

**Jackson County  
Board of Education**

Financial Statements

Year Ended June 30, 2022

***JACKSON COUNTY BOARD OF EDUCATION***  
***Sylva, North Carolina***

Members of the Board of Education

Elizabeth Cooper, Chairperson

Wes Jamison, Vice Chairperson

Abigail Clayton

Kim Moore

Dr. Lynn Dillard

Administrative and Financial Staff

Dr. Dana Ayers, Superintendent

Kristie Walker, Finance Officer

# **JACKSON COUNTY BOARD OF EDUCATION**

---

## TABLE OF CONTENTS

<u>Exhibit</u>	<u>Page No.</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government – wide Financial Statements:	
1 Statement of Net Position.....	12
2 Statement of Activities.....	13
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds.....	14
4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	16
5 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds	18
6 Statement of Net Position – Proprietary Fund.....	22
7 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund.....	23
8 Statement of Cash Flows – Proprietary Fund.....	24
Notes to the Financial Statements.....	26
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System.....	52
Schedule of Board Contributions – Teachers' and State Employees' Retirement System.....	53
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund.....	54
Schedule of Board Contributions – Retiree Health Benefit Fund.....	55
Schedule of the Board's Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina.....	55
Schedule of Board Contributions – Disability Income Plan of North Carolina.....	57
Individual Fund Budgetary Schedules:	
A-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund.....	58
B-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Outlay Fund.....	59
C-1 Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – School Nutrition Fund.....	60
Compliance Report.....	62



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Jackson County Board of Education  
Sylva, North Carolina

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson County Board of Education, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise of the Jackson 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 Jackson County Board of Education as of June 30, 2022, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, the Other Special Revenue Fund, and the Federal Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

Management is responsible for the preparation and fair presentation of these 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 raises substantial doubt about Jackson County Board of Education's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- Exercised professional judgement and maintained 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 responsible 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 Jackson 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 Jackson 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 11 and the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Board Contributions on pages 52 through 57, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 Jackson County Board of Education's basic financial statements. The individual fund budgetary schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by 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, 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, individual fund budgetary schedules and the schedule of expenditures of federal and state awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2022 on our consideration of Jackson 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 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 Jackson 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 Jackson County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

November 22, 2022  
Huntersville, North Carolina

**JACKSON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

---

This section of the Jackson 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, 2022. This information should be read in conjunction with the audited financial statements included in this report.

***Historical Perspective***

The Board was formed circa 1889. Today, the Board is one out of 115 public school systems in North Carolina. At one time, Jackson County had more than 40 public schools. Through consolidation over the years, the Board now has nine schools: two early college high schools, a traditional high school, an alternative school, a K-6 school and four K-8 schools.

***Financial Highlights***

- The liabilities and deferred inflows of resources of the Board exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$3,504,675 (net position).
- The Jackson County Board of Commissioners continued funding a special allotment to finance technology upgrades in the schools in the amount of \$425,000. In addition, the County funded a special allotment of \$320,700 to continue the Board of Education's one to one initiative.
- To enable the Board of Education to better maintain its existing buildings, the Jackson County Board of County Commissioners continued the capital outlay appropriation of \$375,000 to be used for preventive maintenance.
- As of the close of the fiscal year, the Board's governmental funds reported combined ending fund balances of \$10,182,394.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,680,236.

***Overview of the Financial Statements***

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental information section presents schedules for Teachers' and State Employees' Retirement System, Retiree Health Benefit Fund, Disability Income Plan of North Carolina*

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 and liabilities. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the Board's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The Statement of Activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds and proprietary 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 fund is presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the financial resources of each of the Board's major funds.

### **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 they have changed. Net position – the difference between the total of the Board's assets and deferred outflows of resources and the total of the Board's liabilities and deferred inflows of resources – 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 Jackson County's (the "County") property tax base and the condition of its school buildings and other physical assets.

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

- Governmental activities: Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County 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 nutrition is included in this activity.

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 and the Other Special Revenue funds.

Jackson County Board of Education has two types of funds:

*Governmental funds:* Most of the Board's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out, and the balances left at year-end that are available for spending. As a result of this 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 funds 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, and 5 of this report.

*Proprietary fund:* Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Board has one proprietary fund, which is an enterprise fund, the School Nutrition Fund.

The proprietary fund statements are shown as Exhibits 6, 7, and 8 of this report.

*Notes to the Basic Financial Statements:* The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### ***Financial Analysis of the Schools as a Whole***

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded its assets and deferred outflows by \$3,504,675. The largest component of net position, other than unrestricted net position, is net investment in capital assets, of \$43,867,246.

**JACKSON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

---

Following is a summary of the Statement of Net Position:

<b>Table 1</b>						
<b>Condensed Statement of Net Position</b>						
<b>As of June 30, 2022 and 2021</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Current assets	\$ 10,946,341	\$ 9,306,148	\$ 931,837	\$ 668,552	\$ 11,878,178	\$ 9,974,700
Capital assets	43,805,461	45,540,800	263,872	270,690	44,069,333	45,811,490
Total assets	<u>54,751,802</u>	<u>54,846,948</u>	<u>1,195,709</u>	<u>939,242</u>	<u>55,947,511</u>	<u>55,786,190</u>
Deferred outflows of resources	<u>12,391,725</u>	<u>10,978,255</u>	<u>336,745</u>	<u>272,736</u>	<u>12,728,470</u>	<u>11,250,991</u>
Current liabilities	574,018	1,645,666	39,332	44,045	613,350	1,689,711
Long-term liabilities	<u>48,658,883</u>	<u>56,364,552</u>	<u>1,355,208</u>	<u>1,390,494</u>	<u>50,014,091</u>	<u>57,755,046</u>
Total liabilities	<u>49,232,901</u>	<u>58,010,218</u>	<u>1,394,540</u>	<u>1,434,539</u>	<u>50,627,441</u>	<u>59,444,757</u>
Deferred inflows of resources	<u>20,983,003</u>	<u>17,218,507</u>	<u>570,212</u>	<u>427,763</u>	<u>21,553,215</u>	<u>17,646,270</u>
Net investment in capital assets	43,603,374	45,446,701	263,872	270,690	43,867,246	45,717,391
Restricted net position	1,989,751	1,772,305	579	1,596	1,990,330	1,773,901
Unrestricted net position	<u>(48,665,502)</u>	<u>(56,622,528)</u>	<u>(696,749)</u>	<u>(922,610)</u>	<u>(49,362,251)</u>	<u>(57,545,138)</u>
Total net assets	<u>\$ (3,072,377)</u>	<u>\$ (9,403,522)</u>	<u>\$ (432,298)</u>	<u>\$ (650,324)</u>	<u>\$ (3,504,675)</u>	<u>\$ (10,053,846)</u>

Note that net position of governmental activities increased during the year, indicating an improvement in the financial condition of the Board. Also note that the Board carries capital assets for which Jackson County carries the offsetting debt.

**JACKSON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

The following table shows the revenues and expenses for the Board for the current and most recent prior fiscal years.

<b>Table 2</b>						
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position For the Fiscal Years Ended June 30, 2022 and 2021</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2022	6/30/2021	6/30/2022	6/30/2021	6/30/2022	6/30/2021
Revenues:						
<b>Program revenues:</b>						
Charges for services	\$ 124,448	\$ 78,950	\$ 192,804	\$ 80,877	\$ 317,252	\$ 159,827
Operating grants and contributions	36,785,230	29,384,362	2,545,344	1,652,267	39,330,574	31,036,629
Capital grants and contributions	512,228	186,636	13,947	6,251	526,175	192,887
<b>General revenues:</b>						
Other revenues	14,139,156	14,010,462	1,016	(14,033)	14,140,172	13,996,429
<b>Total revenues</b>	<u>51,561,062</u>	<u>43,660,410</u>	<u>2,753,111</u>	<u>1,725,362</u>	<u>54,314,173</u>	<u>45,385,772</u>
Expenses:						
<b>Governmental activities:</b>						
Instructional services	34,345,261	32,326,892	-	-	34,345,261	32,326,892
System-wide support services	9,802,254	9,367,864	-	-	9,802,254	9,367,864
Ancillary services	285,748	105,039	-	-	285,748	105,039
Non-programmed charges	544,164	652,885	-	-	544,164	652,885
Interest on long-term debt	5,910	-	-	-	5,910	-
Depreciation	200,101	193,991	-	-	200,101	193,991
<b>Business-type activities:</b>						
School food service	-	-	2,581,564	1,644,987	2,581,564	1,644,987
<b>Total expenses</b>	<u>45,183,438</u>	<u>42,646,671</u>	<u>2,581,564</u>	<u>1,644,987</u>	<u>47,765,002</u>	<u>44,291,658</u>
Net revenues (expenses)	6,377,624	1,013,739	171,547	80,375	6,549,171	1,094,114
Transfers in (out)	(46,479)	(82,487)	46,479	82,487	-	-
Increase (decrease) in net position	6,331,145	931,252	218,026	162,862	6,549,171	1,094,114
Beginning net position	(9,403,522)	(10,334,774)	(650,324)	(813,186)	(10,053,846)	(11,147,960)
<b>Ending net position</b>	<u>\$ (3,072,377)</u>	<u>\$ (9,403,522)</u>	<u>\$ (432,298)</u>	<u>\$ (650,324)</u>	<u>\$ (3,504,675)</u>	<u>\$ (10,053,846)</u>

**JACKSON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

---

Total governmental activities generated revenues of \$51.6 million, while expenses in this category totaled \$45.2 million. After transfers to the business-type activities, the increase in net position was \$6,331,145. Instructional expenses in 2022 and 2021 comprised 74% and 76% of total governmental-type expenses while support services made up 22% and 21% of those expenses, respectively, for that same time period. County funding comprised 19% and 26% of total governmental revenue in 2022 and 2021, respectively. Much of the remaining governmental revenue consists of restricted State and federal funding. Total revenues in the business-type activities were \$2.8 million in 2022 while expenses were \$2.6 million. After \$46,479 of transfers from governmental activities, net position of business-type activities increased by \$218,026.

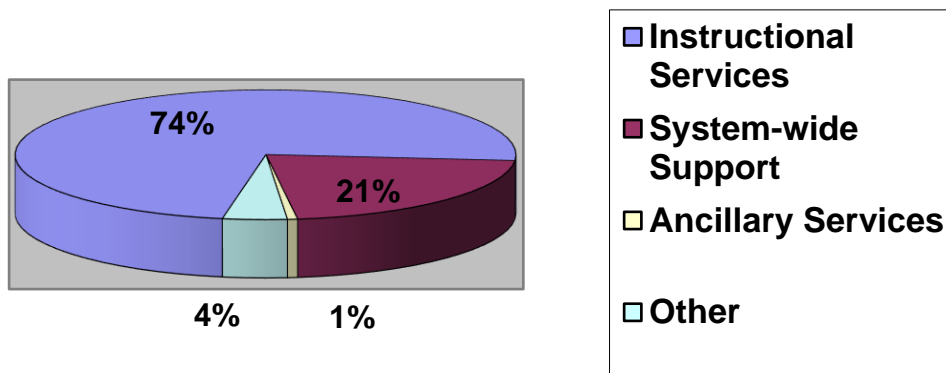
***Financial Analysis of the Board's Funds***

**Governmental Funds:** The focus of Jackson 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 \$10,182,394, a \$2,586,172 increase from the 2021 fiscal year. The General Fund increased by \$512,384.

**Proprietary Fund:** The Board's business-type fund had an increase in net position in the past year. The School Nutrition Fund reflected an increase in net position of \$218,026.

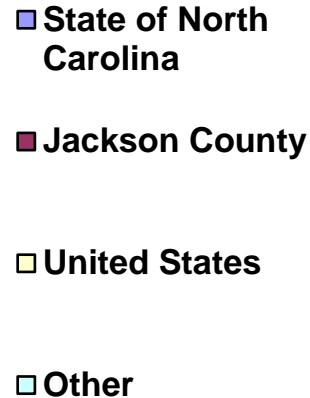
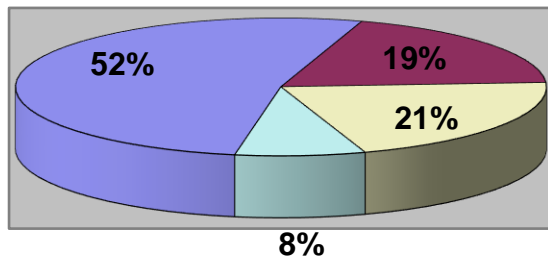
**Categorization of Expenditures  
for Governmental Funds**



Expenditures are presented on the modified accrual basis of accounting.

**JACKSON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

**Governmental Fund Revenues**



Revenues presented on modified accrual basis of accounting.

**General Fund Budgetary Highlights**

The Board approved several budget amendments to account for changes in revenue and expenditure projections. Budget amendments are submitted to the Board on a monthly basis to reflect new revenues not measurable or known at the time of the original budget resolution. State and federal budgets are not approved at the State level until after the fiscal year begins and amendments are needed to reconcile the initial budget to final approved State and federal budgets. The State may send new allotments throughout the year and require additional budget amendments. There were no significant budget amendments during the year and there were no significant expenditures in excess of the budgeted expenditures.

**Capital Assets**

Capital assets decreased by \$1,742,157 (4%) from the previous year. This was due to current year depreciation expense exceeding capital additions.

The following is a summary of the capital assets, net of depreciation at year-end.

<b>Table 3</b>						
<b>Summary of Capital Assets</b>						
<b>As of June 30, 2022 and 2021</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Land	\$ 1,809,021	\$ 1,809,021	\$ -	\$ -	\$ 1,809,021	\$ 1,809,021
Buildings and improvements	38,989,512	40,884,429	-	-	38,989,512	40,884,429
Equipment and furniture	1,099,417	1,238,129	263,872	270,690	1,363,289	1,508,819
Vehicles	1,907,511	1,609,221	-	-	1,907,511	1,609,221
Total	<u>\$ 43,805,461</u>	<u>\$ 45,540,800</u>	<u>\$ 263,872</u>	<u>\$ 270,690</u>	<u>\$ 44,069,333</u>	<u>\$ 45,811,490</u>

**JACKSON COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2022**

---

***Debt Outstanding***

The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction.

***Economic Factors***

County funding is a major source of revenue for the Board; therefore, Jackson County's economic outlook directly affects that of the schools. As of June 2022, the County's unemployment rate was 4.0%. This is less than that of the State of North Carolina, which was 4.1% as of June 2022. The County's tax collection rate increased to 98.94% for 2021 from 98.78% for 2020. At this time, the tax collection rate is not known for 2022.

Jackson County ranks 43rd in the State in unemployment. Unemployment rates are on an upward trend in Jackson County from 3.3% in April. The rate for the State of North Carolina was 3.4% in April 2022.

***Impact of Coronavirus on School***

During the fiscal year, the state and nation were recovering from the effects of coronavirus (COVID-19). However, educational services were provided to students in a traditional, pre-Covid, classroom environment. The Board continued to incur additional expenses as a result of COVID-19 including the purchase of personal protective equipment and costs associated with learning loss initiatives. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

***Requests for Information***

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

Kristie Walker  
Finance Officer  
Jackson County Board of Education  
398 Hospital Road  
Sylva, NC 28779

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit 1**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 10,717,672	\$ 774,768	\$ 11,492,440
Due from other governments	12,848	52,166	65,014
Receivables (net)	28,842	-	28,842
Internal balances	(2,950)	2,950	-
Net OPEB asset	21,325	579	21,904
Inventories	-	57,649	57,649
Right to use leased assets, net of amortization	168,604	43,725	212,329
Capital assets:			
Land and construction in progress	1,809,021	-	1,809,021
Other capital assets, net of depreciation	41,996,440	263,872	42,260,312
Total capital assets	43,805,461	263,872	44,069,333
Total assets	54,751,802	1,195,709	55,947,511
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	12,391,725	336,745	12,728,470
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	574,018	18	574,036
Unavailable revenues	-	39,314	39,314
Long-term liabilities:			
Net pension liability	6,881,840	187,014	7,068,854
Net OPEB liability	39,093,045	1,062,351	40,155,396
Due within one year	1,234,776	44,125	1,278,901
Due in more than one year	1,449,222	61,718	1,510,940
Total liabilities	49,232,901	1,394,540	50,627,441
<b>DEFERRED INFLOWS OF RESOURCES</b>	20,983,003	570,212	21,553,215
<b>NET POSITION</b>			
Net investment in capital assets	43,603,374	263,872	43,867,246
Restricted for:			
Individual school activities	889,477	-	889,477
Stabilization by State statute	109,210	-	109,210
School Capital Outlay	969,739	-	969,739
DIPNC OPEB plan	21,325	579	21,904
Unrestricted	(48,665,502)	(696,749)	(49,362,251)
Total net position	\$ (3,072,377)	\$ (432,298)	\$ (3,504,675)

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

Page 12

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2022**

**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
<b>Primary government:</b>							
Governmental Activities:							
Instructional services:							
Regular instructional	\$ 18,880,216	\$ 19,695	\$ 18,343,120	\$ -	\$ (517,401)	\$ -	\$ (517,401)
Special populations	4,655,632	-	4,927,877	-	272,245	-	272,245
Alternative programs	3,592,442	-	3,188,037	-	(404,405)	-	(404,405)
School leadership	2,380,739	-	1,723,208	-	(657,531)	-	(657,531)
Co-curricular services	1,388,233	-	11,862	-	(1,376,371)	-	(1,376,371)
School-based support	3,447,999	-	2,989,157	108,020	(350,822)	-	(350,822)
System-wide support services							
Support and development	300,417	-	187,366	-	(113,051)	-	(113,051)
Special population support and development	223,636	-	208,836	-	(14,800)	-	(14,800)
Alternative programs and services support	105,310	-	78,927	-	(26,383)	-	(26,383)
Technology support	1,418,476	-	353,165	-	(1,065,311)	-	(1,065,311)
Operational support	5,593,289	4,800	2,810,417	404,208	(2,373,864)	-	(2,373,864)
Financial and human resource services	137,213	-	196,896	-	59,683	-	59,683
Accountability	168,866	-	23,641	-	(145,225)	-	(145,225)
System-wide pupil support	1,145,054	-	105,619	-	(1,039,435)	-	(1,039,435)
Policy, leadership and public relations	709,993	-	472,991	-	(237,002)	-	(237,002)
Ancillary services	285,748	99,953	210,062	-	24,267	-	24,267
Non-programmed charges	544,164	-	954,049	-	409,885	-	409,885
Interest on long-term debt	5,910	-	-	-	(5,910)	-	(5,910)
Unallocated depreciation expense**	200,101	-	-	-	(200,101)	-	(200,101)
Total governmental activities	45,183,438	124,448	36,785,230	512,228	(7,761,532)	-	(7,761,532)
Business-type activities:							
School food service	2,581,564	192,804	2,545,344	13,947	-	170,531	170,531
Total primary government	\$ 47,765,002	\$ 317,252	\$ 39,330,574	\$ 526,175	(7,761,532)	170,531	(7,591,001)
General revenues:							
Unrestricted county appropriations - operating					8,431,468	-	8,431,468
Unrestricted county appropriations - capital					1,355,700	-	1,355,700
Unrestricted Federal grants - operating					171,257	-	171,257
Investment earnings, unrestricted					7,040	1,016	8,056
Miscellaneous, unrestricted					4,173,691	-	4,173,691
Transfers					(46,479)	46,479	-
Total general revenues and transfers					14,092,677	47,495	14,140,172
Change in net position					6,331,145	218,026	6,549,171
Net position-beginning					(9,403,522)	(650,324)	(10,053,846)
Net position-ending					\$ (3,072,377)	\$ (432,298)	\$ (3,504,675)

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



**JACKSON COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2022**

**Exhibit 3**

	<b>Major Funds</b>						<b>Total Governmental Funds</b>
	<b>General</b>	<b>State Public School</b>	<b>Individual Schools</b>	<b>Capital Outlay</b>	<b>Other Special Revenue</b>	<b>Federal Grants</b>	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 3,917,911	\$ -	\$ 889,477	\$ 966,305	\$ 4,943,979	\$ -	\$ 10,717,672
Due from other governments	12,848	-	-	-	-	-	12,848
Due from other funds	4,796	-	-	-	66,158	-	70,954
Receivables (net)	4,110	-	-	3,434	21,298	-	28,842
Total assets	<u>\$ 3,939,665</u>	<u>\$ -</u>	<u>\$ 889,477</u>	<u>\$ 969,739</u>	<u>\$ 5,031,435</u>	<u>\$ -</u>	<u>\$ 10,830,316</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 551,277	\$ -	\$ -	\$ -	\$ 22,741	\$ -	\$ 574,018
Due to other funds	69,108	-	-	-	4,796	-	73,904
Total liabilities	<u>620,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,537</u>	<u>-</u>	<u>647,922</u>
Fund balances:							
Restricted:							
Stabilization by State statute	21,754	-	-	-	87,456	-	109,210
Individual schools	-	-	889,477	-	-	-	889,477
School capital outlay	-	-	-	969,739	-	-	969,739
Committed:							
Special revenues	-	-	-	-	4,916,442	-	4,916,442
Assigned:							
Subsequent years expenditures	1,617,290	-	-	-	-	-	1,617,290
Unassigned	1,680,236	-	-	-	-	-	1,680,236
Total fund balances	<u>3,319,280</u>	<u>-</u>	<u>889,477</u>	<u>969,739</u>	<u>5,003,898</u>	<u>-</u>	<u>10,182,394</u>
Total liabilities and fund balances	<u>\$ 3,939,665</u>	<u>\$ -</u>	<u>\$ 889,477</u>	<u>\$ 969,739</u>	<u>\$ 5,031,435</u>	<u>\$ -</u>	<u>\$ 10,830,316</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2022**

---

**Exhibit 3**  
**(Continued)**

Amounts reported for governmental activities in the Statement of Net Position  
are different because:

Total fund balances - governmental funds	\$ 10,182,394
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	43,805,461
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	168,604
Net OPEB asset	21,325
Deferred outflows of resources related to pensions	6,905,352
Deferred outflows of resources related to OPEB	5,486,373
Deferred inflows of resources related to pensions	(8,927,868)
Deferred inflows of resources related to OPEB	(12,055,135)
Liabilities for long-term debt are not payable with current financial resources and therefore are not reported in the funds:	
Net pension liability	(6,881,840)
Net OPEB liability	(39,093,045)
Compensated absences	(2,310,282)
Lease liability	(171,629)
Installment purchase contracts	(202,087)
Net position of governmental activities	<u>\$ (3,072,377)</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 4**

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Other Special Revenue	Federal Grants	
<b>REVENUES</b>							
State of North Carolina	\$ -	\$ 26,301,002	\$ -	\$ 404,208	\$ 50,161	\$ -	\$ 26,755,371
Jackson County	8,431,468	-	-	1,355,700	130,000	-	9,917,168
U.S. Government	-	860,951	-	-	171,257	9,669,756	10,701,964
Other	177,172	-	1,119,483	15,096	2,874,808	-	4,186,559
Total revenues	8,608,640	27,161,953	1,119,483	1,775,004	3,226,226	9,669,756	51,561,062
<b>EXPENDITURES</b>							
<b>Current:</b>							
Instructional services:							
Regular instructional	949,167	15,474,422	-	-	152,024	2,868,698	19,444,311
Special populations	123,425	3,781,684	-	-	57,150	1,146,193	5,108,452
Alternative programs	192,870	845,703	-	-	373,392	2,342,334	3,754,299
School leadership	950,740	1,616,321	-	-	-	106,887	2,673,948
Co-curricular services	576,456	4,021	977,898	-	-	7,841	1,566,216
School-based support	493,816	2,194,193	-	24,755	282,569	794,964	3,790,297
System-wide support services:							
Support and development	151,786	62,860	-	-	-	124,506	339,152
Special population support and development	333	135,821	-	-	33,908	73,015	243,077
Alternative programs and services support and development	2,135	1,044	-	-	-	77,883	81,062
Technology support	402,048	59,128	-	720,944	50,983	294,037	1,527,140
Operational support	2,074,856	2,233,437	-	889,995	211,624	576,980	5,986,892
Financial and human resource services	879,553	172,346	-	-	213,380	24,550	1,289,829
Accountability	131,264	1,399	-	-	-	22,242	154,905
System-wide pupil support	85,020	4,844	-	-	-	100,775	190,639
Policy, leadership and public relations	315,080	459,221	-	-	500	13,770	788,571
Ancillary services	12,476	69,030	-	-	98,283	141,032	320,821
Non-programmed charges	737,334	-	-	-	-	954,049	1,691,383
<b>Debt service:</b>							
Principal payments	16,032	-	-	327,883	3,080	-	346,995
Interest and other charges	1,865	-	-	3,687	358	-	5,910
<b>Capital outlay</b>	-	-	-	28,688	-	-	28,688
Total expenditures	8,096,256	27,115,474	977,898	1,995,952	1,477,251	9,669,756	49,332,587
Revenues over (under) expenditures	512,384	46,479	141,585	(220,948)	1,748,975	-	2,228,475
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	-	-	-	-	63,857	-	63,857
Transfers to other funds	-	(46,479)	(63,857)	-	-	-	(110,336)
Proceeds from installment contract	-	-	-	404,176	-	-	404,176
Total other financing sources (uses)	-	(46,479)	(63,857)	404,176	63,857	-	357,697
Net change in fund balance	512,384	-	77,728	183,228	1,812,832	-	2,586,172
Fund balances-beginning	2,806,896	-	811,749	786,511	3,191,066	-	7,596,222
Fund balances-ending	\$ 3,319,280	\$ -	\$ 889,477	\$ 969,739	\$ 5,003,898	\$ -	\$ 10,182,394

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

Page 16

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 4**  
**(Continued)**

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

Net changes in fund balances - total governmental funds	\$ 2,586,172
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:	
Capital outlay	794,152
Depreciation	(2,529,491)
Right to use asset amortization	(53,832)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	3,931,262
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	1,531,224
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	236,463
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:	
Issuance of long-term debt	(404,176)
Repayment on long-term debt	296,188
Lease payments	50,807
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	(1,580,635)
Net OPEB (expense) benefit	1,486,061
Net change in compensated absences	(13,050)
Total changes in net position of governmental activities	<u>\$ 6,331,145</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**For the Year Ended June 30, 2022**

**Exhibit 5**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original Budget	Final Budget	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Jackson County	8,431,468	8,431,468	8,431,468	-
U.S. Government	-	-	-	-
Other	180,000	180,000	177,172	(2,828)
Total revenues	8,611,468	8,611,468	8,608,640	(2,828)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	3,403,496	3,403,496	3,286,474	117,022
System-wide support services	4,440,230	4,420,230	4,042,075	378,155
Ancillary services	23,588	23,588	12,476	11,112
Non-programmed charges	744,154	744,154	737,334	6,820
<b>Debt service:</b>				
Principal payments	-	17,000	16,032	968
Interest payments	-	3,000	1,865	1,135
Total expenditures	8,611,468	8,611,468	8,096,256	515,212
Revenues over (under) expenditures	\$ -	\$ -	512,384	\$ 512,384
Fund balances, beginning of year			2,806,896	
Fund balances, end of year			\$ 3,319,280	

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**For the Year Ended June 30, 2022**

**Exhibit 5 (continued)**

	<b>State Public School Fund</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
State of North Carolina	\$ 26,059,517	\$ 28,551,060	\$ 26,301,002	\$ (2,250,058)
Jackson County	-	-	-	-
U.S. Government	-	-	860,951	860,951
Other	-	-	-	-
Total revenues	26,059,517	28,551,060	27,161,953	(1,389,107)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services:	23,337,046	25,233,979	23,916,344	1,317,635
System-wide support services:	2,635,487	3,201,567	3,130,100	71,467
Ancillary services	-	69,033	69,030	3
Non-programmed charges	-	-	-	-
Total expenditures	25,972,533	28,504,579	27,115,474	1,389,105
Revenues over (under) expenditures	86,984	46,481	46,479	(2)
Other financing sources (uses):				
Transfers to other funds	(86,984)	(46,481)	(46,479)	2
Revenues over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances, beginning of year			<u>-</u>	
Fund balances, end of year			<u>\$ -</u>	

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**For the Year Ended June 30, 2022**

**Exhibit 8**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Nutrition</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 194,201
Cash paid for goods and services	(1,134,668)
Cash paid to employees for services	(1,190,669)
Net cash provided (used) by operating activities	<u>(2,131,136)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal reimbursements	<u>2,383,720</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(18,392)
Lease payments on right to use assets	(9,658)
Net cash provided (used) by capital and related financing activities	<u>(28,050)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Due from other funds	(2,950)
Interest on investments and other	1,016
Net cash provided (used) by noncapital financing activities	<u>(1,934)</u>
Net increase (decrease) in cash and cash equivalents	222,600
Balances-beginning of the year	<u>552,168</u>
Balances-end of the year	<u><u>\$ 774,768</u></u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**For the Year Ended June 30, 2022**

**Exhibit 8**  
**(Continued)**

Reconciliation of operating income (loss) to net cash provided (used) by operating activities

Operating income (loss)	\$ (2,418,061)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization	48,609
Donated commodities consumed	169,026
Transfers from other funds	46,479
Indirect costs not paid	29,301
Changes in assets, deferred outflows of resources and liabilities:	
(Increase) decrease in accounts receivable	705
(Increase) decrease in inventory	(3,134)
Increase (decrease) in accounts payable and accrued liabilities	(5,405)
(Increase) decrease in net OPEB asset	1,017
(Increase) decrease in deferred outflows	(64,009)
Increase (decrease) in net pension liability	(258,397)
Increase (decrease) in OPEB liability	166,894
Increase (decrease) in deferred inflows	142,449
Increase (decrease) in unavailable revenues	692
Increase (decrease) in compensated absences	12,698
Total adjustments	286,925
Net cash provided (used) by operating activities	\$ (2,131,136)

**\* Noncash investing, capital, and financing activities:**

The State Public School Fund paid operating expenses of \$46,479 of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and as an operating expense on Exhibit 7.

The School Nutrition Fund received \$13,947 of capital assets as a capital contribution from the Federal Grants Fund.

Indirect costs of \$29,301 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The School Nutrition Fund received donated commodities with a value of \$169,026 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue.



**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 5 (continued)**

	<b>Other Special Revenue Fund</b>			
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues:</b>				
State of North Carolina	\$ 50,000	\$ 50,000	\$ 50,161	\$ 161
Jackson County	130,000	130,000	130,000	-
U.S. Government	51,367	171,257	171,257	-
Other	1,008,169	3,329,660	2,874,808	(454,852)
Total revenues	1,239,536	3,680,917	3,226,226	(454,691)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	1,210,595	2,304,725	865,135	1,439,590
System-wide support services	724,258	1,110,049	510,395	599,654
Ancillary services	101,704	99,204	98,283	921
Non-programmed charges	1,396,424	2,355,276	-	2,355,276
<b>Debt service:</b>				
Principal payments	-	4,000	3,080	920
Interest payments	-	1,000	358	642
Total expenditures	3,432,981	5,874,254	1,477,251	4,397,003
Revenues over (under) expenditures	(2,193,445)	(2,193,337)	1,748,975	3,942,312
Other financing sources (uses):				
Transfers from other funds	40,000	40,000	63,857	23,857
Revenues over (under) expenditures and other uses	(2,153,445)	(2,153,337)	1,812,832	3,966,169
Appropriated fund balance	2,153,445	2,153,337	-	(2,153,337)
Revenue, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	1,812,832	<u>\$ 1,812,832</u>
Fund balances, beginning of year			3,191,066	
Fund balances, end of year			<u>\$ 5,003,898</u>	

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED MAJOR**  
**SPECIAL REVENUE FUNDS**  
**For the Year Ended June 30, 2022**

**Exhibit 5 (continued)**

	<b>Federal Grants Fund</b>			
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Jackson County	-	-	-	-
U.S. Government	15,212,287	16,295,246	9,669,756	(6,625,490)
Other	-	-	-	-
Total revenues	15,212,287	16,295,246	9,669,756	(6,625,490)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	11,665,346	12,159,933	7,266,917	4,893,016
System-wide support services	2,276,822	2,602,755	1,307,758	1,294,997
Ancillary services	130,263	145,576	141,032	4,544
Non-programmed charges	1,139,856	1,386,982	954,049	432,933
Total expenditures	15,212,287	16,295,246	9,669,756	6,625,490
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
**June 30, 2022**

**Exhibit 6**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Nutrition</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 774,768
Due from other governments	52,166
Due from other funds	2,950
OPEB asset	579
Inventories	57,649
Total current assets	<u>888,112</u>
Noncurrent assets:	
Right to use assets, net	43,725
Capital assets, net	263,872
Total assets	<u>1,195,709</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>336,745</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	18
Compensated absences	33,111
Unavailable revenues	39,314
Lease liability	11,014
Total current liabilities	<u>83,457</u>
Noncurrent liabilities:	
Net pension liability	187,014
Net OPEB liability	1,062,351
Compensated absences	29,213
Lease liability	32,505
Total liabilities	<u>1,394,540</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>570,212</u>
<b>NET POSITION</b>	
Net investment in capital assets	263,872
DIPNC OPEB plan	579
Unrestricted	(696,749)
Total net position	<u>\$ (432,298)</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -**  
**PROPRIETARY FUND**  
**For the Year Ended June 30, 2022**

**Exhibit 7**

	<b>Enterprise Fund</b>
	<b>Major Fund</b>
	<b>School Nutrition</b>
<b>OPERATING REVENUES</b>	
Food sales	\$ 191,212
Other	1,592
Total operating revenues	<u>192,804</u>
<b>OPERATING EXPENSES</b>	
Food cost	1,132,214
Salaries and benefits	1,237,800
Indirect costs	102,062
Materials and supplies	41,050
Noncapital equipment	9,804
Repairs and maintenance	34,200
Depreciation and amortization	48,609
Other	5,126
Total operating expenses	<u>2,610,865</u>
Operating income (loss)	<u>(2,418,061)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements	2,376,318
Federal commodities	169,026
Interest earned	1,016
Indirect costs not paid	29,301
Total nonoperating revenues	<u>2,575,661</u>
Income (loss) before capital contributions and transfers	157,600
Capital contribution from the Federal Grants Fund	13,947
Operating transfer from the State Pubic School Fund	<u>46,479</u>
Change in net position	218,026
Total net position - beginning	<u>(650,324)</u>
Total net position - ending	<u><u>\$ (432,298)</u></u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Jackson 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:

Reporting Entity

The Jackson 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 Jackson County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

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. 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. Separate statements for each fund category – *governmental* and *proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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. This fund is also referred to as the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

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

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

*Other Special Revenue Fund.* The Other Special Revenue Fund accounts for proceeds from reimbursements including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, trust funds, federal appropriations made directly to local school administrative units, funds received for pre-kindergarten programs, and special programs that are not accounted for in the General Fund or other special revenue funds pursuant to G.S. 115C-426(c).

*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 Jackson County appropriations, restricted sales tax moneys, proceeds of Jackson County bonds issued for public school construction, as well as certain State assistance.

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

The Board reports the following major enterprise fund:

*School Nutrition Fund.* The School Nutrition Fund is used to account for the food service program within the school system and is reported as an enterprise fund.

**Measurement Focus and Basis of Accounting**

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

*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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

in the governmental funds to be available if the revenues are collected within 60 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 are 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.

All governmental and business-type activities and enterprise funds of the Board follow FASB Statements and Interpretations issued on or before November 30, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

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 individual schools, special revenue funds, 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 functional level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$10,000) from one function to another within a fund with a report of such transfers to be made to the Board at its next regular meeting. Line item amounts from objects within a purpose may be transferred without a report to the Board. Proposed expenditures from State, federal or other sources of revenues may be amended upon receipt of information altering the anticipated revenues. Budget amendments shall be reported to the Board at its next regular meeting. Transfers between funds shall not be made without prior approval of the 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.

Encumbrance accounting is employed in all governmental funds except the Individual Schools Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no outstanding encumbrances at June 30, 2022.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position

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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAm rating from S & P Global Ratings and AAAmf by Moody's Investors Service. The NCCMT Government Portfolio is reported at fair value.

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

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership interest in the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. All investments are measured using the market approach. The STIF is classified as Level 2 in the fair value hierarchy and is valued using prices that are either directly or indirectly observable for an asset or liability. 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.

#### 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.

#### Inventories

The inventories of the Board are valued at average cost, which approximates the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

#### 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 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 1984 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.



**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

It is the policy of the Board to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

	<u>Years</u>
Buildings	40
Land improvements; mobile classrooms; heaters	20
Athletic/health equipment; buses	15
School nutrition equipment	12
Vehicles/trailers; general equipment; furniture and fixtures	7

Depreciation for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the Statement of Activities. The Board carries certain capital assets for which Jackson County carries the offsetting debt.

Right to Use Leased Assets

The Board has right to use leased assets for vehicles. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

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 will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. 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 will not be recognized as revenue until then. The Board has several items that meet this criterion - pension and OPEB related deferrals.

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.

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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, 2022 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.

Net Position/Fund Balances

Net position in the government-wide and proprietary fund financial statements are classified net investment in capital assets; restricted; and unrestricted. Restricted net position represent 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 three 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:

*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 [G.S. 115C-425(a)].

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

*Committed Fund Balance:* This classification includes amounts that can only be used for specific purpose imposed by majority vote by quorum of the Board's governing body (highest level of decision-making authority) and in certain instances, approval by the County's governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action.

Special Revenues - portion of fund balance that is committed for special programs that are not accounted for in the General Fund or other special revenue funds.

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

*Assigned fund balance* – portion of fund balance that the Board of Education intends to use for specific purposes.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

The Board does not have a formal revenue spending policy; however, it is the Board's practice to use resources in the following hierarchy: federal funds, State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Defined Benefit Pension Plan and OPEB Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF), and the Disability Income Plan of 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 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

Assets

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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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, 2022, the Board had deposits in financial institutions with a carrying amount of \$5,537,077 and with the State Treasurer of \$0. The bank balances with the financial institutions and the State Treasurer were \$26,215 and \$5,761,887, respectively. Of these balances, \$849,991 was covered by federal depository insurance and \$4,938,111 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

At June 30, 2022, the Board had \$5,955,363 invested with the State Treasurer in the STIF. The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2022. The Board has no policy for managing interest rate risk or credit risk. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

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

	Due from other governments	Other
Governmental activities:		
General Fund	\$ 12,848	\$ 4,110
Capital Outlay	-	3,434
Other governmental activities	-	21,298
Total	<u>\$ 12,848</u>	<u>\$ 28,842</u>
Business-type activities:		
School Food Service	<u>\$ 52,166</u>	<u>\$ -</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	<u>\$ 12,848</u>	Jackson County
Business-type activities:		
School Food Service Fund	<u>\$ 52,166</u>	USDA Grant Reimbursement

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

Capital Assets

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

	Beginning Balances	Increases	Retirements	Ending Balances
Governmental activities:				
<b>Capital assets not being depreciated:</b>				
Land	\$ 1,809,021	\$ -	\$ -	\$ 1,809,021
<b>Capital assets being depreciated:</b>				
Buildings	73,493,192	79,427	-	73,572,619
Land improvements	1,105,025	124,050	-	1,229,075
Mobile classrooms	189,113	-	-	189,113
Heaters	364,108	-	-	364,108
Athletic/health equipment	1,270,825	-	-	1,270,825
Buses	3,927,229	524,191	69,494	4,381,926
Vehicles/trailers	384,871	7,624	25,731	366,764
General equipment	1,489,632	58,860	101,290	1,447,202
Furniture and fixtures	1,053,772	-	-	1,053,772
Total capital assets being depreciated	83,277,767	794,152	196,515	83,875,404
<b>Less accumulated depreciation for:</b>				
Buildings	33,106,493	2,051,459	-	35,157,952
Land improvements	619,365	44,406	-	663,771
Mobile classrooms	177,043	2,529	-	179,572
Heaters	151,254	18,836	-	170,090
Athletic/health equipment	553,226	75,624	-	628,850
Buses	2,634,858	212,639	69,494	2,778,003
Vehicles/trailers	68,021	20,886	25,731	63,176
General equipment	1,281,318	65,431	101,290	1,245,459
Furniture and fixtures	954,410	37,681	-	992,091
Total accumulated depreciation	39,545,988	2,529,491	196,515	41,878,964
Total capital assets being depreciated, net	43,731,779			41,996,440
<b>Governmental activity capital assets, net</b>	<u>\$ 45,540,800</u>			<u>\$ 43,805,461</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

**Business-type activities:**

School Food Service Fund:

Capital assets being depreciated:

Equipment and furniture	\$ 638,945	\$ 32,339	\$ -	\$ 671,284
-------------------------	------------	-----------	------	------------

Less accumulated depreciation for:

Equipment and furniture	<u>368,255</u>	39,157	-	<u>407,412</u>
-------------------------	----------------	--------	---	----------------

<b>School Food Service capital assets, net</b>	<u>\$ 270,690</u>			<u>\$ 263,872</u>
--	-------------------	--	--	-------------------

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 2,095,865
System-wide support services	233,525
Unallocated depreciation	<u>200,101</u>
Total	<u>\$ 2,529,491</u>

Right to Use Leased Assets

The Board has recorded right to use leased assets for vehicles. The related leases are discussed in the Leases subsection of the Liabilities section of the footnotes. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

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

	Beginning Balances	Increases	Retirements	Ending Balances
<b>Governmental activities:</b>				
<b>Right to use assets:</b>				
Vehicles	\$ 222,436	-	-	\$ 222,436
<b>Less accumulated amortization for:</b>				
Vehicles	<u>-</u>	<u>53,832</u>	<u>-</u>	<u>53,832</u>
Right to use assets, net	<u>\$ 222,436</u>			<u>\$ 168,604</u>
<b>Business-type activities:</b>				
<b>Right to use assets:</b>				
Vehicles	\$ 29,503	23,674	-	\$ 53,177
<b>Less accumulated amortization for:</b>				
Vehicles	<u>-</u>	<u>9,452</u>	<u>-</u>	<u>9,452</u>
Right to use assets, net	<u>\$ 29,503</u>			<u>\$ 43,725</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

Liabilities

Accounts Payable

Accounts payable at June 30, 2022, are as follows:

	<u>Vendors</u>
Governmental Activities:	
General	\$ 551,277
Other Governmental	22,741
Total - Governmental Activities	<u>\$ 574,018</u>
Business-type Activities:	
School Food Service	<u>\$ 18</u>

Unavailable Revenues

The balance in unavailable revenues at year-end is composed of the following elements:

	<u>Unavailable Revenue</u>
Prepaid lunch balances (School Food Service Fund)	<u>\$ 39,314</u>

Pension Plan 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](http://www.osc.nc.gov).

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

*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 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, 2022, was 16.38% 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 \$4,038,094 for the year ended June 30, 2022.

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

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

At June 30, 2022, the Board reported a liability of \$7,068,854 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net



**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was 0.15%.

For the year ended June 30, 2022, the Board recognized pension expense of \$1,649,832. At June 30, 2022, 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	\$ 397,349	\$ 160,541
Changes of assumptions	2,651,603	-
Net difference between projected and actual earnings on pension plan investments	-	8,758,399
Changes in proportion and differences between Board contributions and proportionate share of contributions	5,959	251,542
Board contributions subsequent to the measurement date	<u>4,038,094</u>	<u>-</u>
Total	<u>\$ 7,093,005</u>	<u>\$ 9,170,482</u>

\$4,038,094 reported as deferred outflows of resources related to pensions resulting from the Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022	\$ (968,999)
2023	(1,150,887)
2024	(1,309,519)
2025	(2,686,166)
2026	--
Thereafter	--
Total	<u>\$ (6,115,571)</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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

Inflation	2.50%
Salary increases	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	6.50%, 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, 2020 actuarial valuation were based on the actuarial experience study for the 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, 2021 are summarized in the following table:

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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount Rate.* The discount rate used to measure the total pension liability was 6.50% and 7.00%, respectively. 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 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:

	<u>1% Decrease (5.50%)</u>	<u>Discounted Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 23,711,601	\$ 7,068,854	\$ (6,765,440)

*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 Post-employment Benefits

Healthcare Benefits

*Plan description.* The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. 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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan. The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

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

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

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 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 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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 current fiscal year, the Board contributed 6.29% of covered payroll which amounted to \$1,550,648. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187 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 \$242,889.

At June 30, 2022, Board reported a liability of \$40,155,396 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 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, 2021 and at June 30, 2020, the Boards proportion was 0.13%

\$1,550,648 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$	(4,721,693)
2023		(2,188,025)
2024		(652,157)
2025		(1,047,133)
2026		239,544
Thereafter		--
	Total	<u>\$ (8,369,464)</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 rate – medical	5.00% - 6.00%
Healthcare cost trend rate – prescription drug	5.00% - 9.50%
Healthcare cost trend rate – administrative	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

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

*Discount rate.* The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2022 was 2.16% and 2.21% for 2021. 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 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

*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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	<b>1% Decrease (1.16%)</b>	<b>Discounted Rate (2.16%)</b>	<b>1% Increase (3.16%)</b>
Net OPEB liability	\$ 47,765,293	\$ 40,155,396	\$ 33,993,807

*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:

<b>Healthcare Trend Rates</b>			
	<b>1% Decrease Medical - 5.50%, Pharmacy - 6.25%, Administrative - 2.00%)</b>	<b>Medical - 6.50%, Pharmacy - 7.25%, Administrative - 3.00%)</b>	<b>1% Increase Medical - 7.50%, Pharmacy - 8.25%, Administrative - 4.00%)</b>
Net OPEB liability	\$ 32,519,802	\$ 40,155,396	\$ 50,286,735

*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.

**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.

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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, 2022, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$22,187 for the year ended June 30, 2022.

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.

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

At June 30, 2022, Board reported an OPEB asset of \$21,904 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 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, 2021 and at June 30, 2020, the Boards proportion was .13%.

\$22,187 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$	13,948
2023		9,383
2024		12,286
2025		5,779
2026		1,920
Thereafter		6,045
Total	\$	<u>49,361</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% to 8.05%, including a 3.25% inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

*Sensitivity of the Board's proportionate share of the net OPEB asset 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:

	<u>1% Decrease (2.00%)</u>	<u>Discounted Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net OPEB asset	\$ 13,830	\$ 21,904	\$ 29,373

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020 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



**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

measurement date of June 30, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. 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, 2021 is 1.2%.

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

Following is information related to the proportionate share and pension expense:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ 1,460,172	\$ (47,737)	\$ 1,412,435
OPEB liability (asset)	40,155,396	(21,904)	40,133,492
Proportionate share of the net OPEB liability (asset)	0.130%	0.134%	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	237,072	55,849	292,921
Changes of assumptions	3,284,366	3,846	3,288,212
Net difference between projected and actual earnings on plan investments	-	2,138	2,138
Changes in proportion and differences between Board contributions and proportionate share of contributions	479,359	-	479,359
Board contributions subsequent to the measurement date	1,550,648	22,187	1,572,835
<b>Deferred of Inflows of Resources</b>			
Differences between expected and actual experience	747,479	-	747,479
Changes of assumptions	9,758,634	7,952	9,766,586
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,843,607	4,520	1,848,127
Net difference between projected and actual earnings on plan investments	20,541	-	20,541

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

Other Employment Benefits

The Board provides group term life insurance to permanent, full-time employees in the amount of \$15,000 through a commercial carrier at no cost to employees. In addition, the Board contributes toward the cost of dental insurance for those employees that choose to purchase dental insurance. For the year ended June 30, 2022, the total cost to the Board for group term life insurance and dental insurance was \$12,908 and \$60,490, respectively.

Long-Term Obligations

Leases

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

Agreements were executed to lease vehicles and require monthly payments ranging from \$262 - \$623. There are no variable payment components of the lease. The lease liability is measured at an imputed discount rate of 3.0%. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$212,329 on June 30, 2022.

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, 2022:

Year Ending June 30:	Governmental Activities	Business Type Activities
2023	\$ 51,699	\$ 11,014
2024	52,742	11,282
2025	50,919	11,558
2026	16,269	8,395
2027	-	1,270
Totals	<u>\$ 171,629</u>	<u>\$ 43,519</u>

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 moneys 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 third party direct placement financing arrangements. As of June 30, 2022, the Board has entered into such contracts for the purchase of school buses. The terms of the financing contracts require annual payments of \$101,044.

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

The future minimum payments of the installment purchases as of June 30, 2022 are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities Principal</u>
2023	\$ 101,044
2024	101,043
Totals	<u>\$ 202,087</u>

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, 2022:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Maturities</u>
Governmental activities:					
Direct placement					
installment purchases	\$ 94,099	\$ 404,176	\$ 296,188	\$ 202,087	\$ 101,044
Lease liabilities	222,436	-	50,807	171,629	51,699
Net pension liability	17,928,890	-	11,047,050	6,881,840	-
Net OPEB liability	36,044,331	3,048,714	-	39,093,045	-
Compensated absences	<u>2,297,232</u>	<u>2,048,305</u>	<u>2,035,255</u>	<u>2,310,282</u>	<u>1,082,033</u>
Total	<u>\$ 56,586,988</u>	<u>\$ 5,501,195</u>	<u>\$ 13,429,300</u>	<u>\$ 48,658,883</u>	<u>\$ 1,234,776</u>
Business-type activities:					
Lease liabilities	\$ 29,503	\$ 23,674	\$ 9,658	\$ 43,519	\$ 11,014
Net pension liability	445,411	-	258,397	187,014	-
Net OPEB liability	895,457	166,894	-	1,062,351	-
Compensated absences	<u>49,626</u>	<u>83,338</u>	<u>70,640</u>	<u>62,324</u>	<u>33,111</u>
Total	<u>\$ 1,419,997</u>	<u>\$ 273,906</u>	<u>\$ 338,695</u>	<u>\$ 1,355,208</u>	<u>\$ 44,125</u>

Compensated absences for governmental activities are typically liquidated by the general and other governmental funds.

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

Deferred Outflows and Deferred Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change in proportion and difference between employer contributions and proportionate share of contributions	\$ 485,318	\$ 2,099,669
Changes of assumptions	5,939,815	9,766,586
Difference between projected and actual earnings on plan investments	2,138	8,778,940
Board contributions subsequent to the measurement date	5,610,929	-
Difference between expected and actual experience	<u>690,270</u>	<u>908,020</u>
Totals	<u>\$ 12,728,470</u>	<u>\$ 21,553,215</u>

Interfund Balances and Activities

Transfers to/from other funds at June 30, 2022 consist of the following:

From the Individual Schools Fund to the Other Special Revenue Fund for use of activity buses	<u>\$ 63,857</u>
From the State Public School Fund to the School Nutrition Fund for operating costs	<u>\$ 46,479</u>

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

Interfund balances at June 30, 2022 consist of the following:

From the Other Special Revenue Fund to the General Fund for reimbursement of operating expenses	<u>\$ 4,796</u>
From the General Fund to the School Food Service Fund for reimbursement of operating expenses	<u>\$ 2,950</u>
From the General Fund to the Other Special Revenue Fund for reimbursement of operating expenses	<u>\$ 66,158</u>

Fund Balance

The Board does not have a formal fund balance policy. In addition, all encumbrances lapse at the end of the year. Therefore, the entire amount of unassigned fund balance in the General Fund is available for appropriation.

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

Total fund balance - General Fund	\$ 3,319,280
Less:	
Stabilization by State statute	(21,754)
Appropriated Fund Balance in 2023 budget	<u>(1,617,290)</u>
Remaining fund balance	<u>\$ 1,680,236</u>

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 million per claim. The Trust has an annual aggregate limit for general liability of \$2,550,000 and an annual aggregate limit of \$2,550,000 for errors and omissions claims. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability. Statutory workers' compensation coverage is purchased through private insurers. Coverage is provided to the extent employees are paid from Federal or 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 Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. This insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and

**JACKSON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2022**

---

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. The Board pays the full cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The finance officer is bonded for \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$175,000.

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.

#### **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.

#### **NOTE 4 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT**

The Board implemented Governmental Accounting Standards Board (GASB) statement 87, *Leases*, in the fiscal year ending June 30, 2022. The implementation of the statement required the Board to record beginning right to use leased assets, net of amortization, and related lease liability. As a result, governmental assets and liabilities each increased by \$222,436 and business type assets and liabilities each increased by \$29,503.

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**  
*Last Nine Fiscal Years\**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Board's proportion of the net pension liability (asset)	0.151%	0.152%	0.152%	0.150%	0.151%
Board's proportionate share of the net pension liability (asset)	\$ 7,068,854	\$ 18,374,301	\$ 15,726,674	\$ 14,881,366	\$ 11,966,724
Board's covered-employee payroll	\$ 22,596,365	\$ 22,404,980	\$ 22,409,830	\$ 21,109,942	\$ 20,610,680
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	31.28%	82.01%	70.18%	70.49%	58.06%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Board's proportion of the net pension liability (asset)	0.156%	0.151%	0.144%	0.142%
Board's proportionate share of the net pension liability (asset)	\$ 14,298,490	\$ 5,551,751	\$ 1,686,293	\$ 8,645,131
Board's covered-employee payroll	\$ 19,913,809	\$ 20,018,706	\$ 18,550,024	\$ 18,890,817
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	71.80%	27.73%	9.09%	45.76%
Plan fiduciary net position as a percentage of the total pension liability	87.32%	94.64%	98.24%	90.60%

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

**This schedule is required supplementary information.**

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**  
*Last Nine Fiscal Years*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 4,038,094	\$ 3,339,743	\$ 2,905,926	\$ 2,754,168	\$ 2,275,652
Contributions in relation to the contractually required contribution	4,038,094	3,339,743	2,905,926	2,754,168	2,275,652
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 24,652,586	\$ 22,596,365	\$ 22,404,980	\$ 22,409,830	\$ 21,109,942
Contributions as a percentage of covered-employee payroll	16.38%	14.78%	12.97%	12.29%	10.78%

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 2,056,946	\$ 1,811,446	\$ 1,810,186	\$ 1,593,773
Contributions in relation to the contractually required contribution	2,056,946	1,811,446	1,810,186	1,593,773
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 20,610,680	\$ 19,913,809	\$ 20,018,706	\$ 18,550,024
Contributions as a percentage of covered-employee payroll	9.98%	9.10%	9.04%	8.59%

**This schedule is required supplementary information.**



**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**RETIREE HEALTH BENEFIT FUND**  
*Last Six Fiscal Years\**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB liability (asset)	0.130%	0.133%	0.134%	0.134%	0.136%
Board's proportionate share of the net OPEB liability (asset)	\$ 40,155,396	\$ 36,939,788	\$ 42,445,352	\$ 38,087,756	\$ 44,635,464
Board's covered-employee payroll	\$ 22,596,365	\$ 22,404,980	\$ 22,409,830	\$ 21,109,942	\$ 20,610,680
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	177.71%	164.87%	189.41%	180.43%	216.56%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%

	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.124%
Board's proportionate share of the net OPEB liability (asset)	\$ 56,612,103
Board's covered-employee payroll	\$ 19,913,809
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	284.29%
Plan fiduciary net position as a percentage of the total OPEB liability	2.41%

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

**This schedule is required supplementary information.**

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**RETIREE HEALTH BENEFIT FUND**  
*Last Ten Fiscal Years*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 1,550,648	\$ 1,509,437	\$ 1,449,602	\$ 1,405,096	\$ 1,277,151
Contributions in relation to the contractually required contribution	1,550,648	1,509,437	1,449,602	1,405,096	1,277,151
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 24,652,586	\$ 22,596,365	\$ 22,404,980	\$ 22,409,830	\$ 21,109,942
Contributions as a percentage of covered-employee payroll	6.29%	6.68%	6.47%	6.27%	6.05%

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually required contribution	\$ 1,196,982	\$ 1,114,336	\$ 1,099,027	\$ 1,001,762	\$ 1,001,213
Contributions in relation to the contractually required contribution	1,196,982	1,114,336	1,099,027	1,001,762	1,001,213
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 20,610,680	\$ 19,913,809	\$ 20,018,706	\$ 18,550,024	\$ 18,890,811
Contributions as a percentage of covered-employee payroll	5.81%	5.60%	5.49%	5.40%	5.30%

**This schedule is required supplementary information.**

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB ASSET**  
**DISABILITY INCOME PLAN OF NORTH CAROLINA**  
*Last Six Fiscal Years\**

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Board's proportion of the net OPEB asset	0.134%	0.134%	0.134%	0.133%	0.134%
Board's proportionate share of the net OPEB asset	\$ 21,904	\$ 65,856	\$ 58,018	\$ 40,430	\$ 81,980
Board's covered-employee payroll	\$ 22,596,365	\$ 22,404,980	\$ 22,409,830	\$ 21,109,942	\$ 20,610,680
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.10%	0.29%	0.26%	0.19%	0.40%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%

	<b>2017</b>
Board's proportion of the net OPEB asset	0.140%
Board's proportionate share of the net OPEB asset	\$ 86,977
Board's covered-employee payroll	\$ 19,913,809
Board's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	0.44%
Plan fiduciary net position as a percentage of the total OPEB asset	116.06%

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

**This schedule is required supplementary information.**

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**DISABILITY INCOME PLAN OF NORTH CAROLINA**  
*Last Ten Fiscal Years*

	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Contractually required contribution	\$ 22,187	\$ 20,337	\$ 22,405	\$ 31,374	\$ 29,554
Contributions in relation to the contractually required contribution	22,187	20,337	22,405	31,374	29,554
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 24,652,586	\$ 22,596,365	\$ 22,404,980	\$ 22,409,830	\$ 21,109,942
Contributions as a percentage of covered-employee payroll	0.09%	0.09%	0.10%	0.14%	0.14%

	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Contractually required contribution	\$ 77,896	\$ 81,684	\$ 82,077	\$ 80,701	\$ 83,120
Contributions in relation to the contractually required contribution	77,896	81,684	82,077	80,701	83,120
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 20,610,680	\$ 19,913,809	\$ 20,018,706	\$ 18,550,024	\$ 18,890,811
Contributions as a percentage of covered-employee payroll	0.38%	0.41%	0.41%	0.44%	0.44%

**This schedule is required supplementary information.**

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2022**

**Exhibit A-1**

	Budget	Actual	Positive (Negative) Variance
<b>Revenues:</b>			
Jackson County:			
Timber	\$ 141,928	\$ 141,928	\$ -
County appropriations	8,289,540	8,289,540	-
	<u>8,431,468</u>	<u>8,431,468</u>	<u>-</u>
Other:			
Fines and forfeitures	180,000	171,726	(8,274)
Interest earned on investments	-	5,446	5,446
Total	<u>180,000</u>	<u>177,172</u>	<u>(2,828)</u>
Total revenues	<u>8,611,468</u>	<u>8,608,640</u>	<u>(2,828)</u>
<b>Expenditures:</b>			
Instructional services:			
Regular instructional		949,167	
Special populations		123,425	
Alternative programs		192,870	
School leadership		950,740	
Co-curricular services		576,456	
School-based support		493,816	
Total instructional services	<u>3,403,496</u>	<u>3,286,474</u>	<u>117,022</u>
System-wide support services:			
Support and development		151,786	
Special population support and development		333	
Alternative programs and services		2,135	
Technology support		402,048	
Operational support		2,074,856	
Financial and human resource services		879,553	
Accountability		131,264	
Systemwide pupil support		85,020	
Policy, leadership and public relations		315,080	
Total system-wide support services	<u>4,420,230</u>	<u>4,042,075</u>	<u>378,155</u>
Ancillary services	<u>23,588</u>	<u>12,476</u>	<u>11,112</u>
Non-programmed charges	<u>744,154</u>	<u>737,334</u>	<u>6,820</u>
Debt service:			
Principal payments		16,032	
Interest expense		1,865	
	<u>20,000</u>	<u>17,897</u>	<u>2,103</u>
Total expenditures	<u>8,611,468</u>	<u>8,096,256</u>	<u>515,212</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>512,384</u>	<u>\$ 512,384</u>
<b>Fund balances:</b>			
Beginning of year, July 1		<u>2,806,896</u>	
End of year, June 30		<u>\$ 3,319,280</u>	

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CAPITAL OUTLAY FUND**  
**For the Year Ended June 30, 2022**

**Exhibit B-1**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations-buses	\$ 296,188	\$ 296,188	\$ -
State of NC - K-12 Athletic Facilities Grant	108,020	108,020	-
	<u>404,208</u>	<u>404,208</u>	<u>-</u>
Jackson County			
Restricted portion of sales tax	<u>3,855,700</u>	<u>1,355,700</u>	<u>(2,500,000)</u>
Other:			
Investment earnings	-	1,594	1,594
Other	4,000	13,502	9,502
	<u>4,000</u>	<u>15,096</u>	<u>11,096</u>
Total revenues	<u>4,263,908</u>	<u>1,775,004</u>	<u>(2,488,904)</u>
Expenditures:			
Instructional services			
School-based support	<u>133,020</u>	<u>24,755</u>	<u>108,265</u>
System-wide support services			
Technology support		720,944	
Operational support		889,995	
Total	<u>1,694,876</u>	<u>1,610,939</u>	<u>83,937</u>
Capital outlay	<u>2,139,824</u>	<u>28,688</u>	<u>2,111,136</u>
Debt service:			
Principal payments		327,883	
Interest expense		3,687	
Total	<u>336,188</u>	<u>331,570</u>	<u>4,618</u>
Total expenditures	<u>4,303,908</u>	<u>1,995,952</u>	<u>2,307,956</u>
Revenues over (under) expenditures	<u>(40,000)</u>	<u>(220,948)</u>	<u>(180,948)</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from installment contract	<u>-</u>	<u>404,176</u>	<u>404,176</u>
Revenues and other sources over (under) expenditures and other sources	<u>(40,000)</u>	<u>183,228</u>	<u>223,228</u>
Appropriated fund balance	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Revenues, and appropriated fund balance over (under) expenditures and other sources	<u>\$ -</u>	<u>183,228</u>	<u>\$ 183,228</u>
Fund balances:			
Beginning of year, July 1		<u>786,511</u>	
End of year, June 30		<u>\$ 969,739</u>	

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL NUTRITION FUND**  
**For the Year Ended June 30, 2022**

**Exhibit C-1**

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales and other	\$ 175,500	\$ 194,201	\$ 18,701
Operating expenditures:			
Business support services		2,869,944	
Capital outlay		18,392	
Total operating expenditures	3,084,861	2,888,336	196,525
Operating loss	(2,909,361)	(2,694,135)	215,226
Nonoperating revenues:			
Federal reimbursements	2,359,600	2,376,318	16,718
Federal commodities	156,556	169,026	12,470
Interest earned	4,000	1,016	(2,984)
Gain/(loss) on sale of capital assets	1,000	-	(1,000)
Donated capital assets	10,000	13,947	3,947
Other	200,000	-	(200,000)
Total nonoperating revenues	2,731,156	2,560,307	(170,849)
Revenues over (under) expenditures before other financing sources	(178,205)	(133,828)	44,377
Transfers from other funds	45,000	46,479	1,479
Revenues and other sources over (under) expenditures	(133,205)	(87,349)	45,856
Appropriated fund balance	133,205	-	(133,205)
Revenues, other sources, and appropriated fund balance under expenditures	\$ -	(87,349)	\$ (87,349)

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL NUTRITION FUND**  
**For the Year Ended June 30, 2022**

---

**Exhibit C-1**  
**(Continued)**

Reconciliation of modified accrual to full accrual basis:

Reconciling items:

Depreciation	(48,609)
Indirect costs	(102,062)
Indirect costs not paid	29,301
Capital outlay	18,392
Increase (decrease) in accounts receivable	(705)
Increase (decrease) in inventory	3,134
(Increase) decrease in accounts payable	5,405
(Increase) decrease in unavailable revenues	(692)
(Increase) decrease in compensated absences	(12,698)
Net pension liability	258,397
Net OPEB liability	(166,894)
Deferred outflows - pension	64,009
Deferred inflows - pension	258,397
Change in net position	<u><u>\$ 218,026</u></u>



***COMPLIANCE SECTION***



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

**Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

**INDEPENDENT AUDITORS' REPORT**

**To the Jackson County Board of Education  
Sylva, 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 basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Jackson County Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Jackson County Board of Education's basic financial statements and have issued our report thereon dated November 22, 2022.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Jackson 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 Board's internal control over financial reporting. 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider 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 Jackson 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 matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Anderson Smith & Wike PLLC*

*November 22, 2022*

*Huntersville, North Carolina*



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

**Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with the OMB Uniform Guidance and the State Single Audit Implementation Act**

**INDEPENDENT AUDITORS' REPORT**

**To the Jackson County Board of Education  
Sylva, North Carolina**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Jackson County Board of Education'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 Jackson County Board of Education's major federal programs for the year ended June 30, 2022. Jackson County Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jackson County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson 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 Jackson 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 Jackson County Board of Education federal programs.

### ***Auditors' 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 Jackson 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 Jackson 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 Jackson 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 Jackson 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 Jackson 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 Auditors' Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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*

*November 22, 2022*

*Huntersville, North Carolina*



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

**Report on Compliance with Requirements Applicable to Each Major State  
Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State  
Single Audit Implementation Act**

**INDEPENDENT AUDITORS' REPORT**

**To the Jackson County Board of Education  
Sylva, North Carolina**

***Report on Compliance for Each Major State Program***

***Opinion on Each Major State Program***

We have audited the Jackson County Board of Education's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of Jackson County Board of Education's major state programs for the year ended June 30, 2022. The Jackson County Board of Education's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Jackson County Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2022.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Jackson 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 Jackson 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 Jackson County Board of Education's State programs.

### ***Auditors' 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 Jackson 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 Jackson 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 Jackson 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 Jackson 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 Jackson 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 Auditors' Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses 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. However, material weaknesses or significant deficiencies 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*

*November 22, 2022*

*Huntersville, North Carolina*

**Jackson County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

---

Section I. Summary of Auditors' Results

---

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_yes    X\_no
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_yes    X\_none reported

Noncompliance material to financial statements noted?

\_\_\_yes    X\_no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_yes    X\_no
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_yes    X\_none reported

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

Any audit findings disclosed that are required to be reported  
In accordance with 2 CFR 200.516(a)?

\_\_\_yes    X\_no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
21.027	COVID-19 State and Local Fiscal Recovery Funds – Employee Bonuses
84.010	Title I, Grants to Local Education Agencies
84.425	COVID-19 – Education Stabilization Fund

**Jackson County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

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

\$ 750,000

Auditee qualified as low-risk auditee?

X yes    \_\_\_ no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? \_\_\_yes    Xno
- Significant deficiency(s) identified that  
are not considered to be material weaknesses? \_\_\_yes    Xnone reported

Type of auditors' 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?

\_\_\_yes    Xno

Identification of major State programs:

Program Name

State Public School Fund

Career and Technical Education – State Months of Employment

**Jackson County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2022**

---

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

**Jackson County Board of Education  
Corrective Action Plan  
For the Year Ended June 30, 2022**

---

Section II. Financial Statement Findings

---

Finding: None Reported

---

Section III. Federal Award Findings and Questioned Costs

---

Finding: None reported

---

Section IV. State Award Findings and Questioned Costs

---

Finding: None reported

**Jackson County Board of Education  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2022**

No findings reported in the prior year.

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

Page 1 of 3

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State /</u> <u>Pass-Through</u> <u>Grantor's</u> <u>Number</u>	<u>Expenditures</u>
<b>Federal Grants:</b>			
<b>Cash Assistance:</b>			
<u>U.S. Department of Agriculture</u>			
Food and Nutrition Service			
Child Nutrition Cluster:			
Passed-through the N.C. Department of Public Instruction:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 169,026
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	480,190
National School Lunch Program	10.555	PRC 035	1,770,856
After School Snack Program	10.555	PRC 035	15,021
Summer Food Service Program for Children	10.559	PRC 035	36,951
Supply Chain Assistance	10.559	PRC 035	73,300
Child Nutrition Equipment	10.579	PRC 053	13,947
Cash Assistance Subtotal			2,390,265
Total Child Nutrition Cluster			2,559,291
<u>U.S. Department of the Treasury</u>			
Passed-through the N.C. Office of State Management and Budget			
N.C. Pandemic Recovery Office			
Passed-through the N.C. Department of Public Instruction			
COVID-19 - State and Local Fiscal Recovery Funds -			
Employee Bonuses	21.027	PRC 141	860,951
<u>U.S. Department of Education</u>			
Office of Elementary and Secondary Education			
Direct Programs:			
Impact Aid	84.041	N/A	119,890
Indian Education Grants to Local Education Agencies	84.060	N/A	51,367
Passed-through the N.C. Department of Public Instruction:			
Education Consolidation and Improvement Act of 1981			
Improving America School Act of 1994 (IASA)			
Title I, Grants to Local Educational Agencies			
Educationally Deprived Children	84.010	PRC 050 & 115	1,294,455
School Improvement	84.010	PRC 105	85,515
Student Support and Academic Enrichment Program	84.424	PRC 108	96,085
English Language Acquisition Grants	84.365	PRC 104 & 111	42,055
Education for Homeless Children and Youth	84.196	PRC 026	12,998
Supporting Effective Instruction State Grant	84.367	PRC 103	172,002
School Mental Health Support	93.243	PRC 102	172,485
Twenty-first Century Community Learning Centers	84.287	PRC 110	252,517

**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

Page 2 of 3

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State / Pass-Through Grantor's Number	Expenditures
COVID-19 - Education Stabilization Fund			
CARES Act:			
ESSER I - K-12 Emergency Relief Fund	84.425D	PRC 163	35,607
ESSER I - Digital Curricula	84.425D	PRC 165	25,771
ESSER I - Learning Management System	84.425D	PRC 166	4,463
ESSER I - Exceptional Children Grants	84.425D	PRC 167	25,070
GEER I - Sp. Inst. Supp. Pers. For COVID-19 Resp.	84.425C	PRC 169	113,011
GEER I - Supplemental Instructional Services	84.425C	PRC 170	30,078
CRRSA:			
ESSER II - K-12 Emergency Relief Fund	84.425D	PRC 171	2,526,870
ESSER II - Supp. Contracted Instructional Support Funding	84.425D	PRC 173	22,849
ESSER II - School Nutrition COVID Support	84.425D	PRC 174	25,153
ESSER II - Learning Loss Funding	84.425D	PRC 176	61,061
ESSER II - Summer Career Accelerator Program	84.425D	PRC 177	41,782
ARP:			
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	3,302,736
ESSER III - Homeless I	84.425W	PRC 183	1,472
ESSER III - Homeless II	84.425W	PRC 184	96
ESSER III - Cyberbullying & Suicide Prevention Grants	84.425U	PRC 192	28,864
ESSER III - Teacher Bonuses	84.425U	PRC 203	270,442
ESSER III - Driver Training	84.425U	PRC 205	942
Total Education Stabilization Fund			<u>6,516,267</u>
Office of Special Education and Rehabilitative Services			
Passed-through the N.C. Department of Public Instruction:			
Special Education Cluster:			
Individuals with Disabilities Education Act			
Special Education - Grants to States	84.027	PRC 060	853,093
Special Education - Targeted Assistance	84.027	PRC 118	15,253
Special Education - Targeted Assistance for Preschool	84.173	PRC 119	680
Special Education - Preschool Grants	84.173	PRC 049	28,545
COVID-19 ARP:			
ESSER III - Special Education - Grants to States	84.027	PRC 185	1,113
Total Special Education Cluster			<u>898,684</u>
Special Education State Personnel Development	84.323	PRC 082	27,584
Passed-through the N.C. Department of Public Instruction:			
Carl D. Perkins Vocational and Applied Technology			
Education Act Amendments of 1990			
Basic Grants to States			
Program Development	84.048	PRC 017	<u>85,162</u>
Total U.S. Department of Education			<u>9,827,066</u>
<b>Total Federal Assistance</b>			<u><b>13,247,308</b></u>



**JACKSON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2022**

Page 3 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State / Pass-Through Grantor's Number</u>	<u>Expenditures</u>
<b>State Grants:</b>			
<b>Cash Assistance:</b>			
<u>N.C. Department of Public Instruction:</u>			
State Public School Fund			24,608,862
Career and Technical Education			
State Months of Employment		PRC 013	1,537,338
Program Support Funds		PRC 014	73,133
Driver Training		PRC 012	63,192
School Technology Fund		PRC 015	18,477
K-12 Athletic Facilities Grant		PRC 440	108,020
Appropriations for School Buses (non-cash assistance)			296,188
Total N.C. Department of Public Instruction			<u>26,705,210</u>
<u>NC General Assembly</u>			
Passed through Jackson County:			
School Nurse Funding Initiative			<u>50,161</u>
<b>Total State Assistance</b>			<u><b>26,755,371</b></u>
<b>Total Federal and State Assistance</b>			<u><b>\$ 40,002,679</b></u>

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Jackson County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Jackson County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Jackson 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.

Note 3. Indirect Cost Rate

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