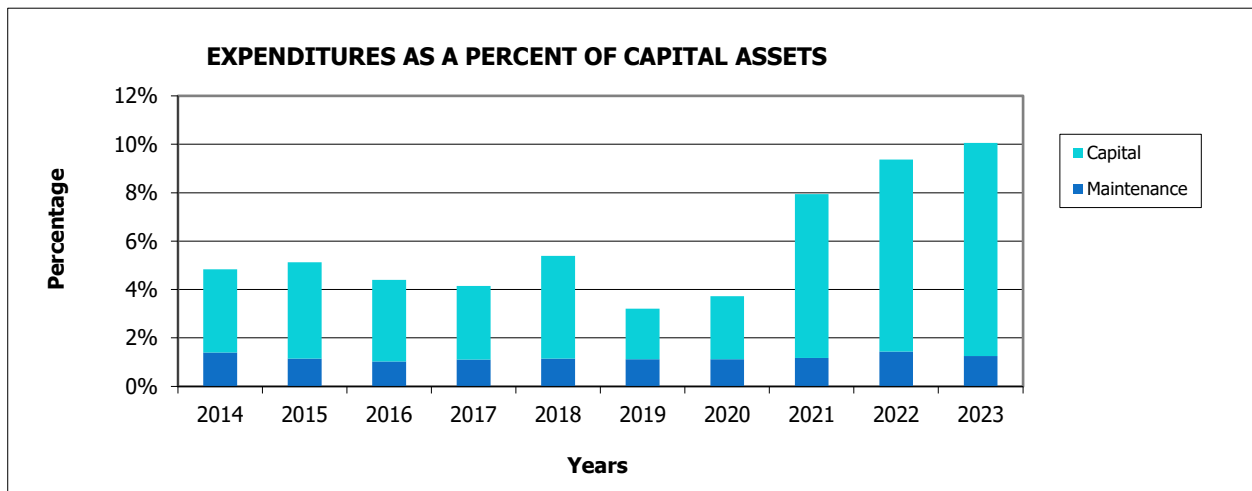
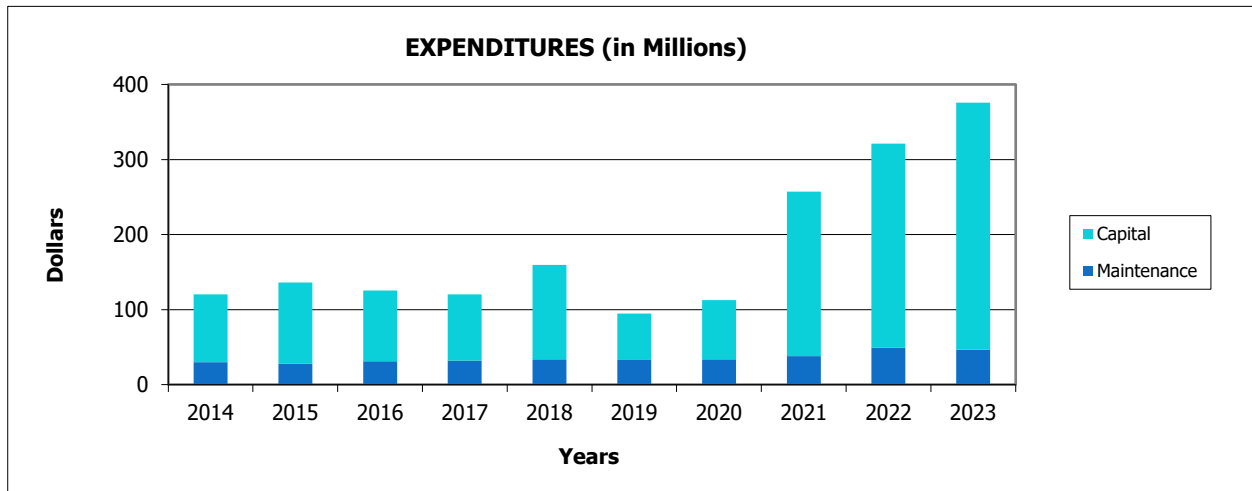
NOTES:

The above tabulation represents total salaries including both the state base salary and the local supplement, but does not include the following:

- a) Longevity payments ranging from 1.5 to 4.5 percent of the annual salary, paid to employees with 10 or more years of state service.
- b) If eligible, payments of \$126 per month for advanced teaching certificates and \$253 per month for doctorates.

Nominal dollars reflect actual dollars of the period of transaction.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
EXPENDITURES FOR MAINTENANCE OF FACILITIES
FOR THE LAST TEN FISCAL YEARS**



NOMINAL DOLLARS (in Millions)								
Year	General Capital Assets	Maintenance Expenditures		Capital Expenditures				
	Historical Dollars	Total Expenditures	% of Assets	Land & Building	Furniture & Equipment	Vehicles & Other	Total Expenditures	% of Assets
2014	2,629.4	30.0	1.4%	86.9	3.4	0.1	90.4	3.4%
2015	2,713.1	27.9	1.1%	90.9	14.8	2.3	108.0	4.0%
2016	2,806.9	31.1	1.0%	79.4	9.5	5.5	94.4	3.4%
2017	2,908.0	32.0	1.1%	76.0	3.2	9.0	88.2	3.0%
2018	2,962.6	33.8	1.1%	110.8	5.4	9.5	125.7	4.2%
2019	2,946.3	32.8	1.1%	55.2	4.1	2.4	61.7	2.1%
2020	3,024.6	33.7	1.1%	65.3	4.7	8.7	78.7	2.6%
2021	3,238.0	38.1	1.2%	111.5	96.6	11.1	219.2	6.8%
2022	3,426.5	49.1	1.4%	186.9	81.7	3.2	271.8	7.9%
2023	3,733.8	46.6	1.2%	298.4	28.0	2.6	329.0	8.8%

NOTE:
Capital Expenditures include capital outlay and capital projects.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
LEASE AND INSTALLMENT PURCHASE PAYMENTS
FOR THE LAST TEN FISCAL YEARS**

(Amounts expressed in thousands)

	Capital Lease (Graphic Productions-Equipment)	Installment Purchase (Transportation-School Buses)	Leases liabilities * (Various)	Total Payments
2014	475	4,691	-	5,166
2015	274	4,835	-	5,109
2016	116	1,655	-	1,771
2017	50	3,805	-	3,855
2018	-	3,911	-	3,911
2019	-	5,586	-	5,586
2020	-	5,311	-	5,311
2021	-	7,523	-	7,523
2022	-	4,719	958	5,677
2023	-	4,452	1,007	5,459

* Due to implementation of GASB 87, Leases, information is not required to be presented retroactively unless available. This schedule will not present 10 years' worth of information until fiscal year 2031.

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 1st Month
<i>ELEMENTARY SCHOOLS</i>						
Albemarle Road Elementary	PK-5	15.0	86,227	1968	34	737
Allenbrook Elementary	K-5	18.4	51,904	1966	21	222
Bain Elementary	K-5	15.8	87,452	2013	39	770
Ballantyne Elementary	K-5	6.8	77,850	2008	39	919
Barnette Elementary	K-5	42.1	85,896	2008	39	684
Berewick Elementary	PK-5	**	96,459	2009	39	657
Beverly Woods Elementary	PK-5	15.3	78,371	1969	38	607
Billingsville Elementary	PK-5	6.4	97,614	1927	35	340
Blythe Elementary	PK-5	45.9	121,292	1998	50	882
Briarwood Academy	K-5	15.0	97,501	1956/2021	45	612
Bruns Avenue Elementary	K-5	13.2	138,917	1969	37	306
Chantilly Montessori	PK-6	16.2	90,680	1948	18	254
Charles H Parker Academic Center	K-5	29.0	92,376	2002	36	469
Charlotte East Language Academy	K-8	11.4	130,319	2018	54	764
Charlotte-Mecklenburg Virtual***	K-5	5.2	40,869	1974	12	242
Clear Creek Elementary	PK-5	12.8	44,886	1960	30	443
Cornelius Elementary	K-5	19.5	80,505	1930	39	561
Cotswold Elementary	K-5	11.0	80,887	1956	32	345
Croft Community School	K-5	25.8	77,881	2008	39	333
Crown Point Elementary	PK-5	43.0	71,953	1993	37	580
David Cox Road Elementary	PK-5	18.0	82,370	1994	37	630
Davidson K-8 School	K-5	19.5	128,368	1994	55	1,166
Devonshire Elementary	K-5	21.0	83,846	1964	32	508
Dilworth Elementary School: Latta Campus	3-5	4.6	100,992	1966	28	290
Dilworth-Sedgefield	PK-2	14.8	85,109	1954	36	338
Eastover Elementary	PK-5	4.0	64,407	1935	24	346
Elizabeth Lane Elementary	K-5	27.0	81,400	1996	35	704
Elizabeth Traditional Elem	K-5	0.9	94,836	1925	26	422
Elon Park Elementary	K-5	**	79,278	2007	39	834
Endhaven Elementary	K-5	15.4	91,728	2003	35	648
First Ward Creative Arts Acad	K-5	7.3	93,525	1967	34	494
Governors Village STEM (Lower)	PK-4	204.6	114,229	1996	54	688
Grand Oak Elementary	K-5	73.9	83,835	2013	39	479
Greenway Park Elementary	PK-5	17.0	83,480	1995	37	467
Hawk Ridge Elementary	K-5	17.9	84,237	1951	34	684
Hickory Grove Elementary	PK-5	24.1	166,089	1966/2009	68	482
Hidden Valley Elementary	K-5	15.0	90,400	1967	39	898
Highland Creek Elementary	K-5	26.6	91,098	2006	39	433
Highland Mill Montessori	PK-6	4.9	48,410	1954	15	260
Highland Renaissance Academy	PK-5	17.3	90,858	2001	36	340
Hornets Nest Elementary	K-5	22.9	72,115	1991	36	510
Huntersville Elementary	K-5	28.6	93,766	1938	37	857
Huntingtowne Farms Elementary	K-5	19.0	83,429	1964	26	814
Idlewild Elementary	PK-5	16.2	75,030	1957	39	838
Irwin Academic Center	K-5	14.6	104,597	1935	36	402
J. H. Gunn Elementary	K-5	14.0	102,455	2002	35	619
J.V. Washam Elementary	K-5	20.8	96,128	2006	39	807
Joseph W Grier Academy	PK-5	21.9	89,116	2001	35	648
Lake Wylie Elementary	PK-5	20.0	79,410	1992	39	498

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 1st Month
Lansdowne Elementary	K-5	16.3	65,757	1959	32	556
Lawrence Orr Elementary	K-5	46.5	109,873	2015	55	598
Lebanon Road Elementary	PK-5	29.5	71,917	1990	36	536
Long Creek Elementary	PK-5	22.0	155,893	1932/2010	67	471
Mallard Creek Elementary	K-5	28.3	84,096	1987	40	517
Matthews Elementary	PK-5	18.4	95,323	1954	46	800
McAlpine Elementary	PK-5	15.3	67,362	1986	35	517
McKee Road Elementary	K-5	17.0	63,847	1989	31	490
Merry Oaks International Academy	PK-5	23.9	96,454	2002	42	572
Mint Hill Elementary School	PK-6	64.3	102,245	2022	45	523
Montclair Elementary	PK-5	14.7	100,062	2020	45	498
Myers Park Traditional	K-5	10.0	105,537	1928	37	626
Nations Ford Elementary	PK-5	46.0	84,663	2016	39	565
Newell Elementary	K-5	21.5	88,145	2015	39	691
Oakdale Elementary	K-5	9.0	90,652	2006	35	456
Oakhurst STEAM Academy	PK-5	13.2	95,875	2015	36	557
Olde Providence Elementary	K-5	40.0	63,417	1968	32	669
Palisades Park Elementary	K-5	116.2	84,795	2014	39	891
Park Road Montessori	PK-6	24.0	49,499	1949	19	439
Parkside Elementary	PK-5	11.2	84,663	2015	39	326
Paw Creek Elementary	PK-5	26.7	80,809	1954	37	642
Pineville Elementary	K-5	17.9	83,847	2013	39	768
Pinewood Elementary	PK-5	20.0	85,517	1953	35	509
Piney Grove Elementary	PK-5	14.7	70,887	1977	36	504
Polo Ridge Elementary	K-5	8.0	79,278	2007	39	594
Providence Spring Elementary	K-5	23.5	88,947	2002	36	601
Rama Road Elementary	PK-5	15.0	87,454	1964	37	477
Rea Farms STEAM Academy	K-8	188.0	137,221	2020	54	1,103
Reedy Creek Elementary	PK-5	26.0	65,865	1981	30	938
Reid Park Academy	PK-5	36.7	83,500	1994	36	289
Renaissance West STEAM Academy	PK-5	8.6	127,632	2017	54	651
River Gate Elementary	K-5	18.1	83,632	2009	39	696
River Oaks Academy	PK-5	26.0	81,470	2009	39	507
Selwyn Elementary	K-5	12.4	56,167	1958	25	646
Shamrock Gardens Elementary	PK-5	12.3	71,781	1954	30	460
Sharon Elementary	K-5	14.8	91,950	1977	44	720
Smithfield Elementary	PK-5	16.8	83,480	1994	37	577
South Pine Academy	PK-4	18.9	97,561	2021	45	606
Starmount Academy of Excellence	PK-5	16.0	55,884	2015	28	413
Statesville Road Elementary	PK-5	13.7	89,503	2016	39	418
Steele Creek Elementary	K-5	15.0	65,753	1968	33	438
Sterling Elementary	PK-5	29.8	92,500	2002	36	610
Stoney Creek Elementary	K-5	13.3	83,424	2009	39	732
Torrence Creek Elementary	K-5	18.2	92,029	2005	35	699
Trillium Springs Montessori	PK-6	22.0	57,305	2014	20	186
Tuckaseegee Elementary	K-5	15.0	93,044	1957	28	585
University Meadows Elementary	PK-5	17.5	76,880	1992	40	629
University Park Creative Arts	K-5	15.0	69,101	1957	34	265
Vaughan Academy of Technology	K-5	21.5	88,145	2015	39	328
Villa Heights Elementary	K-5	5.2	41,061	1974	12	128
Westerly Hills Academy	PK-5	11.5	74,224	1969	36	422
Whitewater Academy	PK-5	50.0	79,278	2007	39	722

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 1st Month
Winding Springs Elementary	PK-5	38.7	83,480	1995	36	661
Windsor Park Elementary	PK-5	15.0	151,058	2004	35	415
Winget Park Elementary	K-5	20.0	100,319	2006	39	610
Winterfield Elementary	PK-5	17.7	82,931	1964	35	569
<i>PreK-8 SCHOOLS</i>						
Ashley Park	PK-8	12.7	90,710	1951	32	327
Berryhill	PK-8	15.0	62,782	1978	20	390
Druid Hills	PK-8	19.7	109,979	2004	41	255
Mountain Island Lake	PK-8	15.9	91,158	2002	35	728
North Academy of World Languages	K-8	22.8	165,593	2021	66	617
Walter G. Byers	PK-8	15.0	90,860	2001	35	310
<i>K-8 SCHOOLS</i>						
Collinswood Language	K-8	15.0	147,659	2020	63	766
Governors Village STEM (Upper)	K-8	*	132,231	1998	53	699
Marie G. Davis	K-8	35.5	63,052	2007	36	357
Oaklawn Language	K-8	8.6	74,905	1963	26	507
South Academy of International Languages	K-8	130.0	234,731	2001	75	1,220
Thomasboro	K-8	15.5	65,791	1941	32	543
<i>6-12 SCHOOLS</i>						
Cochrane Collegiate	6-12	30.4	121,692	1961	47	920
Northwest School of the Arts	6-12	9.5	197,177	1937	49	1,049
<i>7-12 SCHOOLS</i>						
J.T. Williams Secondary Montessori	7-12	27.6	96,647	1962	39	374
<i>MIDDLE SCHOOLS</i>						
Albemarle Road	6-8	25.8	138,088	1966	51	901
Alexander Graham	6-8	38.4	108,484	1958	37	1,222
Bailey	6-8	25.0	152,960	2006	57	1,319
Carmel	6-8	40.3	127,910	1996	52	1,059
Charlotte-Mecklenburg Virtual***	6-8	5.2	40,869	1974	12	475
Community House	6-8	65.4	148,996	2005	58	1,397
Coulwood STEM	6-8	30.5	108,627	1960	45	592
Crestdale	6-8	48.7	145,777	1997	54	990
Eastway	6-8	31.6	153,285	2005	54	801
Francis Bradley	6-8	61.4	145,777	1998	54	1,054
J.M. Alexander	6-8	27.1	131,196	2017	54	780
James Martin	6-8	*	174,000	1998	67	748
Jay M. Robinson	6-8	45.9	148,996	2002	54	1,301
Kennedy	6-8	32.1	105,633	1989	38	908
Martin Luther King, Jr.	6-8	54.8	152,452	2003	58	908
McClintock	6-8	30.3	133,792	2013	54	1,072
Mint Hill	6-8	64.3	159,230	2003	48	942
Northeast	6-8	30.0	132,485	1976	54	559
Northridge	6-8	32.0	133,000	1996	40	1,073
Piedmont	6-8	10.8	145,861	1925	42	1,077
Quail Hollow	6-8	30.1	120,902	1964	50	1,139
Randolph	6-8	25.0	120,643	1967	46	1,146

**CHARLOTTE-MECKLENBURG BOARD OF EDUCATION
SCHOOL BUILDINGS
FOR THE YEAR ENDED JUNE 30, 2023**

SCHOOL NAME	Grades	Site Size (Acres)	Square Footage	Year First Occupied	Building Classrooms	ADM 1st Month
Ranson	6-8	30.0	140,028	1964	52	799
Ridge Road	6-8	26.2	130,156	2009	54	979
Sedgefield	6-8	23.4	108,865	1955	41	493
South Charlotte	6-8	33.1	132,500	1992	40	803
Southwest	6-8	41.2	156,132	2003	54	1,344
Whitewater	6-8	50.0	130,156	2009	54	698
Wilson STEM	6-8	34.3	110,360	1955/2018	39	360
<i>HIGH SCHOOLS</i>						
Ardrey Kell	9-12	59.2	310,970	2006	96	3,522
Butler	9-12	74.6	273,440	1997	75	1,860
Cato Middle College	<i>Classes held on CPCC Cato Campus</i>					201
Charlotte Engineering Early College	9	1.1	11,041	2014	10	299
Charlotte Teacher Early College	<i>Classes held on UNC Charlotte Campus</i>					207
Charlotte-Mecklenburg Virtual***	9-12	5.2	40,869	1974	12	605
East Mecklenburg	9-12	45.5	275,608	1949	82	2,382
Garinger	9-12	63.4	236,546	1959	89	1,602
Harding University	9-12	51.4	195,531	1961	55	1,263
Harper Middle College	<i>Classes held on CPCC Harper Campus</i>					172
Hawthorne Academy of Health Sciences	9-12	14.4	104,567	1922	30	293
Hopewell	9-12	78.0	274,931	2001	75	1,732
Independence	9-12	53.7	293,730	1966	100	1,992
Julius L Chambers	9-12	*	236,196	1997	77	2,139
Levine Middle College	11-12	47.0	9,360	2014	8	224
Mallard Creek	9-12	**	306,950	2007	101	2,161
Merancas Middle College	<i>Classes held on CPCC Merancas Campus</i>					202
Military and Global Leadership	9-12	14.4	104,567	1922	30	165
Myers Park	9-12	72.3	310,024	1951	148	3,557
North Mecklenburg	9-12	53.8	207,420	1951	81	2,182
Olympic	9-12	51.6	275,577	1965	102	1,690
Palisades High School	9-12	87.8	325,000	2022	100	1,569
Performance Learning Center	9-12	4.2	13,078	1926	7	73
Phillip O. Berry Academy of Technology	9-12	51.0	321,996	2002	80	1,547
Providence	9-12	58.7	270,965	1989	88	2,045
Rocky River	9-12	64.0	258,191	2010	100	1,616
South Mecklenburg	9-12	52.0	286,939	1958	91	3,306
West Charlotte	9-12	50.0	240,470	1950	96	1,500
West Mecklenburg	9-12	53.7	275,085	1951	102	1,179
William Amos Hough	9-12	88.3	258,191	2010	100	2,507
<i>ALTERNATIVE SCHOOLS</i>						
Charlotte-Mecklenburg Academy	K-12	25.45	69,689	2019	24	75
Metro School	K-12	10.7	156,727	2006	32	203
Turning Point	K-12	9.2	61,861	1927	30	254

* - Governors Village STEM (Lower), Governors Village STEM (Upper), James Martin, and Julius L. Chambers are on one campus.

** - Land owned by Mecklenburg County Parks and Recreation

*** - Charlotte-Mecklenburg Virtual Middle and High Schools share one property.

Source: Charlotte-Mecklenburg Schools Auxiliary Services



Charlotte-Mecklenburg Board of Education

Compliance Reports

June 30, 2023



Table of Contents

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance and State Awards Required by the State Single Audit Implementation Act and Report on the Schedule of Expenditures of Federal and State Awards	3
Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State Single Audit Implementation Act.....	6
Schedule of Findings and Questioned Costs	9
Summary Schedule of Prior Audit Findings.....	12
Schedule of Expenditures of Federal and State Awards.....	13
Notes to the Schedule of Expenditures of Federal and State Awards	16

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

Charlotte-Mecklenburg Board of Education
Charlotte, NC

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Charlotte-Mecklenburg Board of Education, North Carolina ("Board") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 30, 2023. Our report recognizes that the Board implemented one new accounting standard effective July 1, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a material weakness.

FORVIS

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the management's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

**Richmond, VA
November 30, 2023**

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance and State Awards Required by the State Single Audit Implementation Act and Report on the Schedule of Expenditures of Federal and State Awards

Independent Auditor's Report

Charlotte-Mecklenburg Board of Education
Charlotte, NC

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Charlotte-Mecklenburg Board of Education, North Carolina (the "Board") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2023. The Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and 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"). 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 the Board 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 the Board'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 the Board's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board'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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 judgment made by a reasonable user of the report on compliance about the Board's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Board'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 the Board'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, but not for the purpose of expressing an opinion on the effectiveness of the Board'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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and State Awards Required the State Single Audit Implementation Act

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Charlotte-Mecklenburg Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Board's basic financial statements. We issued our report thereon dated November 30, 2023, which contained unmodified opinions on those financial statements and an emphasis of matter for the adoption of a new accounting standard. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal and state awards is presented for purposes of additional analysis as required by the Uniform Guidance and the State Single Audit Implementation Act and is 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

FORVIS,LLP

**Richmond, VA
November 30, 2023**

Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State Single Audit Implementation Act

Independent Auditor's Report

Charlotte-Mecklenburg Board of Education
Charlotte, NC

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Charlotte-Mecklenburg Board of Education, North Carolina (the "Board") compliance with the types of compliance requirements in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Board's major state programs for the year ended June 30, 2023. The Board's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"), as described in the *Audit Manual for Governmental Auditors in North Carolina*; and the State Single Audit Implementation Act. Our responsibilities under those standards, the applicable sections of the Uniform Guidance, and the State Single Audit Implementation Act are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Board 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 the Board'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 the Board's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Board'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 applicable sections of the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance 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. Noncompliance 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 judgment made by a reasonable user of the report on compliance about the Board'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 applicable sections of 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 noncompliance, 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 Board'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 the Board'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 applicable sections of the Uniform Guidance, and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the Board'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, noncompliance 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance 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.

FORVIS

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 applicable sections of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

**Richmond, VA
November 30, 2023**

**Charlotte-Mecklenburg Board of Education
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

- Adjust depreciation expense for Governmental Activities of (\$1,668,743) and \$2,280,861 for Equipment, Library, and Vehicles

Recommendation: We recommend the Board address this people-centric need by considering the identification, hiring, and retaining of experienced accountants, specifically Certified Public Accountants, as a mission-critical, long-term objective. Over the years, the Board has struggled to hire and retain experienced accountants within the Finance Department. There remains an ongoing struggle to fill vacancies with candidates possessing the skill sets needed for an effective, efficient, and compliant financial accounting and reporting operation. Additionally, a structured cross-training program should be implemented within financial operational functions aimed at expanding the skill sets of available team members to be utilized in periods of staff turnover or increased demands in a particular functional area.

Views of Responsible Officials:

After carefully considering your findings, we acknowledge the internal control weakness concerning our lack of technical critical mass to analyze the myriad of transactions processed annually by the board. We understand the importance of addressing this issue promptly to prepare the board's Annual Comprehensive Financial Report (ACFR) in accordance with Generally Accepted Accounting Principles (GAAP). We have developed a comprehensive action plan that addresses systems, processes, and procedures while focusing intensely on enhanced oversight, staff recruitment, retention strategies, CPA qualifications and training /development.

We are committed to diligently implementing these measures to strengthen our internal controls, improve the quality of our financial reporting, and exceed the expectations set forth by GAAP.

3. Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

4. State Award Findings and Questioned Costs

No findings and questioned costs related to the audit of state awards aggregating \$25,000 or more were noted.

Charlotte-Mecklenburg Board of Education
Summary Schedule of Prior Audit Findings



Finance Department

CMS Education Center
4421 Stuart Andrew Blvd., Suite 210
Charlotte, North Carolina 28217

Finding 2022

None

Finding 2021

None

Finding 2020

None

Finding 2019

None

Finding 2018-01

The Charlotte-Mecklenburg Board of Education NC Pre-Kindergarten should improve processes surrounding development screenings to ensure compliance with program requirements.

Charlotte-Mecklenburg Board of Education
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Expenditures	Passed - through to Subrecipients
Federal Grants:				
Cash Programs:				
<u>U. S. Department of Agriculture</u>				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities)				
Passed-through the N.C. Department of Agriculture:				
National School Lunch Program	10.555	PRC 035	5,391,294	-
Total Non-Cash Assistance			5,391,294	-
Cash Assistance				
Passed-through the N.C. Department of Public Instruction:				
School Breakfast Program	10.553	PRC 035	12,625,734	-
National School Lunch Program	10.555	PRC 035	43,378,630	-
Fresh Fruit and Vegetable Program	10.582	PRC 035	1,078,269	-
Summer Food Service Program for Children	10.559	PRC 035	1,077,614	-
Total Cash Assistance			58,160,247	-
Total Child Nutrition Cluster:			63,551,541	-
School Nutrition Program (Note 3)				-
Total U. S. Department of Agriculture			63,551,541	-
<u>U.S. Department of Education</u>				
Cash Assistance				
Passed-through the N.C. Department of Public Institution				
Title I Grants to Local Educational Agencies	84.010	PRC 050	51,721,206	-
Title I Grants to LEAs (Title I, Part A of ESEA) - School Improvements	84.010	PRC 105, 115	4,674,903	-
Total Title I Grants to Local Educational Agencies (Title I)			56,396,109	-
Indian Education Formula Grant	84.060	PRC 310	16,050	-
Magnet School Assistance Program	84.165A	PRC 317	54,655	-
Special Education Research Program	84.324A	PRC 970	26,685	-
Education for Homeless Children and Youth Cluster	84.196	PRC 026	89,345	-
English Language Acquisition Grants	84.365	PRC 104, 111	2,903,619	-
21st Century Community Learning Center	84.287	PRC 110	412,153	-
Supporting Effective Instruction State Grants	84.367	PRC 103	4,271,690	-
Student Support and Academic Enrichment	84.424	PRC 108	2,745,865	-
<u>Special Education Cluster:</u>				
Special Education - Grants to States (IDEA, Part B) -				
Education of the Handicapped	84.027	PRC 060	32,336,605	-
IDEA Title VI, Part B, Children with Disabilities	84.027A	PRC 070	42,800	-
Special Needs Targeted Assistance	84.027	PRC 118	122,625	-
ESSER III - ARP IDEA 611 Grants to States	84.027X	PRC 185	3,580,686	-
Special Education - Preschool Grants (IDEA Preschool) -				
Targeted Assistance for Preschool	84.173	PRC 119	(655)	-
IDEA Title VI, Part B, State Improvement	84.027	PRC 082	8,864	-
Children with Disabilities - Risk Pool	84.027A	PRC 114	464,406	-
Preschool Handicapped	84.173	PRC 049	502,720	-
Total Special Education Cluster:			37,058,051	-
Career and Technical Education - Capacity Building Grant	84.048	PRC 017	2,335,114	-

Charlotte-Mecklenburg Board of Education
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2023

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Expenditures	Passed - through to Subrecipients
<u>U.S. Department of Education (Cont'd)</u>				
Cash Assistance (Cont'd)				
Passed-through the N.C. Department of Public Institution (Cont'd):				
COVID-19 Education Stabilization Fund				
ESSER I - K12 Emergency Relief Fund	84.425D	PRC 163	2,410,670	-
ESSER I - Digital Curricula	84.425D	PRC 165	-	-
ESSER I - Learning Management System	84.425D	PRC 166	-	-
ESSER I - Exceptional Children Grants	84.425D	PRC 167	11,216	-
GEER I - Specialized Instructional Support for COVID-19 Response	84.425C	PRC 169	(37,105)	-
GEER 1 - Supplemental Instructional Services	84.425C	PRC 170	881,422	-
ESSER II - K12 Emergency Relief Fund	84.425D	PRC 171	65,174,481	-
ESSER II - Supplemental Contracted Instructional Support Funding	84.425D	PRC 173	495,077	-
ESSER II - School Nutritional COVID Support	84.425D	PRC 174	198,336	-
ESSER II - Learning Loss Funding	84.425D	PRC 176	1,471,148	-
ESSER II - Summer Career Accelerator Program	84.425D	PRC 177	1,043,713	-
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	94,649,365	-
ARP-ESSER III-Homeless I	84.425W	PRC 183	14,907	-
ESSER III - Homeless II	84.425W	PRC 184	300,946	-
ESSER III-ARP IDEA Preschool Grants	84.173X	PRC 186	198,243	-
ARP - ESSER III - Math Enrichment	84.425U	PRC 189	124,360	-
ARP -ESSER III - Identify/Locate of Missing Students	84.425U	PRC 191	164,143	-
ARP - Cyberbullying and Suicide Prevention Grants	84.425D	PRC 192	262,063	-
ARP - Gaggle Grants	84.425U	PRC 193	470,437	-
ARP - ESSER III - School Improvement/Leadership	84.425U	PRC 195	87,145	-
ARP -ESSER III - NBPTS Certification Fee Reimbursement Program	84.425U	PRC 198	15,810	-
ARP - ESSER III - Teacher Bonuses	84.425U	PRC 203	-	-
ARP -ESSER III - Principal Retention Supplements	84.425U	PRC 206	68,791	-
Total COVID-19 Education Stabilization Fund:	84.425		168,005,168	-
Total U. S. Department of Education			274,314,504	-
<u>U.S. Department of Defense</u>				
Direct Program:				
ROTC	NONE	PRC 301	1,935,920	-
<u>Federal Communications Commission</u>				
Direct Program:				
COVID-19 Emergency Connectivity Fund Program	32.009	PRC 884	1,330,426	-
Total federal assistance			341,132,391	-

Charlotte-Mecklenburg Board of Education
 Schedule of Expenditures of Federal and State Awards
 For the Year Ended June 30, 2023

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed - through to Subrecipients</u>
State Grants:				
<u>N.C. Department of Public Instruction:</u>				
Cash assistance:				
State Public School Fund			920,200,272	-
Driver Training - SPSF		PRC 012	3,418,030	-
Career and Technical Education				
- State Months of Employment		PRC 013	41,168,207	-
- Program Support Funds		PRC 014	10,435,575	-
School Technology Fund		PRC 015	3,473,636	-
Teacher in Residence		PRC 083, 095	4,393	-
Textbooks and Digital Resources		PRC 131	3,091,023	-
Noncash assistance:				
School buses		PRC 120	4,452,164	-
Total N.C. Department of Public Instruction			<u>986,243,300</u>	<u>-</u>
<u>N.C. Department of Health and Human Services:</u>				
Division of Child Development:				
Pre-Kindergarten Program		PRC 413	13,269,779	10,773,318
Total Division of Child Development			<u>13,269,779</u>	<u>10,773,318</u>
Total state assistance			<u>999,513,079</u>	<u>10,773,318</u>
Other Awards:				
Regional Alternative Licensing			116,828	-
Total federal and state awards			<u>\$ 1,340,762,298</u>	<u>\$ 10,773,318</u>

Charlotte-Mecklenburg Board of Education
Notes to the Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and state awards ("SEFSA") includes the federal and state grant activity of the Charlotte-Mecklenburg Board of Education (the "Board") under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniformed Guidance") ,and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of the Board, it is not intended to, and does not, present the financial position, changes in financial position or, where applicable, cash flows of the Board.

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. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The School Nutrition Program is clustered by the NC Department of Public Instruction and are treated separately for state audit requirement purposes.

Note 4: Non-cash Assistance

Included in the amounts reported on the SEFSA, the Board received non-cash assistance in the form of food commodities and school buses. Non-cash items with a fair value of \$9,843,458 were received during the year ended June 30, 2023. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2023.