

**NORTHAMPTON COUNTY
BOARD OF EDUCATION
Jackson, North Carolina**

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

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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Northampton County Board of Education
Jackson, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northampton County Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Northampton County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northampton County Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northampton County Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liabilities (Assets) and the Schedules of Board Contributions on pages 51 through 56, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Northampton County Board of Education's basic financial statements. The accompanying individual fund budgetary schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules and schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2024, on our consideration of the Northampton County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northampton County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northampton County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

August 23, 2024
Rockingham, North Carolina
(910) 997-1418

NORTHAMPTON COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Northampton County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2024. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

For the fiscal year ended June 30, 2024, the Board's total government-wide net position increased by \$5.5 million. Governmental activities net position increased by \$5.4 million and business-type activities net position increased by \$129 thousand.

- Total government-wide net investment in capital assets increased by \$2.6 million over the prior year. Governmental activities net investment in capital assets increased by \$2.6 million and business-type activities investment in capital assets increased by \$19 thousand.
- Total governmental activities restricted net position increased by \$102 thousand over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2024 increased by \$2.8 million over the prior year.

Overview of the Financial Statements

The audited financial statements of the Northampton County Board of Education consist of five components. They are as follows:

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary schedules for governmental and enterprise funds.*

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

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund and fiduciary fund. 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 and fiduciary 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 each of the financial resources of each of the Board's major funds.

NORTHAMPTON COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Board's net position and how it has changed. Net position is the difference between the Board's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. This is one way to measure the unit's financial health or position.

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

The unit's activities are divided into two categories in the government-wide statements:

- *Governmental activities:* Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.
- *Business-type activities:* The Board charges fees to help it cover the costs of certain services it provides. School food service is included here.

The government-wide statements are shown as Exhibits 1 and 2 of this report.

Fund Financial Statements

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

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

Northampton County Board of Education has three types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Other Special Revenue Fund and the Federal Grants Fund. The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the

**NORTHAMPTON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

government-wide statements. The Northampton County Board of Education has one proprietary fund - an enterprise fund – the School Food Service Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Fiduciary funds: The Board is the trustee, or fiduciary, for assets that belong to others, such as the Private Purpose Trust Fund. The Board is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and by those to whom the assets belong. The Board excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The fiduciary fund statements are shown as Exhibits 10 and 11.

Financial Analysis of the Board as a Whole

Total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$3.7 million as of June 30, 2024, as compared to total liabilities and deferred inflows of resources exceeding total assets and deferred outflows of resources by \$1.8 million as of June 30, 2023.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current and other assets	\$ 4,541,907	\$ 3,657,910	\$ 253,277	\$ 240,425	\$ 4,795,184	\$ 3,898,335
Capital assets	22,108,208	19,510,538	104,084	84,690	22,212,292	19,595,228
Total assets	<u>26,650,115</u>	<u>23,168,448</u>	<u>357,361</u>	<u>325,115</u>	<u>27,007,476</u>	<u>23,493,563</u>
Deferred outflows of resources	7,940,262	7,821,292	252,197	267,522	8,192,459	8,088,814
Current liabilities	1,534,904	1,382,749	42,874	37,796	1,577,778	1,420,545
Long-term liabilities	21,151,640	21,562,253	689,172	734,865	21,840,812	22,297,118
Total liabilities	<u>22,686,544</u>	<u>22,945,002</u>	<u>732,046</u>	<u>772,661</u>	<u>23,418,590</u>	<u>23,717,663</u>
Deferred inflows of resources	7,797,964	9,325,088	247,677	318,958	8,045,641	9,644,046
Net investment in capital assets	21,854,949	19,233,459	104,084	84,690	21,959,033	19,318,149
Restricted net position	845,065	742,991	-	-	845,065	742,991
Unrestricted net position (deficit)	<u>(18,594,145)</u>	<u>(21,256,800)</u>	<u>(474,249)</u>	<u>(583,672)</u>	<u>(19,068,394)</u>	<u>(21,840,472)</u>
Total net position (deficit)	<u>\$ 4,105,869</u>	<u>\$ (1,280,350)</u>	<u>\$ (370,165)</u>	<u>\$ (498,982)</u>	<u>\$ 3,735,704</u>	<u>\$ (1,779,332)</u>

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$5.4 million during the year, from \$(1.3) million at June 30, 2023 to \$4.1 million at June 30, 2024, indicating an improvement in the financial condition of the Board. Restricted net position increased by \$102 thousand, while unrestricted net position increased \$2.7 million over the prior year. Net investment in capital assets increased \$2.6 million due to an excess of capital additions over depreciation and amortization expense for the year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities increased \$129 thousand during the year. This increase is the net profit generated by our school food service operations during the 2024 fiscal year.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Revenues:						
Program revenues:						
Charges for services	\$ 245,476	\$ 202,237	\$ 59,155	\$ 93,945	\$ 304,631	\$ 296,182
Operating grants and contributions	20,235,151	18,992,982	1,604,637	1,220,875	21,839,788	20,213,857
Capital grants and contributions	206,809	122,180	-	-	206,809	122,180
General revenues:						
County appropriations	5,728,000	4,106,219	-	-	5,728,000	4,106,219
State appropriations	4,004,156	2,899,045	-	-	4,004,156	2,899,045
Other revenues	438,812	172,161	3,607	745	442,419	172,906
Total revenues	<u>30,858,404</u>	<u>26,494,824</u>	<u>1,667,399</u>	<u>1,315,565</u>	<u>32,525,803</u>	<u>27,810,389</u>
Expenses:						
Governmental activities:						
Instructional services	16,130,810	14,986,928	-	-	16,130,810	14,986,928
System-wide support services	8,002,770	7,572,273	-	-	8,002,770	7,572,273
Ancillary services	92,398	107,070	-	-	92,398	107,070
Payments to other governments	1,167,799	1,147,518	-	-	1,167,799	1,147,518
Interest on long-term debt	5,156	8,258	-	-	5,156	8,258
Unallocated depreciation	28,252	28,231	-	-	28,252	28,231
Business-type activities:						
School food service	-	-	1,583,582	1,426,363	1,583,582	1,426,363
Total expenses	<u>25,427,185</u>	<u>23,850,278</u>	<u>1,583,582</u>	<u>1,426,363</u>	<u>27,010,767</u>	<u>25,276,641</u>
Excess (deficiency) before transfers	5,431,219	2,644,546	83,817	(110,798)	5,515,036	2,533,748
Transfers in (out)	(45,000)	(45,000)	45,000	45,000	-	-
Increase (decrease) in net position	5,386,219	2,599,546	128,817	(65,798)	5,515,036	2,533,748
Beginning net position (deficit)	(1,280,350)	(3,879,896)	(498,982)	(433,184)	(1,779,332)	(4,313,080)
Ending net position (deficit)	<u>\$ 4,105,869</u>	<u>\$ (1,280,350)</u>	<u>\$ (370,165)</u>	<u>\$ (498,982)</u>	<u>\$ 3,735,704</u>	<u>\$ (1,779,332)</u>

Total governmental activities generated revenues of \$30.9 million while expenses in this category totaled \$25.4 million for the year ended June 30, 2024, resulting in the aforementioned increase in net position of \$5.4 million (including transfers out to business-type activities of \$45 thousand). Comparatively, revenues were \$26.5 million, expenses totaled \$23.9 million and transfers out were \$45 thousand for the year ended June 30, 2023, resulting in an increase in net position of \$2.6 million. In comparing the two years, revenues increased \$4.4 million, or 16.5%, primarily due to a \$1.6 million increase in capital outlay funding from the County and a combined \$1.2 million increase in State and federal funding through the State Public School Fund and Federal Grants Fund. Expenses for 2024 increased \$1.6 million, or 6.6%, over the prior year, due largely to increased instructional and system-wide support services costs.

The Board's primary sources of revenues were funding from the State of North Carolina, Northampton County, and the United States Government, which respectively comprised 56.7%, 18.2% and 20.3% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 63.4% of our total expenses during the most recent fiscal year. Of the remaining 36.6% of our total expenses, 31.5% was attributable to system-wide support services.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Our business-type activities generated revenues of \$1.7 million, and expenses totaled \$1.6 million for the year ended June 30, 2024. For the year, net position increased by \$129 thousand (including transfers in of \$45 thousand). Comparatively, for the year ended June 30, 2023, revenues were \$1.3 million, expenses were \$1.4 million and transfers in were \$45 thousand, resulting in a decrease in net position of \$66 thousand. In comparing the two periods, revenues increased by \$352 thousand, or 26.7%, due primarily to receipt of a \$396 thousand Child and Adult Care Food Program State grant. Total expenses increased \$157 thousand, due largely to a year-over-year increase of \$200 thousand in food costs.

Financial Analysis of the Board’s Funds

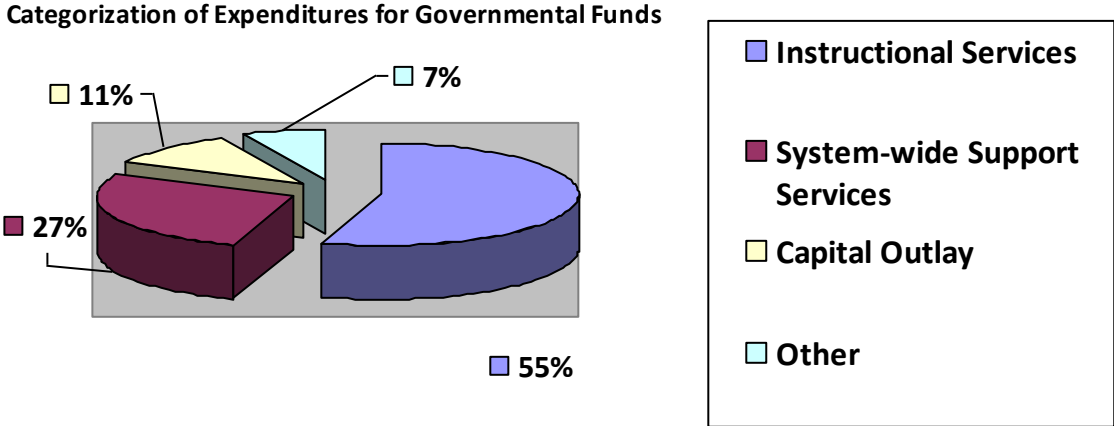
Governmental Funds: The focus of Northampton County Board of Education’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board’s financing requirements.

The Board’s governmental funds reported a combined fund balance of \$3.9 million at June 30, 2024, an increase of \$658 thousand over the \$3.3 million balance reported at June 30, 2023. Revenues were \$31.6 million in 2024 compared to \$27.0 million in 2023, an increase of \$4.6 million, or 16.9%. Expenditures were \$31.2 million for the current year, compared to \$27.4 million in the prior year for an increase of \$3.8 million, or 13.7%. Increased capital outlay funding from the County along with increased State and federal grant funding received through NCDPI accounted for the majority of the overall rise in revenues. These increased revenues were used for capital expenditures and instructional and system-wide support services costs which largely accounted for the increase in expenditures.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. Combined revenues (and expenditures) in these two funds increased \$1.2 million over the previous year, or 5.7%. As previously discussed, these increased revenues were primarily used to fund instructional and system-wide support services costs.

The Other Special Revenue Fund reported an increase in fund balance for the year ended June 30, 2024 of \$2 thousand compared to an increase of \$387 thousand in 2023. Instructional services costs increased by \$370 thousand accounting for the majority of the year-over-year change in operating results.

The Capital Outlay Fund reported fund balance of \$356 thousand at June 30, 2024, a decrease of \$4 thousand from the prior year. The most significant revenues reported in the Capital Outlay Fund were \$1.9 million from Northampton County appropriations and \$1.6 million from a State Needs-Based Public School Capital Fund grant being used for construction of a new high school. The new high school construction was still in progress at June 30, 2024.



Expenditures presented on modified accrual basis of accounting.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Proprietary Fund: The Board’s business-type fund, the School Food Service Fund, reported an increase in net position of \$129 thousand for the fiscal year ended June 30, 2024 compared to a decrease of \$66 thousand for the same 2023 period. See the discussion above under “*Financial Analysis of the Board as a Whole*” for further details regarding the year-over-year change in operating results for the School Food Service Fund.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. However, during the year ended June 30, 2024, no significant budget revisions were made in the General Fund as revenue and expenditure expectations remained consistent throughout the year. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

Capital Assets

Total primary government capital assets were \$22.2 million at June 30, 2024 compared to \$19.6 million at June 30, 2023, an increase of 13.4%. The increase is attributable to an excess of capital additions over depreciation and amortization expense for the year. More detailed information about the Board’s capital assets is contained in Note 2 to the financial statements.

The following is a summary of the Board’s capital assets, net of depreciation, at June 30, 2024 and 2023.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Right to use asset	\$ 68,515	\$ 150,707	\$ -	\$ -	\$ 68,515	\$ 150,707
Land	2,322,357	822,357	-	-	2,322,357	822,357
Construction in progress	1,717,931	419,744	-	-	1,717,931	419,744
Buildings and improvements	16,186,706	16,929,736	-	-	16,186,706	16,929,736
Equipment and furniture	308,078	73,817	104,084	84,690	412,162	158,507
Vehicles	1,504,621	1,114,177	-	-	1,504,621	1,114,177
Total	<u>\$ 22,108,208</u>	<u>\$ 19,510,538</u>	<u>\$ 104,084</u>	<u>\$ 84,690</u>	<u>\$ 22,212,292</u>	<u>\$ 19,595,228</u>

Debt Outstanding

During the current year, the Board’s long-term debt decreased from \$277 thousand at June 30, 2023 to \$253 thousand at June 30, 2024. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. More detailed information about the Board’s outstanding debt is contained in Note 2 to the financial statements.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Economic Factors

County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects the school district. The following factors have affected the economic outlook of Northampton County:

- The unemployment rate in Northampton County at June 30, 2024 was 5.0% compared to 4.9% at June 30, 2023. The County's unemployment rate is above the N.C. statewide and national unemployment rates which were 4.1% and 4.3%, respectively, at June 30, 2024.
- County commissioners and members of the Board of Education, along with concerned citizens of the county are working diligently to explore ways to increase economic development and improve the education, health and human service standards of the children and citizens in Northampton County.

Requests for Information

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

Jeremy Teetor, Finance Officer
Northampton County Board of Education
701 N. Church Street
Jackson, NC 27845

GOVERNMENT-WIDE FINANCIAL STATEMENTS

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2024

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 3,525,786	\$ 129,828	\$ 3,655,614
Due from other governments	808,114	53,978	862,092
Receivables	74,696	-	74,696
Inventories	116,922	69,471	186,393
Prepaid expenses	16,389	-	16,389
Capital assets:			
Right to use leased assets, net of amortization	68,515	-	68,515
Land and construction in progress	4,040,288	-	4,040,288
Other capital assets, net of depreciation	17,999,405	104,084	18,103,489
Total capital assets	<u>22,108,208</u>	<u>104,084</u>	<u>22,212,292</u>
Total assets	<u>26,650,115</u>	<u>357,361</u>	<u>27,007,476</u>
Deferred Outflows of Resources			
Pension and OPEB plans	<u>7,940,262</u>	<u>252,197</u>	<u>8,192,459</u>
Liabilities			
Bank overdraft	277	-	277
Accounts payable and accrued expenses	619,614	-	619,614
Unearned revenue	182	704	886
Long-term liabilities:			
Due within one year	914,831	42,170	957,001
Due in more than one year	<u>21,151,640</u>	<u>689,172</u>	<u>21,840,812</u>
Total liabilities	<u>22,686,544</u>	<u>732,046</u>	<u>23,418,590</u>
Deferred Inflows of Resources			
Pension and OPEB plans	<u>7,797,964</u>	<u>247,677</u>	<u>8,045,641</u>
Net position			
Net investment in capital assets	21,854,949	104,084	21,959,033
Restricted for:			
Stabilization by State statute	116,696	-	116,696
School capital outlay	356,358	-	356,358
Instructional services	301,469	-	301,469
Individual schools activities	70,542	-	70,542
Unrestricted (deficit)	<u>(18,594,145)</u>	<u>(474,249)</u>	<u>(19,068,394)</u>
Total net position (deficit)	<u>\$ 4,105,869</u>	<u>\$ (370,165)</u>	<u>\$ 3,735,704</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 8,438,308	\$ -	\$ 7,999,433	\$ -	\$ (438,875)	\$ -	\$ (438,875)
Special populations	2,253,787	-	2,467,664	-	213,877	-	213,877
Alternative programs	2,046,773	-	2,402,048	-	355,275	-	355,275
School leadership	1,179,360	-	963,418	-	(215,942)	-	(215,942)
Co-curricular	674,476	242,328	-	-	(432,148)	-	(432,148)
School-based support	1,538,106	-	1,535,740	-	(2,366)	-	(2,366)
System-wide support services:							
Support and development	398,196	-	331,510	-	(66,686)	-	(66,686)
Special population support and development	413,410	-	434,670	-	21,260	-	21,260
Technology support	527,813	-	478,849	-	(48,964)	-	(48,964)
Operational support	4,620,111	3,148	2,401,493	206,809	(2,008,661)	-	(2,008,661)
Financial and human resource services	972,588	-	216,576	-	(756,012)	-	(756,012)
Accountability	36,340	-	30,500	-	(5,840)	-	(5,840)
System-wide pupil support	160,670	-	148,832	-	(11,838)	-	(11,838)
Policy, leadership and public relations	873,642	-	57,987	-	(815,655)	-	(815,655)
Ancillary services	92,398	-	70,753	-	(21,645)	-	(21,645)
Payments to other governments	1,167,799	-	695,678	-	(472,121)	-	(472,121)
Interest on long-term debt	5,156	-	-	-	(5,156)	-	(5,156)
Unallocated depreciation expense**	28,252	-	-	-	(28,252)	-	(28,252)
Total governmental activities	<u>25,427,185</u>	<u>245,476</u>	<u>20,235,151</u>	<u>206,809</u>	<u>(4,739,749)</u>	<u>-</u>	<u>(4,739,749)</u>
Business-type activities:							
School food service	1,583,582	59,155	1,604,637	-	-	80,210	80,210
Total primary government	<u>\$ 27,010,767</u>	<u>\$ 304,631</u>	<u>\$ 21,839,788</u>	<u>\$ 206,809</u>	<u>(4,739,749)</u>	<u>80,210</u>	<u>(4,659,539)</u>
General revenues:							
					3,780,000	-	3,780,000
					1,948,000	-	1,948,000
					2,412,500	-	2,412,500
					1,591,656	-	1,591,656
					25,610	-	25,610
					413,202	3,607	416,809
					10,170,968	3,607	10,174,575
					(45,000)	45,000	-
					10,125,968	48,607	10,174,575
					5,386,219	128,817	5,515,036
					(1,280,350)	(498,982)	(1,779,332)
					\$ 4,105,869	\$ (370,165)	\$ 3,735,704

**This amount excludes the depreciation that is included in the direct expenses of the various programs.

FUND FINANCIAL STATEMENTS

NORTHAMPTON COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 955,954	\$ -	\$ 182	\$ 2,493,289	\$ 5,819	\$ 70,542	\$ 3,525,786
Due from other governments	-	277	-	42,000	765,837	-	808,114
Accounts receivable	39,379	-	-	35,317	-	-	74,696
Inventories	116,922	-	-	-	-	-	116,922
Prepaid expenditures	16,389	-	-	-	-	-	16,389
Total assets	<u>\$ 1,128,644</u>	<u>\$ 277</u>	<u>\$ 182</u>	<u>\$ 2,570,606</u>	<u>\$ 771,656</u>	<u>\$ 70,542</u>	<u>\$ 4,541,907</u>
Liabilities and Fund balances							
Liabilities:							
Bank overdraft	\$ -	\$ 277	\$ -	\$ -	\$ -	\$ -	\$ 277
Accounts payable and accrued liabilities	163,498	-	-	40,818	415,298	-	619,614
Unearned revenue	-	-	182	-	-	-	182
Total liabilities	<u>163,498</u>	<u>277</u>	<u>182</u>	<u>40,818</u>	<u>415,298</u>	<u>-</u>	<u>620,073</u>
Fund balances:							
Nonspendable:							
Inventories	116,922	-	-	-	-	-	116,922
Prepaid expenditures	16,389	-	-	-	-	-	16,389
Restricted:							
Stabilization by State statute	39,379	-	-	77,317	-	-	116,696
School capital outlay	-	-	-	-	356,358	-	356,358
Instructional services	-	-	-	301,469	-	-	301,469
Individual schools	-	-	-	-	-	70,542	70,542
Assigned:							
Subsequent year's expenditures	518,841	-	-	-	-	-	518,841
Special revenues	-	-	-	2,151,002	-	-	2,151,002
Unassigned	273,615	-	-	-	-	-	273,615
Total fund balances	<u>965,146</u>	<u>-</u>	<u>-</u>	<u>2,529,788</u>	<u>356,358</u>	<u>70,542</u>	<u>3,921,834</u>
Total liabilities and fund balances	<u>\$ 1,128,644</u>	<u>\$ 277</u>	<u>\$ 182</u>	<u>\$ 2,570,606</u>	<u>\$ 771,656</u>	<u>\$ 70,542</u>	<u>\$ 4,541,907</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2024

Exhibit 3 (Continued)

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:

Total fund balances of governmental funds	\$ 3,921,834
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	22,108,208
Deferred outflows of resources related to pensions	5,210,026
Deferred outflows of resources related to OPEB	2,730,236
Some liabilities, including those for compensated absences, leases and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(1,464,479)
Net pension liability	(8,556,060)
Net OPEB liability	(12,045,932)
Deferred inflows of resources related to pensions	(670,497)
Deferred inflows of resources related to OPEB	<u>(7,127,467)</u>
Net position of governmental activities	<u>\$ 4,105,869</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 4

	Major Funds				Non-major Fund		Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 15,473,318	\$ -	\$ 622,582	\$ 1,798,465	\$ -	\$ 17,894,365
Northampton County:							
Local current expense	3,780,000	-	-	-	-	-	3,780,000
Other	-	-	-	-	1,948,000	-	1,948,000
U.S. Government	-	-	6,191,844	207,078	-	-	6,398,922
Other	91,915	-	-	982,221	216,331	242,328	1,532,795
Total revenues	<u>3,871,915</u>	<u>15,473,318</u>	<u>6,191,844</u>	<u>1,811,881</u>	<u>3,962,796</u>	<u>242,328</u>	<u>31,554,082</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	86,118	6,513,813	1,562,649	246,332	-	-	8,408,912
Special populations	32,659	1,669,685	668,648	105,417	-	-	2,476,409
Alternative programs	26,219	606,962	1,158,941	557,460	-	-	2,349,582
School leadership	123,329	1,165,129	82,411	8,282	-	-	1,379,151
Co-curricular	221,568	-	-	-	214,380	251,047	686,995
School-based support	22,263	1,089,479	400,099	189,553	-	-	1,701,394
System-wide support services:							
Support and development	65,645	351,627	81,028	-	-	-	498,300
Special population support and development	10,149	221,392	219,067	-	-	-	450,608
Technology support	94,801	206,219	275,555	16,684	-	-	593,259
Operational support	320,082	2,606,468	848,688	558,046	266,153	-	4,599,437
Financial and human resource services	289,580	735,192	41,440	-	-	-	1,066,212
Accountability	5,239	468	30,500	-	-	-	36,207
System-wide pupil support	35,416	146,679	2,153	-	-	-	184,248
Policy, leadership and public relations	641,314	89,501	54,234	110,002	-	-	895,051
Ancillary services	3,561	-	70,753	18,084	-	-	92,398
Non-programmed charges	1,167,799	-	695,678	-	-	-	1,863,477
Debt service:							
Principal retirement	61,430	21,734	-	-	206,809	-	289,973
Interest and fees	1,186	3,970	-	-	-	-	5,156
Capital outlay	-	-	-	-	3,578,067	-	3,578,067
Total expenditures	<u>3,208,358</u>	<u>15,428,318</u>	<u>6,191,844</u>	<u>1,809,860</u>	<u>4,265,409</u>	<u>251,047</u>	<u>31,154,836</u>
Revenues over (under) expenditures	<u>663,557</u>	<u>45,000</u>	<u>-</u>	<u>2,021</u>	<u>(302,613)</u>	<u>(8,719)</u>	<u>399,246</u>
Other financing sources (uses):							
Transfers to other funds	-	(45,000)	-	-	-	-	(45,000)
Installment purchase obligations issued	-	-	-	-	266,153	-	266,153
Proceeds from disposal of capital assets	-	-	-	-	32,937	-	32,937
Total other financing sources (uses)	<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>299,090</u>	<u>-</u>	<u>254,090</u>
Net change in fund balance	663,557	-	-	2,021	(3,523)	(8,719)	653,336
Fund balances:							
Beginning of year	296,668	-	-	2,527,767	359,881	79,261	3,263,577
Change in reserve for inventories	4,921	-	-	-	-	-	4,921
End of year	<u>\$ 965,146</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,529,788</u>	<u>\$ 356,358</u>	<u>\$ 70,542</u>	<u>\$ 3,921,834</u>

NORTHAMPTON COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 653,336
Change in fund balance due to change in reserve for inventory	4,921
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,679,862
Governmental funds report right to use leased assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the life of the lease and reported as amortization expense. This is the amount by which amortization exceeded capitalized right to use leased asset expenditures in the current period.	(82,192)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	1,794,078
Contributions to the OPEB plans in the current fiscal year are not included on the statement of activities	737,778
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	15,809
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	23,820
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(1,875,486)
Net OPEB (expense) benefit	1,527,063
Compensated absences	<u>(92,770)</u>
Total change in net position of governmental activities	<u>\$ 5,386,219</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Northampton County	\$ 3,780,000	\$ 3,780,000	\$ 3,780,000	\$ -
Other	106,090	106,090	91,915	(14,175)
Total revenues	<u>3,886,090</u>	<u>3,886,090</u>	<u>3,871,915</u>	<u>(14,175)</u>
Expenditures:				
Current:				
Instructional services	646,649	643,945	512,156	131,789
System-wide support services	2,035,859	1,975,947	1,462,226	513,721
Ancillary services	3,582	3,582	3,561	21
Non-programmed charges	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,167,799</u>	<u>32,201</u>
Debt service:				
Principal retirement	-	61,430	61,430	-
Interest and fees	-	1,186	1,186	-
Total debt service	<u>-</u>	<u>62,616</u>	<u>62,616</u>	<u>-</u>
Total expenditures	<u>3,886,090</u>	<u>3,886,090</u>	<u>3,208,358</u>	<u>677,732</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	663,557	<u>\$ 663,557</u>
Fund balances:				
Beginning of year			296,668	
Change in reserve for inventories			<u>4,921</u>	
End of year			<u>\$ 965,146</u>	

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

NORTHAMPTON COUNTY BOARD OF EDUCATION **Exhibit 6 (continued)**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 15,392,743	\$ 16,256,652	\$ 15,473,318	\$ (783,334)
Expenditures:				
Current:				
Instructional services	11,619,115	11,740,851	11,045,068	695,783
System-wide support services	3,728,628	4,445,097	4,357,546	87,551
Debt service:				
Principal retirement	-	21,734	21,734	-
Interest and fees	-	3,970	3,970	-
Total debt service	-	25,704	25,704	-
Total expenditures	15,347,743	16,211,652	15,428,318	783,334
Revenues over expenditures	45,000	45,000	45,000	-
Other financing uses:				
Transfers to other funds	(45,000)	(45,000)	(45,000)	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

NORTHAMPTON COUNTY BOARD OF EDUCATION **Exhibit 6 (continued)**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 9,798,547	\$ 9,804,699	\$ 6,191,844	\$ (3,612,855)
Expenditures:				
Current:				
Instructional services	6,420,025	6,517,487	3,872,748	2,644,739
System-wide support services	2,189,893	2,121,904	1,552,665	569,239
Ancillary services	91,348	114,148	70,753	43,395
Non-programmed charges	1,097,281	1,051,160	695,678	355,482
Total expenditures	9,798,547	9,804,699	6,191,844	3,612,855
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
End of year			\$ -	

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

NORTHAMPTON COUNTY BOARD OF EDUCATION **Exhibit 6 (continued)**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 657,657	\$ 592,747	\$ 622,582	\$ 29,835
U.S. Government	226,000	162,978	207,078	44,100
Other	<u>978,088</u>	<u>1,154,282</u>	<u>982,221</u>	<u>(172,061)</u>
Total revenues	<u>1,861,745</u>	<u>1,910,007</u>	<u>1,811,881</u>	<u>(98,126)</u>
Expenditures:				
Current:				
Instructional services	1,769,883	1,795,811	1,107,044	688,767
System-wide support services	1,704,298	1,720,813	684,732	1,036,081
Ancillary services	<u>16,300</u>	<u>22,119</u>	<u>18,084</u>	<u>4,035</u>
Total expenditures	<u>3,490,481</u>	<u>3,538,743</u>	<u>1,809,860</u>	<u>1,728,883</u>
Revenues over (under) expenditures	(1,628,736)	(1,628,736)	2,021	1,630,757
Fund balance appropriated	<u>1,628,736</u>	<u>1,628,736</u>	<u>-</u>	<u>(1,628,736)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,021	<u>\$ 2,021</u>
Fund balances:				
Beginning of year			<u>2,527,767</u>	
End of year			<u>\$ 2,529,788</u>	

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
June 30, 2024

Exhibit 7

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 129,828
Due from other governments	53,978
Inventories	69,471
Total current assets	<u>253,277</u>
Noncurrent assets:	
Capital assets:	
Furniture and office equipment, net of depreciation	<u>104,084</u>
Total assets	<u>357,361</u>
Deferred Outflows of Resources	
Pension and OPEB plans	<u>252,197</u>
Liabilities	
Current liabilities:	
Compensated absences	42,170
Unearned revenue	704
Total current liabilities	<u>42,874</u>
Noncurrent liabilities:	
Net pension liability	271,755
Net OPEB liability	382,599
Compensated absences	34,818
Total noncurrent liabilities	<u>689,172</u>
Total liabilities	<u>732,046</u>
Deferred Inflows of Resources	
Pension and OPEB plans	<u>247,677</u>
Net position	
Investment in capital assets	104,084
Unrestricted (deficit)	<u>(474,249)</u>
Total net position (deficit)	<u>\$ (370,165)</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2024

Exhibit 8

	<u>Enterprise Fund</u> <u>Major Fund</u> <u>School Food</u> <u>Service</u>
Operating revenues:	
Food sales	\$ 59,155
Other	<u>3,607</u>
Total operating revenues	<u>62,762</u>
Operating expenses:	
Food cost:	
Purchase of food	669,750
Donated commodities	71,931
Salaries and benefits	709,655
Materials and supplies	58,120
Repairs and maintenance	30,585
Depreciation	14,228
Non-capitalized equipment	849
Other	<u>28,464</u>
Total operating expenses	<u>1,583,582</u>
Operating loss	<u>(1,520,820)</u>
Nonoperating revenues:	
Federal reimbursements	1,136,468
Federal commodities	71,931
State reimbursements	<u>396,238</u>
Total nonoperating revenues	<u>1,604,637</u>
Income before transfers	83,817
Transfers from other funds	<u>45,000</u>
Change in net position	128,817
Net position (deficit), beginning of year	<u>(498,982)</u>
Net position (deficit), end of year	<u>\$ (370,165)</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2024

Exhibit 9

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
Cash flows from operating activities:	
Cash received from customers	\$ 65,403
Cash paid for goods and services	(787,833)
Cash paid to employees for services	(759,997)
Other	<u>3,607</u>
Net cash used by operating activities	<u>(1,478,820)</u>
Cash flows from noncapital financing activities:	
Federal and State reimbursements	<u>1,540,035</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(33,622)</u>
Net increase in cash and cash equivalents	27,593
Cash and cash equivalents, beginning of year	<u>102,235</u>
Cash and cash equivalents, end of year	<u>\$ 129,828</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (1,520,820)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	14,228
Donated commodities	71,931
Salaries paid by special revenue fund	45,000
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Decrease in accounts receivable	7,477
Increase in inventories	(65)
Decrease in unearned revenue	(1,229)
Decrease in net pension liability	(29,987)
Decrease in net OPEB liability	(39,254)
Decrease in deferred outflows	15,325
Increase in deferred inflows	(71,281)
Increase in compensated absences payable	<u>29,855</u>
Total adjustments	<u>42,000</u>
Net cash used by operating activities	<u>\$ (1,478,820)</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2024

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$71,931 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$45,000 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2024

Exhibit 10

	<u>Private Purpose Trust Fund</u>
Assets	
Cash and cash equivalents	\$ <u>30,349</u>
Liabilities	<u>-</u>
Net position	
Assets held in trust for private purpose	<u>\$ 30,349</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2024

Exhibit 11

	<u>Private Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ <u>1,100</u>
Deductions:	
Instructional costs	<u>560</u>
Change in net position	540
Beginning net position	<u>29,809</u>
Ending net position	<u>\$ 30,349</u>

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Northampton County 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 Northampton County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Northampton County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

Fund Financial Statements: The fund financial statements provide information about the Board's funds, including its fiduciary fund. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary fund is presented separately. Interfund services provided and used are not eliminated in the process of consolidation.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. All expenses are considered to be operating expenses.

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund.

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

Federal Grants Fund. The Federal Grants Fund includes appropriations from the U.S. Government for the current operating expenditures of the public school system.

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten and special programs.

Capital Outlay Fund. The Capital Outlay Fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by proprietary funds and trust funds). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Northampton County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds as well as certain State assistance.

The Board reports the following nonmajor governmental fund:

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

The Board reports the following major enterprise fund:

School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

The Board reports the following fiduciary fund:

Private Purpose Trust Fund. The Private Purpose Trust Fund is used to account for scholarship money under the control of the Board for the benefit of students in the County.

C. Measurement Focus and Basis of Accounting

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

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

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the private purpose trust fund and the individual schools special revenue fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys within a function without the approval of the governing board. The Superintendent may transfer amounts between purpose codes of the same fund with a semi-annual report to the Board required. Amendments are required for any transfers between funds, transfers from contingency appropriations or revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. The STIF consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. The NCCMT is measured at fair value. Ownership interest of the STIF is determined on a fair valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

2. Cash and Cash Equivalents

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

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is classified as nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Prepaid Expenditures

Prepaid expenditures represent amounts paid to vendors for goods or services in one period that benefit a future period. The Board utilizes the consumption method of accounting and recognizes prepaid items as expenditures in the period consumed.

5. Capital Assets

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

For capital assets utilized in governmental activities, it is the policy of the Board to capitalize those assets costing more than \$5,000 with an estimated useful life of two or more years, while for capital assets utilized in business-type activities, it is the policy of the Board to capitalize those assets costing more than \$500 with an estimated useful life of two or more years. The cost of normal repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

	<u>Years</u>
Buildings and improvements	50
Equipment and furniture	5 - 10
Vehicles	10

Depreciation for assets that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the Statement of Activities.

6. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – pension and other post-employment benefit-related deferrals.

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

8. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

9. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

Nonspendable fund balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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.

Prepaid expenditures- portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenditures, which are not spendable resources.

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

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute for amounts owed to the district at year end [G.S. 115C-425(a)]. The restriction will be released as of the beginning of the subsequent fiscal year following collection of the amounts owed to the district.

Restricted for school capital outlay - portion of fund balance that can only be used for school capital outlay. [G.S. 159-18 through 22]

Restricted for instructional services – grant and other revenues restricted for expenditure for various instructional services, as allowable by the funding source.

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

Restricted for individual schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fundraising activities for which they were collected.

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes. The assignment of fund balance is governed by NC General Statutes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by NC General Statutes.

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted. The Board of Education approves the appropriation in accordance with State laws.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that will be used for instructional services, system-wide support services, ancillary services or non-programmed charges, as determined by the Board of Education.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

10. Reconciliation of Government-wide and Fund Financial Statements

a. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental funds balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$184,035 consists of the following elements:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 56,430,702
Less accumulated depreciation and amortization	(34,322,494)
Net capital assets	<u>22,108,208</u>
Deferred outflows of resources related to pensions	5,210,026
Deferred outflows of resources related to OPEB	2,730,236
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(181,529)
Lease liabilities	(71,730)
Compensated absences	(1,211,220)
Net pension liability	(8,556,060)
Net OPEB liability	(12,045,932)
Deferred inflows of resources related to pensions	(670,497)
Deferred inflows of resources related to OPEB	<u>(7,127,467)</u>
Total adjustment	<u>\$ 184,035</u>

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$4,732,883 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 3,725,230
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,045,368)
Amortization expense for intangible assets, the allocation of those assets over their useful lives, that is recorded in the statement of activities but not in the fund statements	(82,192)
New debt and lease liabilities issued during the year are recorded as a source of funds on the fund statements; they have no effect on the statement of activities - they affect only the government-wide statement of net position	(266,153)
Principal payments on debt owed and lease liabilities are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	289,973
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,794,078
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	737,778
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	15,809
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the funds:	
Pension (expense) benefit	(1,875,486)
OPEB (expense) benefit	1,527,063
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(92,770)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	4,921
Total adjustment	<u>\$ 4,732,883</u>

11. Defined Benefit Pension Plans

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

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

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.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of \$3,048,432, a bank balance of \$182 with the State Treasurer in the Federal Grants Fund and a bank overdraft with the State Treasurer of \$277 in the State Public School Fund. The bank balances with the financial institutions and the State Treasurer were \$3,388,810 and \$1,044,907, respectively. Of these balances, \$323,754 was covered by federal depository insurance and \$4,109,963 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2024, the Board had \$637,349 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2024. The Board has no investment balances in the NCCMT as of June 30, 2024. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

3. Accounts Receivable

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

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ -	\$ 39,379	\$ 39,379
Other governmental activities	<u>808,114</u>	<u>35,317</u>	<u>843,431</u>
Total governmental activities	<u>\$ 808,114</u>	<u>\$ 74,696</u>	<u>\$ 882,810</u>
Business-type activities:			
School Food Service Fund	<u>\$ 53,978</u>	<u>\$ -</u>	<u>\$ 53,978</u>

Due from other governments consists of the following:

Governmental activities:		
State Public School Fund	\$ 277	Operating funds from DPI
Other Special Revenue Fund	42,000	Federal funds
Capital Outlay Fund	<u>765,837</u>	Amounts due from State and County
Total governmental activities	<u>\$ 808,114</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 53,978</u>	Federal grant funds

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

4. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 822,357	\$ 1,500,000	\$ -	\$ 2,322,357
Construction in progress	419,744	1,298,187	-	1,717,931
Total capital assets not being depreciated	<u>1,242,101</u>	<u>2,798,187</u>	<u>-</u>	<u>4,040,288</u>
Capital assets being depreciated:				
Buildings and improvements	44,081,658	-	297,488	43,784,170
Equipment and furniture	1,119,036	262,513	-	1,381,549
Vehicles	6,637,403	664,530	191,429	7,110,504
Total capital assets being depreciated	<u>51,838,097</u>	<u>927,043</u>	<u>488,917</u>	<u>52,276,223</u>
Less accumulated depreciation for:				
Buildings and improvements	27,151,922	743,030	297,488	27,597,464
Equipment and furniture	1,045,219	28,252	-	1,073,471
Vehicles	5,523,226	274,086	191,429	5,605,883
Total accumulated depreciation	<u>33,720,367</u>	<u>1,045,368</u>	<u>488,917</u>	<u>34,276,818</u>
Total capital assets being depreciated, net	<u>18,117,730</u>			<u>17,999,405</u>
Capital assets being amortized:				
Right to use assets:				
Leased equipment	292,251	-	178,060	114,191
Less accumulated amortization for:				
Right to use assets:				
Leased equipment	141,544	82,192	178,060	45,676
Right to use assets, net	<u>150,707</u>			<u>68,515</u>
Governmental activity capital assets, net	<u>\$ 19,510,538</u>			<u>\$ 22,108,208</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	\$ 1,554,515	\$ 33,622	\$ -	\$ 1,588,137
Less accumulated depreciation for:				
Equipment, furniture and vehicles	1,469,825	14,228	-	1,484,053
School Food Service capital assets, net	<u>\$ 84,690</u>			<u>\$ 104,084</u>

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Amortization of \$82,192 was charged to operational support services. Depreciation was charged to governmental functions as follows:

Instructional services	\$ 743,030
System-wide support services	274,086
Unallocated depreciation	<u>28,252</u>
 Total	 <u>\$ 1,045,368</u>

5. Construction and Other Significant Commitments

As of June 30, 2024, the Board had a project in progress for construction of a new high school. The Board had contracts outstanding relating to this project with a remaining commitment of approximately \$1.6 million at June 30, 2024.

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

Plan Description. The Board is a participating employer in the statewide Teachers' and State Employees' Retirement System (TSERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (state 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 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

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of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor’s Alternate Benefit for life or a return of the member’s contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board’s contractually required contribution rate for the year ended June 30, 2024 was 17.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$1,851,059 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of \$8,827,815 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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. The Board’s proportion at June 30, 2023 and 2022 was 0.0530% and 0.0615%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$1,925,438. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 719,676	\$ 65,156
Changes of assumptions	310,021	-
Net difference between projected and actual earnings on pension plan investments	2,458,546	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	36,205	626,637
Board contributions subsequent to the measurement date	1,851,059	-
Total	\$ 5,375,507	\$ 691,793

\$1,851,059 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

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<u>Year ended June 30:</u>	
2025	\$ 831,270
2026	474,544
2027	1,421,821
2028	<u>105,020</u>
Total	<u>\$ 2,832,655</u>

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

Inflation	2.50 percent
Salary increases	3.25 to 8.05 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100%</u>	

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The information above is based on 30-year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rates used to measure the total pension liability reported at June 30, 2024 and 2023 was 6.50% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Board’s proportionate share of the net pension asset to changes in the discount rate. The following presents the Board’s proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Board’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	\$ 15,155,290	\$ 8,827,815	\$ 3,607,854

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

b. Other Postemployment Benefits

1. Healthcare Benefits

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

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

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

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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, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2024, the Board contributed 7.14% of covered payroll, which amounted to \$749,663 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$16,311.

At June 30, 2024, the Board reported a liability of \$12,416,432 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.0466% and 0.0536%, respectively.

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\$749,663 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ (2,049,696)
2026	(1,813,270)
2027	(1,229,198)
2028	(236,844)
Total	<u>\$ (5,329,008)</u>

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-10.00%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2024 and 2023 were 3.65% and 3.54%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan’s fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate:

	1% decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability	14,649,041	12,416,432	10,600,422

Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

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	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.50%, Pharmacy - 6.00- 11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 10,251,925	\$ 12,416,432	\$ 15,210,423

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.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024, employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$11,549 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of \$12,099 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.0455% and 0.0530%, respectively.

\$11,549 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2025	\$ 9,355
2026	6,731
2027	7,438
2028	3,918
2029	2,123
Thereafter	<u>1,335</u>
Total	<u>\$ 30,900</u>

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

Inflation	2.50%
Salary increases	3.25%-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	\$ 14,544	\$ 12,099	\$ 9,608

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 1.2%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2024:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (1,641,531)	\$ 20,236	\$ (1,621,295)
OPEB liability (asset)	12,416,432	12,099	12,428,531
Proportionate share of the net OPEB liability / asset	0.0466%	0.0455%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 136,729	\$ 10,603	\$ 147,332
Changes of assumptions	1,345,078	882	1,345,960
Net difference between projected and actual earnings on plan investments	99,189	15,802	114,991
Changes in proportion and differences between Board contributions and proportionate share of contributions	435,078	12,379	447,457
Board contributions subsequent to the measurement date	749,663	11,549	761,212
Total deferred outflows of resources	<u>\$ 2,765,737</u>	<u>\$ 51,215</u>	<u>\$ 2,816,952</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 12,166	\$ 6,701	\$ 18,867
Changes of assumptions	3,312,604	2,065	3,314,669
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,020,312	-	4,020,312
Total deferred inflows of resources	<u>\$ 7,345,082</u>	<u>\$ 8,766</u>	<u>\$ 7,353,848</u>

2. Accounts Payable

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

	<u>Vendors and Other</u>
Governmental activities:	
General Fund	\$ 163,498
Other governmental activities	456,116
Total governmental activities	<u>\$ 619,614</u>

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

3. Unearned Revenues

The balance in unearned revenues at year-end is composed of the following item:

Governmental activities:	
Federal grant funds (Federal Grants Fund)	\$ <u>182</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	\$ <u>704</u>

4. Deferred Outflows and Inflows of Resources

The balances in deferred outflows and inflows of resources at year-end are composed of the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 867,008	\$ 84,023
Changes of assumptions	1,655,981	3,314,669
Net difference between projected and actual earnings on pension and OPEB plan investments	2,573,537	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	483,662	4,646,949
Board contributions subsequent to the measurement date	<u>2,612,271</u>	-
Total	<u>\$ 8,192,459</u>	<u>\$ 8,045,641</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1,000,000 each claim made / \$3,150,000 coverage period aggregate. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from Federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina.

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays most of the cost of coverage for employees enrolled in the Plan.

In accordance with G.S. 115C-442, the Board’s employees who have custody of the Board’s monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$5,000.

The Board carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and claims have not exceeded coverage in any of the past three fiscal years.

6. Long-Term Obligations

a. Leases

The Board has entered into an agreement to lease certain equipment. The lease agreement qualifies as other than short-term leases under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The agreement was executed on July 1, 2022. The lease is for a 60-month term and requires monthly payments in accordance with the contract. There are no variable payment components of the lease. The lease liability was measured using a discount rate of 4.75%. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$68,515 on June 30, 2024. The right to use assets are discussed in more detail in Note 1.

The following is a schedule of the future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2024:

<u>Year Ending June 30:</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2025	\$ 22,789	\$ 2,915	\$ 25,704
2026	23,895	1,809	25,704
2027	<u>25,046</u>	<u>657</u>	<u>25,703</u>
Totals	<u>\$ 71,730</u>	<u>\$ 5,381</u>	<u>\$ 77,111</u>

b. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot 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 special third-party direct placement financing arrangements. During the current and prior fiscal years, the Board entered into two such contracts for the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The gross amount of buses capitalized under the outstanding installment purchase contracts totaled \$459,941 at June 30, 2024. The financing contracts require four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates. The future minimum payments of the installment purchase contracts are as follows:

NORTHAMPTON COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2024

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
	<u>Principal</u>
2025	\$ 114,989
2026	66,540
Totals	<u>\$ 181,529</u>

c. Long-Term Obligation Activity

The following is a summary of changes in the Board’s long-term obligations for the fiscal year ended June 30, 2024:

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement installment purchases	\$ 122,185	\$ 266,153	\$ 206,809	\$ 181,529	\$ 114,989
Lease liabilities	154,894	-	83,164	71,730	22,789
Net pension liability	8,821,782	-	265,722	8,556,060	-
Net OPEB liability	12,333,358	-	287,426	12,045,932	-
Compensated absences	1,118,450	810,307	717,537	1,211,220	777,053
Total	<u>\$ 22,550,669</u>	<u>\$ 1,076,460</u>	<u>\$ 1,560,658</u>	<u>\$ 22,066,471</u>	<u>\$ 914,831</u>
Business-type activities:					
Net pension liability	\$ 301,742	\$ -	\$ 29,987	\$ 271,755	\$ -
Net OPEB liability	421,853	-	39,254	382,599	-
Compensated absences	47,133	55,672	25,817	76,988	42,170
Total	<u>\$ 770,728</u>	<u>\$ 55,672</u>	<u>\$ 95,058</u>	<u>\$ 731,342</u>	<u>\$ 42,170</u>

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

C. Interfund Balances and Activity

Transfers to/from other Funds

Transfers to/from other funds at June 30, 2024 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 45,000</u>
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**NORTHAMPTON COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2024**

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 22,108,208
Less:	
Lease liabilities	(71,730)
Installment purchase obligations for school buses	<u>(181,529)</u>
Net investment in capital assets, governmental activities	<u>\$ 21,854,949</u>

2. Fund Balance

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

Total fund balance - General Fund	\$ 965,146
Less:	
Inventories	(116,922)
Prepaid expenditures	(16,389)
Stabilization by State statute	(39,379)
Appropriated Fund Balance in the 2024-2025 budget	<u>(518,841)</u>
Unassigned fund balance	<u>\$ 273,615</u>

NOTE 3 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Schedule of Board Contributions
Retiree Health Benefit Fund

Schedule of the Board's Proportionate Share of the Net OPEB Liability (Asset)
Disability Income Plan of North Carolina

Schedule of Board Contributions
Disability Income Plan of North Carolina

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net pension liability (asset)	0.053%	0.062%	0.062%	0.070%	0.073%
Board's proportionate share of the net pension liability (asset)	\$ 8,827,815	\$ 9,123,524	\$ 2,893,847	\$ 8,415,111	\$ 7,598,979
Board's covered payroll	\$ 9,833,705	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	89.77%	85.33%	25.94%	71.15%	61.81%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Board's proportion of the net pension liability (asset)	0.077%	0.079%	0.079%	0.083%	0.088%
Board's proportionate share of the net pension liability (asset)	\$ 7,638,311	\$ 6,227,743	\$ 7,295,842	\$ 3,070,507	\$ 1,029,151
Board's covered payroll	\$ 12,040,844	\$ 12,348,659	\$ 11,958,262	\$ 12,290,164	\$ 12,324,948
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	63.44%	50.43%	61.01%	24.98%	8.35%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 1,851,059	\$ 1,709,098	\$ 1,751,413	\$ 1,648,771	\$ 1,533,898
Contributions in relation to the contractually required contribution	<u>1,851,059</u>	<u>1,709,098</u>	<u>1,751,413</u>	<u>1,648,771</u>	<u>1,533,898</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,499,484	9,833,705	10,692,387	11,155,419	11,826,507
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,510,914	\$ 1,298,003	\$ 1,232,396	\$ 1,094,181	\$ 1,124,550
Contributions in relation to the contractually required contribution	<u>1,510,914</u>	<u>1,298,003</u>	<u>1,232,396</u>	<u>1,094,181</u>	<u>1,124,550</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	12,293,849	12,040,844	12,348,657	\$ 11,958,262	\$ 12,290,164
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST EIGHT FISCAL YEARS***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability (asset)	0.047%	0.054%	0.052%	0.060%	0.063%
Board's proportionate share of the net OPEB liability (asset)	\$ 12,416,432	\$ 12,739,433	\$ 16,015,471	\$ 16,678,334	\$ 19,777,685
Board's covered payroll	\$ 9,833,705	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	126.26%	119.14%	149.78%	141.03%	160.87%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	6.92%	4.40%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Board's proportion of the net OPEB liability (asset)	0.068%	0.069%	0.068%		
Board's proportionate share of the net OPEB liability (asset)	\$ 19,339,852	\$ 22,572,008	\$ 29,757,165		
Board's covered payroll	\$ 12,040,844	\$ 12,348,659	\$ 11,958,262		
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	160.62%	182.79%	248.84%		
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	2.41%		

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only eight years of data presented.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 749,663	\$ 677,542	\$ 672,551	\$ 745,182	\$ 765,175
Contributions in relation to the contractually required contribution	<u>749,663</u>	<u>677,542</u>	<u>672,551</u>	<u>745,182</u>	<u>765,175</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,499,484	\$ 9,833,705	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 770,824	\$ 728,471	\$ 721,799	\$ 670,012	\$ 672,296
Contributions in relation to the contractually required contribution	<u>770,824</u>	<u>728,471</u>	<u>721,799</u>	<u>670,012</u>	<u>672,296</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 12,293,849	\$ 12,040,844	\$ 12,348,657	\$ 11,958,262	\$ 12,290,164
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST EIGHT FISCAL YEARS***

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.046%	0.053%	0.054%	0.060%	0.064%
Board's proportionate share of the net OPEB liability (asset)	\$ 12,099	\$ 15,778	\$ (8,739)	\$ (29,467)	\$ (27,547)
Board's covered payroll	\$ 9,833,705	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.12%	0.15%	0.08%	0.25%	0.22%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.61%	90.34%	105.18%	115.57%	113.00%

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	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.067%	0.069%	0.070%
Board's proportionate share of the net OPEB liability (asset)	\$ (20,397)	\$ (42,020)	\$ (43,638)
Board's covered payroll	\$ 12,040,844	\$ 12,348,659	\$ 11,958,262
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.17%	0.34%	0.36%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	108.47%	116.23%	116.06%

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only eight years of data presented.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 11,549	\$ 9,834	\$ 9,623	\$ 10,040	\$ 11,827
Contributions in relation to the contractually required contribution	<u>11,549</u>	<u>9,834</u>	<u>9,623</u>	<u>10,040</u>	<u>11,827</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,499,484	\$ 9,833,705	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 17,211	\$ 16,857	\$ 47,209	\$ 49,054	\$ 50,208
Contributions in relation to the contractually required contribution	<u>17,211</u>	<u>16,857</u>	<u>47,209</u>	<u>49,054</u>	<u>50,208</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 12,293,849	\$ 12,040,714	\$ 12,348,657	\$ 11,958,262	\$ 12,290,164
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

INDIVIDUAL FUND BUDGETARY SCHEDULES

NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Northampton County:			
County appropriation	\$ 3,780,000	\$ 3,780,000	\$ -
Other:			
Fines and forfeitures	82,090	66,305	(15,785)
Interest earned on investment	24,000	25,610	1,610
Total other	106,090	91,915	(14,175)
Total revenues	3,886,090	3,871,915	(14,175)
Expenditures:			
Current:			
Instructional services:			
Regular instructional		86,118	
Special populations		32,659	
Alternative programs		26,219	
School leadership		123,329	
Co-curricular		221,568	
School-based support		22,263	
Total instructional services	643,945	512,156	131,789
System-wide support services:			
Support and development		65,645	
Special population support and development		10,149	
Technology support		94,801	
Operational support		320,082	
Financial and human resource services		289,580	
Accountability		5,239	
System-wide pupil support		35,416	
Policy, leadership and public relations		641,314	
Total system-wide support services	1,975,947	1,462,226	513,721
Ancillary services:			
Nutrition	3,582	3,561	21
Non-programmed charges			
Payments to other governments	1,200,000	1,167,799	32,201
Debt service:			
Principal retirement	61,430	61,430	-
Interest and fees	1,186	1,186	-
Total debt service	62,616	62,616	-
Total expenditures	3,886,090	3,208,358	677,732
Net change in fund balance	\$ -	663,557	\$ 663,557
Fund balance:			
Beginning of year		296,668	
Change in reserve for inventories		4,921	
End of year		\$ 965,146	

NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 206,809	\$ 206,809	\$ -
Lottery Capital Funds	49,635,646	1,591,656	(48,043,990)
Total State of North Carolina	<u>49,842,455</u>	<u>1,798,465</u>	<u>(48,043,990)</u>
Northampton County:			
County appropriations	<u>1,953,000</u>	<u>1,948,000</u>	<u>(5,000)</u>
Other:			
Miscellaneous	<u>218,406</u>	<u>216,331</u>	<u>(2,075)</u>
Total revenues	<u>52,013,861</u>	<u>3,962,796</u>	<u>(48,051,065)</u>
Expenditures:			
Current:			
Instructional services:			
Co-curricular	214,380	214,380	-
System-wide support services:			
Operational support	708,148	266,153	441,995
Ancillary services:			
Nutrition	32,978	-	32,978
Debt service:			
Principal retirement	206,809	206,809	-
Capital outlay	<u>51,574,194</u>	<u>3,578,067</u>	<u>47,996,127</u>
Total expenditures	<u>52,736,509</u>	<u>4,265,409</u>	<u>48,471,100</u>
Revenues under expenditures	<u>(722,648)</u>	<u>(302,613)</u>	<u>420,035</u>
Other financing sources:			
Installment purchase obligations issued	708,148	266,153	(441,995)
Proceeds from disposal of capital assets	<u>14,500</u>	<u>32,937</u>	<u>18,437</u>
Total other financing sources	<u>722,648</u>	<u>299,090</u>	<u>(423,558)</u>
Net change in fund balance	<u>\$ -</u>	<u>(3,523)</u>	<u>\$ (3,523)</u>
Fund balance:			
Beginning of year		<u>359,881</u>	
End of year		<u>\$ 356,358</u>	

NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 37,945	\$ 59,155	\$ 21,210
Other	1,504	3,607	2,103
Total operating revenues	<u>39,449</u>	<u>62,762</u>	<u>23,313</u>
Operating expenditures:			
Business support services:			
Purchase of food		669,815	
Donated commodities		71,931	
Salaries and benefits		804,997	
Materials and supplies		58,120	
Repairs and maintenance		30,585	
Non-capitalized equipment		849	
Other		28,464	
Capital outlay		33,622	
Total operating expenditures	<u>2,010,033</u>	<u>1,698,383</u>	<u>311,650</u>
Operating loss	<u>(1,970,584)</u>	<u>(1,635,621)</u>	<u>334,963</u>
Nonoperating revenues:			
Federal reimbursements and grants	1,382,419	1,136,468	(245,951)
Federal commodities	82,955	71,931	(11,024)
State reimbursements	460,210	396,238	(63,972)
Total nonoperating revenues	<u>1,925,584</u>	<u>1,604,637</u>	<u>(320,947)</u>
Revenues under expenditures	(45,000)	(30,984)	14,016
Other financing sources:			
Transfers from other funds	45,000	45,000	-
Net change in fund balance	<u>\$ -</u>	14,016	<u>\$ 14,016</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(14,228)	
Net pension liability		29,987	
Net OPEB liability		39,254	
Deferred outflows - pension and OPEB		(15,325)	
Deferred inflows - pension and OPEB		71,281	
Equipment purchases		33,622	
Increase in compensated absences payable		(29,855)	
Increase in inventories		65	
Change in net position (full accrual)		<u>\$ 128,817</u>	

COMPLIANCE SECTION



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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*

To the Northampton County Board of Education
Jackson, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Northampton County Board of Education, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises the Northampton County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated August 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Northampton County Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Northampton County Board of Education'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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Northampton County Board of Education's financial statements are free of 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 determination of financial statement amounts. 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 matter that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Anderson Smith & Wike PLLC

*August 23, 2024
Rockingham, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Report On Compliance for Each Major Federal Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit
Implementation Act

To the Northhampton County Board of Education
Jackson, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Northhampton County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Northhampton County Board of Education'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 Northhampton County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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) and the State Single Audit Implementation Act. Our responsibilities under those standards, 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 Northhampton County Board of Education 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 provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Northhampton County Board of Education'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 Northhampton County Board of Education'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 Northhampton County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the

State Single Audit Implementation Act will always detect material 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 Northampton County Board of Education's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material 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 Northampton County Board of Education'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 Northampton County Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Northampton County Board of Education'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 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 and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Anderson Smith & Wike PLLC

August 23, 2024
Rockingham, North Carolina



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Report On Compliance for Each Major State Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance and the State Single Audit
Implementation Act

To the Northampton County Board of Education
Jackson, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Northampton County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2024. The Northampton County Board of Education'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 Northampton County Board of Education 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, 2024.

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) and the State Single Audit Implementation Act. Our responsibilities under those standards, 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 Northampton County Board of Education 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 provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Northampton County Board of Education'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 Northampton County Board of Education'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 Northampton County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the

State Single Audit Implementation Act will always detect material 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 Northampton County Board of Education's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material 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 Northampton County Board of Education'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 Northampton County Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Northampton County Board of Education'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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

Anderson Smith & Wike PLLC

August 23, 2024
Rockingham, North Carolina

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance to GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None Identified for Reporting*

Noncompliance material to financial statements noted? *No*

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified? *None Identified for Reporting*

Type of auditor’s report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? *No*

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster
84.425	COVID-19 – Education Stabilization Fund
	Child Nutrition Cluster:
10.555	National School Lunch Program (Commodities)
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	After School Snack Program
10.555	Seamless Summer Program
10.555	Supply Chain Assistance Funds
10.582	Fresh Fruit and Vegetable Grant

Dollar threshold used to distinguish between Type A and Type B Programs *\$ 750,000*

Auditee qualified as low-risk auditee? *No*

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditor's Results (Continued)

State Awards

Internal control over major State programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None Identified for Reporting

Type of auditor's report issued on compliance for major State programs: Unmodified

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

Identification of major State programs:

Program Name

State Public School Fund
Needs-Based Public School Capital Fund

Dollar threshold used to distinguish between Major State Programs \$ 500,000

Auditee qualified as low-risk auditee? No

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

**NORTHAMPTON COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2024**

Finding 23-01

Status: Corrected.

NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 71,931
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	336,038
National School Lunch Program	10.555	PRC 035	654,019
Supply Chain Assistance Funds	10.555	PRC 035	35,500
Seamless Summer Program	10.555	PRC 035	59,288
After School Snack Program	10.555	PRC 035	2,409
Fresh Fruit and Vegetable Grant	10.582	PRC 035	49,214
Cash Assistance Subtotal			<u>1,136,468</u>
Total Child Nutrition Cluster			<u>1,208,399</u>
Total U.S. Department of Agriculture			<u>1,208,399</u>
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050,105	576,770
Migrant Education (Title I of IASA)	84.011	PRC 051	35,359
Supporting Effective Instruction	84.367	PRC 103	154,092
Student Support and Academic Enrichment Program	84.424	PRC 108	171,983
Rural and Low Income Schools	84.358	PRC 109	73,793
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	484,823
COVID-19 - ARP - Grants to States - IDEA, part B (611)	84.027	PRC 185	34,117
Special Needs Targeted Assistance	84.027	PRC 118	10,302
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	19,271
COVID-19 - ARP - Preschool Grants - IDEA, Part B (619)	84.173	PRC 186	6,064
Preschool Targeted Assistance	84.173	PRC 119	1,651
Total Special Education Cluster			<u>556,228</u>
Special Education - State Personnel Development	84.323	PRC 082	6,021
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	59,394

NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>AL</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Expenditures</u>
COVID-19 - Education Stabilization Fund:			
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	116,952
COVID-19 - ESSER II - Supplemental Contracted Instructional Support Funding	84.425D	PRC 173	9,000
COVID-19 - ESSER II - Learning Loss Funding	84.425D	PRC 176	16,557
COVID-19 - ESSER II - Summer Career Accel. Program	84.425D	PRC 177	36
COVID-19 - ESSER II - Competency-Based Assessment	84.425D	PRC 178	1,685
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	4,351,665
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	9,133
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	30,274
COVID-19 - ESSER III - CTE - Hospitality	84.425U	PRC 194	881
COVID-19 - ESSER III - Educational and Competitive After-School Robotics Grant Program	84.425U	PRC 201	22,021
Total COVID-19 - Education Stabilization Fund	84.425		<u>4,558,204</u>
Total U.S. Department of Education			<u>6,191,844</u>
Administration for Youth and Families:			
Passed-through the Choanoke Area Development Association, Inc.: Head Start	93.600	PRC 309	<u>164,100</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	12.000	N/A	<u>42,978</u>
Total Federal Assistance			<u>\$ 7,607,321</u>
State Grants:			
<u>N.C. Department of Public Instruction</u>			
Cash Assistance:			
State Public School Fund		Various	\$ 14,649,172
Career and Technical Education:			
State Months of Employment		PRC 013	595,521
Program Support Funds		PRC 014	177,177
Driver Training		PRC 012	17,201
School Technology Fund		PRC 015	34,247

NORTHAMPTON COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>AL</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Expenditures</u>
Passed-through Northampton County:			
Lottery Capital Funds:			
Needs-Based Public School Capital Fund			1,591,656
Cash assistance subtotal			17,064,974
Non-Cash Assistance:			
State Buses Appropriation		PRC 120	206,809
Total N.C. Department of Public Instruction			17,271,783
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
N.C. Pre-Kindergarten Program		N/A	472,582
Child and Adult Care Food Program		N/A	396,238
School Nurse Funding Initiative		N/A	150,000
Total N.C. Department of Health and Human Services			1,018,820
Total State Assistance			18,290,603
Total Federal and State Assistance			\$ 25,897,924

Notes to the Schedule of Expenditures of Federal and State Awards:

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Northampton County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Northampton County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Northampton County Board of Education.

Note 2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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