



## **WATAUGA COUNTY BOARD OF EDUCATION**

Margaret E. Gragg Education Center  
175 Pioneer Trail Boone, NC 28607  
(828) 264-7190

### **WATAUGA COUNTY BOARD OF EDUCATION MEETING AGENDA**

**October 9th, 2023**

5:15 p.m.	<b>1. CALL TO ORDER</b>	Board Chair
5:18 p.m.	<b>2. CLOSED SESSION</b> <ul style="list-style-type: none"><li>A. Approval of the Minutes for 9/19//2023</li><li>B. Reportable Offenses – N.C.G.S.115C-288(g)</li><li>C. Student Records - N.C.G.S.143-318.11(a)(1)</li><li>D. Personnel – N.C.G.S.143-318.11(a)(6)</li><li>E. Attorney-Client - N.C.G.S 143-318.11(a)(3)</li></ul>	Board Chair
6:00 p.m.	<b>3. OPEN SESSION CALL TO ORDER / MOMENT OF SILENCE</b>	Board Chair
6:03 p.m.	<b>4. DISCUSSION AND ADJUSTMENT OF AGENDA</b>	Board Chair
6:05 p.m.	<b>5. SUPERINTENDENT’S REPORT</b>	Dr. Leslie Alexander
6:10 p.m.	<b>6. SPECIAL RECOGNITION</b>	Dr. Leslie Alexander
6:15 p.m.	<b>7. VALLE CRUCIS SCHOOL UPDATE</b>	Dr. Leslie Alexander
6:20 p.m.	<b>8. STUDENTS’ REPORT</b>	Ms. Mia Llibre Ms. Ellary Smith
6:25 p.m.	<b>9. CONSENT AGENDA</b> <ul style="list-style-type: none"><li>A. Approval of the Minutes for 9/19/2023</li><li>B. Field Trip Requests</li><li>C. Declaration of Surplus</li><li>D. Personnel Report</li></ul>	Dr. Leslie Alexander
6:30 p.m.	<b>10. PUBLIC COMMENT: General</b>	Board Chair

<b>6:40 p.m.</b>	<b>11. 2022-23 AUDIT PRESENTATION</b> Auditor: Ms. Shannon Dennison	Ms. Ly Marze
<b>6:55 p.m.</b>	<b>12. POLICIES: SUBSTANTIVE FOR FIRST READ</b> <ul style="list-style-type: none"> <li>• 4002 Parental Involvement</li> <li>• 3210 Parental Request to Review Instructional Materials</li> <li>• 3540 Comprehensive Health Education Program</li> <li>• 4335 Criminal Behavior</li> <li>• 4720 Surveys of Students</li> <li>• 6120 Student Health Services</li> <li>• 7300 Staff Responsibilities</li> </ul>	Dr. Wayne Eberle
<b>7:15 p.m.</b>	<b>13: PUBLIC COMMENT: Parents' Bill of Rights</b>	
<b>7:25 p.m.</b>	<b>14. BOARD OPERATIONS</b> <ul style="list-style-type: none"> <li>• 2023-24 BOE Committee Assignments</li> <li>• Review of Board Self-Evaluation</li> <li>• Finalize Board Retreat Priorities</li> </ul>	Board Chair
<b>7:40 p.m.</b>	<b>15. BOARD COMMENTS</b>	Board Chair
<b>7:45 p.m.</b>	<b>16. ADJOURNMENT</b>	Board Chair
	<b>17. MISCELLANEOUS</b> <ul style="list-style-type: none"> <li>• Minutes of 9/28/2023 Calendar Committee Meeting</li> </ul>	



## WATAUGA COUNTY BOARD OF EDUCATION

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### WATAUGA COUNTY BOARD OF EDUCATION MEETING

**DATE:** September 19th, 2023

**PRESENT:**

- Gary Childers, Steve Combs, Marshall Ashcraft, Jason Cornett, Jay Fenwick, *BOE Members*
- Dr. Leslie Alexander, *Superintendent*
- Mr. Chris Campbell, *Board Attorney*

**TIME:** 6:00 p.m.

**PLACE:** Margaret E. Gragg Education Center

#### **CALL TO ORDER**

Marshall Ashcraft made a motion at 6:01 pm to go into open session. Jason Cornett seconded, and all Board members approved.

#### **WELCOME/MOMENT OF SILENCE**

Board Chair Dr. Gary Childers welcomed those attending the meeting. He began with a request at 6:06 pm to observe a moment of silence.

#### **DISCUSSION AND ADJUSTMENT OF AGENDA**

To accommodate a scheduling conflict, the Students' Report was moved from #8 to #11 on the agenda.

#### **SUPERINTENDENT'S REPORT**

Dr. Leslie Alexander began by welcoming everyone in attendance and thanking students/teachers/staff/parents for a positive first month of school.

- The Watauga High School Homecoming football game is September 29th.
- Fall Sports Records (as of 9/19/2023):

**High School:**

- Football: 5-0
- Volleyball: 8-1
- Men's Soccer: 2-8-1

- Men's and Women's Cross Country have finished at or near the top of every event.
- Women's Tennis: 8-0
- Women's Golf finished 3rd in their only match thus far.

#### **Middle School:**

- District FB: 2-1
- School-based Volleyball: All schools have played three matches up to this point.
- District Men's Soccer: 1-1
- Men's and Women's Cross Country have finished at or near the top of every event.
- District Coed Golf has their first match on 9/19.

Dr. Alexander acknowledged the cheerleaders (high school and middle school) and Pacer team.

- In addition to ensuring that strong learning is happening, teachers have been involved in professional development. On September 13th (Early Release), many teachers and administrators participated in Aimsweb training, which will help them to better monitor progress of student growth. The Early Release days provide opportunities for school personnel to continue developing their skills and engaging in work to promote high-quality learning environments. The next Early Release/Professional Development Day for PreK-8 Teachers is October 5th.
- Student achievement scores were recently released, and Watauga County Schools remains the 4th top-performing district in the state.
- The Maintenance team received 357 work orders in the first three and a half weeks of school. Maintaining the physical spaces of the schools is a critical part of providing a high-quality learning environment, so much appreciation is owed to this group for their hard work.
- WCS needs bus drivers and a bus mechanic.
- September 15 - October 15: National Hispanic Heritage Month
- September 19th is National IT (Instructional Technology) Professionals Day.

#### **VALLE CRUCIS SCHOOL UPDATE**

Dr. Alexander shared that everything is above ground, and the progress is on schedule. The elevator shaft is in the process of going up, and the first bridge is to be put together this week. The goal is to get everything under the roof before winter.

#### **SPECIAL RECOGNITION:**

- ★ The Board of Education members received a Gold Bell Award through the North Carolina School Boards Association (NCSBA). The Gold Bell Award recognizes Boards in which every member earned 12 hours of training between July 1, 2022 - June 30, 2023.
- ★ Dr. Alexander and the Board recognized outgoing Director of Transportation Jeff Lyons with a plaque for his retirement. Mr. Lyons has twenty-eight years of service working with school bus transportation, and over eleven of those years have been with Watauga County Schools.

#### **CONSENT AGENDA**

- A. Approval of the Minutes for 8/17/2023
- B. Field Trip Requests
- C. Declaration of Surplus
- D. Personnel Report



Steve Combs made a motion to approve the Consent Agenda. Jason Cornett seconded the motion, and it was unanimously approved.

### **PUBLIC COMMENT**

There were no citizens who made public comments at the September BOE meeting.

### **WCS DATA AND ACCOUNTABILITY UPDATE**

Dr. Wayne Eberle (Director of Accountability and Federal Programs) shared data on:

- EOC Proficiency Comparison of Pre-COVID Fall 2019 to Fall 2022
- EOC Proficiency Comparison of Pre-COVID Spring 2020 to Spring 2023
- EOG ELA Proficiency Comparison Pre-COVID Spring 2019 to Spring 2023
- EOG Math Proficiency Comparison Pre-COVID Spring 2019 to Spring 2023
- EOG Science Proficiency Comparison Pre-COVID Spring 2019 to Spring 2023
- School Performance Grades
- School Growth 2023
- Cohort Graduation Rate (91.1%)
- Areas of General Priority, Targeted Priority, and Intensive Priority

Among the 115 LEAs in North Carolina, WCS ranked:

- 15th in English II and EOG Grade 5
- 12th in EOG Grade 3 and EOG Math Grade 5
- 11th in EOG Math Grade 4
- 10th in Grade 8 Science
- 9th in EOG Math Grade 6 and EOG Math Grade 7
- 8th in EOG Math Grades 3-8 and EOG Grade 7
- 7th in EOG Grade 4, EOG Reading Grade 4, and EOG Reading Grade 5
- 6th in Biology I
- 5th in all EOG, EOG Grade 6, and EOG Reading Grade 7
- **4th in all EOG/EOC (state ranking)**, EOG Math Grade 8, EOG Reading Grades 3-8, and EOG Reading Grade 3
- 3rd in EOG Grade 8 and EOG Reading Grade 8
- 2nd in all EOC and Math III
- 1st in Math I

### **STUDENTS' REPORT**

- Watauga High School held Freshman/New Student Orientation on August 17th. Clubs and organizations shared information so students could learn more about various opportunities.
- Watauga Volleyball has introduced a new division called Watauga Blue. Due to the level of amazing talent, there are two Junior Varsity teams this year.
- Mountain Alliance organized a food drive for the Hospitality House earlier this month. Several of Watauga High School's clubs and organizations continue to work closely with the Hospitality House by donating food and/or volunteering in the soup kitchen.
- Watauga High School's Interact club has adopted the Cecil Miller Road. They hosted their first cleanup through participation in the Boone Clean-Up Day. They also organized a Diaper Drive for the Children's Council, and they will be accepting donations until September 22nd in honor of Baby Safety Month. The Interact Club will host their annual "Homecoming Dress Shop" from

September 19 to the 22nd. This is open to any student attending Homecoming, and all dresses are free of charge.

- Watauga High School's Student Council and other student organizations are preparing for Homecoming Week (September 25-30). Each day will have a different dress-up theme and activity (including a faculty kickball game, Powderpuff football and cheer, spikeball tournament, "King of Court" mens' volleyball tournament, pep rally, and pre-game tailgate). The theme of the dance on September 30th is "Light Up the Night."
- Watauga High School held a meeting for seniors and a meeting for parents to share graduation information and specifics of the college application process.
- The "College Fair" is September 19th at Watauga High School. Over forty colleges/universities in and around North Carolina will be represented, and the event will enable students to learn more about colleges they may be interested in attending.
- Senior Student Board Representative Ellary Smith is working on a set of goals to accomplish this year to enrich the partnership between the Board and the students of Watauga County Schools. She will highlight a different program (CTE classes, career pathways, and student organizations) from Watauga High School each month and feature one of these groups at every Board of Education meeting.

### **POLICIES: SUBSTANTIVE FOR FIRST READ**

- 4002 Parental Involvement
- 3210 Parental Request to Review Instructional Materials
- 3540 Comprehensive Health Education Program
- 4335 Criminal Behavior
- 4720 Surveys of Students
- 6120 Student Health Services
- 7300 Staff Responsibilities

Dr. Wayne Eberle briefly presented these policies which will be brought back to the October BOE Meeting for "First Read." Dr. Eberle and Dr. Alexander answered a few questions from Board members.

### **BOARD OPERATIONS**

- A. NCSBA Voting Delegates
- B. Change of Meeting Date Protocol
- C. Date of October BOE Meeting
- D. Board Retreat: Date and Topics
- E. Board Self-Evaluation Instrument
- F. NCSBA Fall Law Conference

Watauga County Schools can have two voting delegates at the annual conference of the North Carolina School Boards Association. Steve Combs made a motion that Gary Childers and Marshall Ashcraft be the voting delegates. Jason Cornett seconded the motion, and all Board members approved.

The date for each Board of Education meeting will be posted on the main webpage for Watauga County Schools and the "Board of Education Meetings" page.

The next Board of Education meeting will be Monday, October 9th.

The BOE members will have a work retreat on November 6th. Board members will submit their priority rankings of topics and a Board Self-Evaluation by September 29th to inform decisions about discussions.

### **BOARD COMMENTS**

- Jay Fenwick pointed out how smoothly and quickly the car rider line is going in the afternoons at Watauga High School.
- Gary Childers expressed that the LEAD (Leadership Education and Development) training this year was one of the better ones he has attended.

### **ADJOURNMENT**

Steve Combs made a motion to adjourn, Jay Fenwick seconded, and it was unanimously approved. The meeting adjourned at 8:27 p.m.

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Dr. Gary L. Childers, *Board of Education Chair*

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Dr. Leslie Alexander, *Superintendent*

## WATAUGA COUNTY FIELD TRIP REQUEST FORM

This request is for a: ☒ day trip ☐ out of state day trip ☐ overnight trip ☐ overnight & out of state trip

Day trips must be submitted to the principal 15 days before the trip. Overnight trip requests must be submitted to the superintendent by the first day of each month. Overnight field trips require the prior approval of the principal, transportation director, superintendent, and Board of Education. All trips utilizing rental or charter vehicles require the prior approval of the transportation director. No employee will transport students in a personal vehicle and no employee or volunteer driver will transport students in a 12-15 passenger van. No more than five students will be transported by a school system employee or volunteer in any one vehicle other than a school bus or activity bus.

Sponsoring teacher: (Print) LTC Wes Young School: Watauga High  
Cell phone number: 845-667-4049 Grade(s): 9-12 Number of students: 12  
Departure time/date: 0715 / 13 Oct 2023 Return time/date: 1430 / 13 Oct 2023

### Educational purpose:

Trip destination including city, state, and all places to be visited: (attach detailed itinerary as needed)

Daniel Boone HS, Gray, TN

Purpose of trip and how it relates to the curriculum: Air Rifle Match for 3 teams of  
4 cadets each.

### Supervision and Safety:

Names of all school staff chaperones: LTC Young

Names of all non-school chaperones: N/A

All chaperones have a background check completed: \_\_\_\_\_ Sponsoring teacher initials: \_\_\_\_\_

Are all site(s) accessible to students with disabilities? yes no How will students with disabilities be accommodated for site access and transportation? \_\_\_\_\_

Sponsoring Teacher Initials DWY (If applicable) A safety/supervision plan for high risk and/or water activities has been shared with the parents. Please attach a copy of the plan to this form if applicable.

**Transportation plan:** 8153 Reserved  
Mode of transportation: ☒ Activity bus ☐ Rental car/mini-van ☐ Charter bus ☐ Other: \_\_\_\_\_

(If applicable, bus request form must be attached)

Driver/s: LTC Wes Young Round trip mileage: 136 # of buses needed: 1  
Total cost per student \$ \$12.50 Source of funds: JRSTC District

The sponsoring teacher has reviewed Board policies 3320, 3320-R, and 6315: Teacher initials: \_\_\_\_\_

**Approval/Signatures:**

Sponsoring teacher signature: D.W. Young Date: 10 / 03 / 2023  
Principal approval: [Signature] Date: 10 / 03 / 2023

**Required signatures if applicable:**

Transportation Director approval: CABZ Date: 10 / 04 / 2023  
Superintendent approval: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Board of Education approval: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

## WATAUGA COUNTY FIELD TRIP REQUEST FORM

This request is for a: \_\_\_ day trip \_\_\_ out of state day trip \_\_\_ overnight trip ☒ overnight & out of state trip

Day trips must be submitted to the principal 15 days before the trip. Overnight trip requests must be submitted to the superintendent by the first day of each month. Overnight field trips require the prior approval of the principal, transportation director, superintendent, and Board of Education. All trips utilizing rental or charter vehicles require the prior approval of the transportation director. No employee will transport students in a personal vehicle and no employee or volunteer driver will transport students in a 12-15 passenger van. No more than five students will be transported by a school system employee or volunteer in any one vehicle other than a school bus or activity bus.

Sponsoring teacher: (Print) Haylee Bare School: WHS

Cell phone number: 336-1020-3450 Grade(s): 11-12 Number of students: 8

Departure time/date: Oct. 31st ~ 6 am Return time/date: Nov 4th ~ 8 pm

### Educational purpose:

Trip destination including city, state, and all places to be visited: (attach detailed itinerary as needed)

Indiana Convention Center - Indianapolis IN. Other places listed in itinerary attached.

Purpose of trip and how it relates to the curriculum: Students attend conferences, sessions, and workshops to learn about FFA and leadership skills. Students get to network with FFA members across the nation and learn about agriculture across the US

### Supervision and Safety:

Names of all school staff chaperones: Haylee Bare

Names of all non-school chaperones: Daniel Calhoun, Josh Justice, Courtney Smith (ag teachers from Ashe and Pisgah), George and Rhonda Roten (parents)  
all background checks must be completed



All chaperones have a background check completed: yes Sponsoring teacher initials: HB  
Are all site(s) accessible to students with disabilities? yes no How will students with disabilities be  
accommodated for site access and transportation? \_\_\_\_\_

Sponsoring Teacher Initials \_\_\_\_\_ (If applicable) A safety/supervision plan for high risk and/or water activities has  
been shared with the parents. Please attach a copy of the plan to this form if applicable.

**Transportation plan:**

Mode of transportation: \_\_\_\_\_ Yellow bus with wheelchair lift \_\_\_\_\_ Yellow bus without wheelchair lift  
\_\_\_\_\_ Activity bus with wheelchair lift ✓ Activity bus without wheelchair lift \_\_\_\_\_ Rental car/mini-van  
✓ Charter bus Other (Please explain) Will need to take activity bus to ACTHS to board  
Name of charter bus company (if checked above) STI Charter bi

(If applicable, bus request form must be attached)

Driver/s: Haylee Bare Round trip mileage: 44 # of buses needed: 1  
Total cost per student \$ \_\_\_\_\_ Source of funds: CTE

The sponsoring teacher has reviewed Board policies 3320, 3320-R, and 6315: Teacher initials: HB

**Approval/Signatures:**

Sponsoring teacher signature: Haylee Bare Date: 9 / 11 / 23  
Principal approval: [Signature] Date: 9 / 14 / 23

**Required signatures if applicable:**

Transportation Director approval: [Signature] Date: 10 / 3 / 2023  
Superintendent approval: [Signature] Date: 10 / 3 / 2023  
Board of Education approval: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

\* IF we advance from Regionals (11/4) we go two weeks later

## WATAUGA COUNTY FIELD TRIP REQUEST FORM

This request is for a: \_\_\_ day trip \_\_\_ out of state day trip ☒ overnight trip \_\_\_ overnight & out of state trip

Day trips must be submitted to the principal 15 days before the trip. Overnight trip requests must be submitted to the superintendent by the first day of each month. Overnight field trips require the prior approval of the principal, transportation director, superintendent, and Board of Education. All trips utilizing rental or charter vehicles require the prior approval of the transportation director. No employee will transport students in a personal vehicle and no employee or volunteer driver will transport students in a 12-15 passenger van. No more than five students will be transported by a school system employee or volunteer in any one vehicle other than a school bus or activity bus.

Sponsoring teacher: (Print) Zach Walker School: WHS

Cell phone number: 828-280-6920 Grade(s): 10-12 Number of students: 16

Departure time/date: Thurs Nov 16<sup>th</sup> 6:00 am Return time/date: Friday Nov 17<sup>th</sup> @ 12 am

### Educational purpose:

Trip destination including city, state, and all places to be visited: (attach detailed itinerary as needed)

Greensboro College. Greensboro NC

Purpose of trip and how it relates to the curriculum: IF we advance to the State

Festival we compete in Greensboro NC vs. 15 other top  
Schools/plays - one act play festival - Playmakers is a locally  
created course that is designed to participate in this  
Theatre Arts competition.

### Supervision and Safety:

Names of all school staff chaperones: Zach Walker, Sarah Miller, Ben Maggard

Names of all non-school chaperones: \_\_\_\_\_

All chaperones have a background check completed:

Sponsoring teacher initials: ZW

Are all site(s) accessible to students with disabilities? ☒ yes ☐ no How will students with disabilities be accommodated for site access and transportation? \_\_\_\_\_

Sponsoring Teacher Initials \_\_\_\_\_ (If applicable) A safety/supervision plan for high risk and/or water activities has been shared with the parents. Please attach a copy of the plan to this form if applicable.

**Transportation plan:**

Mode of transportation: \_\_\_\_\_ Yellow bus with wheelchair lift \_\_\_\_\_ Yellow bus without wheelchair lift  
\_\_\_\_\_ Activity bus with wheelchair lift ☒ Activity bus without wheelchair lift \_\_\_\_\_ Rental car/mini-van  
\_\_\_\_\_ Charter bus Other (Please explain) \_\_\_\_\_

Name of charter bus company (if checked above) \_\_\_\_\_

(If applicable, bus request form must be attached)

Driver/s: Ben Maggard Round trip mileage: @ 250 # of buses needed: 1  
Total cost per student \$ @ \$60 Source of funds: school and personal

The sponsoring teacher has reviewed Board policies 3320, 3320-R, and 6315: Teacher initials: ZW

**Approval/Signatures:**

Sponsoring teacher signature: [Signature] Date: 9 / 13 / 23

Principal approval: [Signature] Date: 9 / 14 / 23

**Required signatures if applicable:**

Transportation Director approval: [Signature] Date: 9 / 27 / 23

Superintendent approval: [Signature] Date: 9 / 27 / 23

Board of Education approval: \_\_\_\_\_ Date: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

## Declaration of Surplus Items - October

2023

Date Approved: \_\_\_\_\_

### Bethel

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
	<input type="text"/>		<input type="text"/>	<input type="text"/>
	0		0	0

### Blowing Rock

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
51957	1	CHROMEBOOK		1
	<input type="text"/>		<input type="text"/>	<input type="text"/>
	1		0	1

### Cove Creek

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
	<input type="text"/>		<input type="text"/>	<input type="text"/>
	0		0	0

### Green Valley

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
33957	1	CHARGING CART		1
	<input type="text"/>		<input type="text"/>	<input type="text"/>
	1		0	1

### Hardin Park

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
500164	1	SMARTBOARD		1
33393	1	CHROMEBOOK- 100e		1
500744	1	FRIDGE-FREEZER		1

4

0

4

## Mabel

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
33667	1	CHARGING CART- E36C	1	
33666	1	CHARGING CART- E36C	1	
NONE	18	MONITORS- DELL	18	
NONE	7	MONITORS- HP	7	
NONE	1	MONITOR- ACER	1	
NONE	4	CAMERAS- HONEYWELL		4
600228	1	AIR CONDITIONER		1

33

28

5

## Parkway

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
33014	1	PROJECTOR- POWERLITE		1
29893	1	PROJECTOR- POWERLITE		1

2

0

2

## Valle Crucis

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
33966	1	CHARGING CART	1	
33965	1	CHARGING CART	1	

2

2

0

## Watauga High School

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
905216	1	KEYBOARD- DIGITAL PIANO		1
904009	1	Espon 460 Projector		1
28958	1	Epson 570 Projector		1
904795	1	Espon 460 Projector		1
n/a	4	Classroom speakers		4
903794	1	HP Printer		1
none	1	Dell laptop		1
80131	1	HP Z230 CPU		1
0 50577	1	Dell T3500 CPU		1
905604	1	HP Z230 CPU	1	
905592	1	HP Z230 CPU	1	
905587	1	HP Z230 CPU	1	
905624	1	HP Z230 CPU	1	
905606	1	HP Z230 CPU	1	
905605	1	HP Z230 CPU	1	
905625	1	HP Z230 CPU	1	
905599	1	HP Z230 CPU	1	
905603	1	HP Z230 CPU	1	
905580	1	HP Z230 CPU	1	
905626	1	HP Z230 CPU	1	
905627	1	HP Z230 CPU	1	
905591	1	HP Z230 CPU	1	
905593	1	HP Z230 CPU	1	
906005	1	HP Flat panel		1
<div></div>			<div></div>	<div></div>
27			14	13

## Central Office

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
25095	1	DESKTOP - HP Z220		1
28559	1	DESKTOP - OPTIPLEX		1
51081	1	SCANNER- SCAN SNAP		1
51274	1	PRINTER- HP M402		1
200522	1	PRINTER- HP M401		1
<div></div>			<div></div>	<div></div>
5			0	5

## Technology Department



<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
700362	1	iPAD TABLET	1	
25603	1	iPAD TABLET	1	
25630	1	iPAD TABLET	1	
500471	1	iPAD TABLET	1	
500757	1	DOC CAMERA- IPEVO		1
28434	1	iPAD TABLET	1	
25109	1	iPAD TABLET	1	
25106	1	iPAD TABLET	1	
25620	1	iPAD TABLET	1	
200551	1	iPAD TABLET	1	
28435	1	iPAD TABLET	1	
25615	1	iPAD TABLET	1	
25114	1	iPAD TABLET	1	
25623	1	iPAD TABLET	1	
25616	1	iPAD TABLET	1	
600868	1	iPAD TABLET	1	
25618	1	iPAD TABLET	1	
25108	1	iPAD TABLET	1	
25614	1	iPAD TABLET	1	
25632	1	iPAD TABLET	1	
400468	1	iPAD TABLET	1	
700004	1	SMARTBOARD		1
700925	1	SMARTBOARD		1
28961	1	PROJECTOR- POWERLITE		1
29884	1	PROJECTOR- POWERLITE		1
700548	1	AMPLIFIER		1
700446	1	AMPLIFIER		1
51636	1	CHROMEBOOK- TOUCH		1
33923	1	PROJECTOR- POWERLITE		1
200810	1	SMART RESPONSE	1	
NONE	1	SMART RESPONSE	1	
600917	1	iPAD TABLET	1	
903445	1	iPAD TABLET	1	
27902	1	iPAD TABLET	1	
400411	1	iPAD TABLET	1	
28481	1	iPAD TABLET	1	
903143	1	PROJECTOR- POWERLITE		1

37

27

10

## Transportation Department

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
	<div></div> <div>0</div>		<div></div> <div>0</div>	<div></div> <div>0</div>

## Maintenance Department

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
	<div></div> <div>0</div>		<div></div> <div>0</div>	<div></div> <div>0</div>

## Child Nutrition

<u>Asset #</u>	<u>Quantity</u>	<u>Description</u>	<u>Usable</u>	<u>Unusable</u>
	<div></div> <div>0</div>		<div></div> <div>0</div>	<div></div> <div>0</div>

# Board of Education of Watauga County Schools

June 30, 2023

Audit Presentation



**A S W** ANDERSON SMITH & WIKE PLLC  
*Certified Public Accountants*

# Opinion - Unmodified (Clean)

## *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 Watauga County Board of Education, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise of the Watauga 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 Watauga County Board of Education as of June 30, 2023, 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, and the Federal Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Required Communications to the Board of Education

- Significant Accounting Estimates
  - Depreciation
  - Pension and other post-employment benefit (OPEB) liability
- Misstatements
  - None
- Disagreements or difficulties with management
  - None



## Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance

	Major Funds					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	
<b>REVENUES</b>						
State of North Carolina	\$ 357,320	\$ 35,510,620	\$ -	\$ 388,376	\$ -	\$ 36,256,316
Watauga County	14,780,022	-	-	1,032,589	-	15,812,611
U.S. Government	242,160	-	-	173,631	5,897,941	6,313,732
Other	2,057,868	-	2,003,720	-	-	4,061,588
Total revenues	17,437,370	35,510,620	2,003,720	1,594,596	5,897,941	62,444,247
<b>EXPENDITURES</b>						
Current:						
Instructional services:						
Regular instructional	5,514,464	20,731,291	1,873,601	1,146,820	1,797,818	31,063,994
Special populations	1,959,002	5,501,088	-	-	1,167,170	8,627,260
Alternative programs	419,269	1,352,825	-	-	851,960	2,624,054
School leadership	1,156,005	1,681,853	-	-	-	2,837,858
Co-curricular	453,459	-	-	20,991	-	474,450
School-based support	885,997	2,396,895	-	-	444,161	3,727,053
System-wide support services:						
Support and development	148,387	359,431	-	-	-	507,818
Special populations	-	120,888	-	-	101,330	222,218
Alternative programs	-	18,970	-	-	42	19,012
Technology support	502,849	213,212	-	-	-	716,061
Operational support	3,514,896	2,574,604	-	624,618	-	6,714,118
Financial and human resource services	2,498,740	142,944	-	-	954,098	3,595,782
Accountability	5,867	2,265	-	-	-	8,132
Policy, leadership and public relations	327,284	315,142	-	32,107	222,437	898,970
Ancillary services	84,546	-	-	-	-	84,546
Non-programmed charges	383,991	-	-	-	358,925	742,916
Debt service						
Principal	-	-	-	47,606	-	47,606
Total expenditures	17,854,756	35,411,408	1,873,601	1,872,142	5,897,941	62,909,848
Revenues over (under) expenditures	(417,386)	99,212	130,119	(277,546)	-	(465,601)
<b>OTHER FINANCING USES</b>						
Transfers to other funds	-	(99,212)	-	-	-	(99,212)
Net change in fund balance	(417,386)	-	130,119	(277,546)	-	(564,813)
Fund balances-beginning	4,278,458	-	822,643	592,358	-	5,693,459
Fund balances-ending	\$ 3,861,072	\$ -	\$ 952,762	\$ 314,812	\$ -	\$ 5,128,646



# Governmental Funds Balance Sheet

## ASSETS

Cash and cash equivalents  
Due from other governments  
Inventories  
Total assets

## LIABILITIES AND FUND BALANCES

### Liabilities:

Accounts payable and accrued liabilities

### Fund balances:

#### Nonspendable:

Inventories

#### Restricted:

Stabilization by State statute

School capital outlay

Individual schools

Unassigned

Total fund balances

Total liabilities and fund balances

Major Funds					Total Governmental Funds
General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	
\$ 3,734,069	\$ -	\$ 952,762	\$ 314,812	\$ -	\$ 5,001,643
133,792	-	-	-	-	133,792
158,621	-	-	-	-	158,621
<u>\$ 4,026,482</u>	<u>\$ -</u>	<u>\$ 952,762</u>	<u>\$ 314,812</u>	<u>\$ -</u>	<u>\$ 5,294,056</u>
\$ 185,410	\$ -	\$ -	\$ -	\$ -	\$ 185,410
158,621	-	-	-	-	158,621
133,792	-	-	-	-	133,792
-	-	-	314,812	-	314,812
-	-	952,762	-	-	952,762
<u>3,568,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,568,659</u>
<u>3,861,072</u>	<u>-</u>	<u>952,762</u>	<u>314,812</u>	<u>-</u>	<u>5,128,646</u>
<u>\$ 4,026,482</u>	<u>\$ -</u>	<u>\$ 952,762</u>	<u>\$ 314,812</u>	<u>\$ -</u>	

# Budget vs. Actual

	General Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ 318,000	\$ 318,000	\$ 357,320	\$ 39,320
Watauga County	14,780,022	16,045,022	14,780,022	(1,265,000)
U.S. Government	-	217,400	242,160	24,760
Other	558,000	1,398,000	2,057,868	659,868
Total revenues	15,656,022	17,978,422	17,437,370	(541,052)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	7,797,343	10,397,343	10,388,196	9,147
System-wide support services	7,374,930	7,064,443	6,998,023	66,420
Ancillary services	-	92,400	84,546	7,854
Non-programmed charges	483,749	424,236	383,991	40,245
Total expenditures	15,656,022	17,978,422	17,854,756	123,666
Revenues over (under) expenditures	-	-	(417,386)	(417,386)
<b>Other financing uses:</b>				
Transfers to other funds	-	-	-	-
Net change in fund balance	\$ -	\$ -	(417,386)	\$ (417,386)
Fund balances, beginning of year			4,278,458	
Fund balances, end of year			\$ 3,861,072	

# Child Nutrition & Child Care

	Major Fund	Non-major Fund	
	School Food Service	Child Care	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 832,167	\$ 52,512	\$ 884,679
Cash paid for goods and services	(923,657)	(46,224)	(969,881)
Cash paid to employees for services	(1,206,623)	(508,285)	(1,714,908)
Other operating revenues	1,143	-	1,143
Net cash provided (used) by operating activities	(1,296,970)	(501,997)	(1,798,967)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal and State reimbursements	1,484,522	-	1,484,522
Contract reimbursement	-	453,515	453,515
Net cash provided from noncapital financing activities	1,484,522	453,515	1,938,037
Net increase (decrease) in cash and cash equivalents	187,552	(48,482)	139,070
Balances-beginning of the year	1,339,769	818,494	2,158,263
Balances-end of the year	<u>\$ 1,527,321</u>	<u>\$ 770,012</u>	<u>\$ 2,297,333</u>



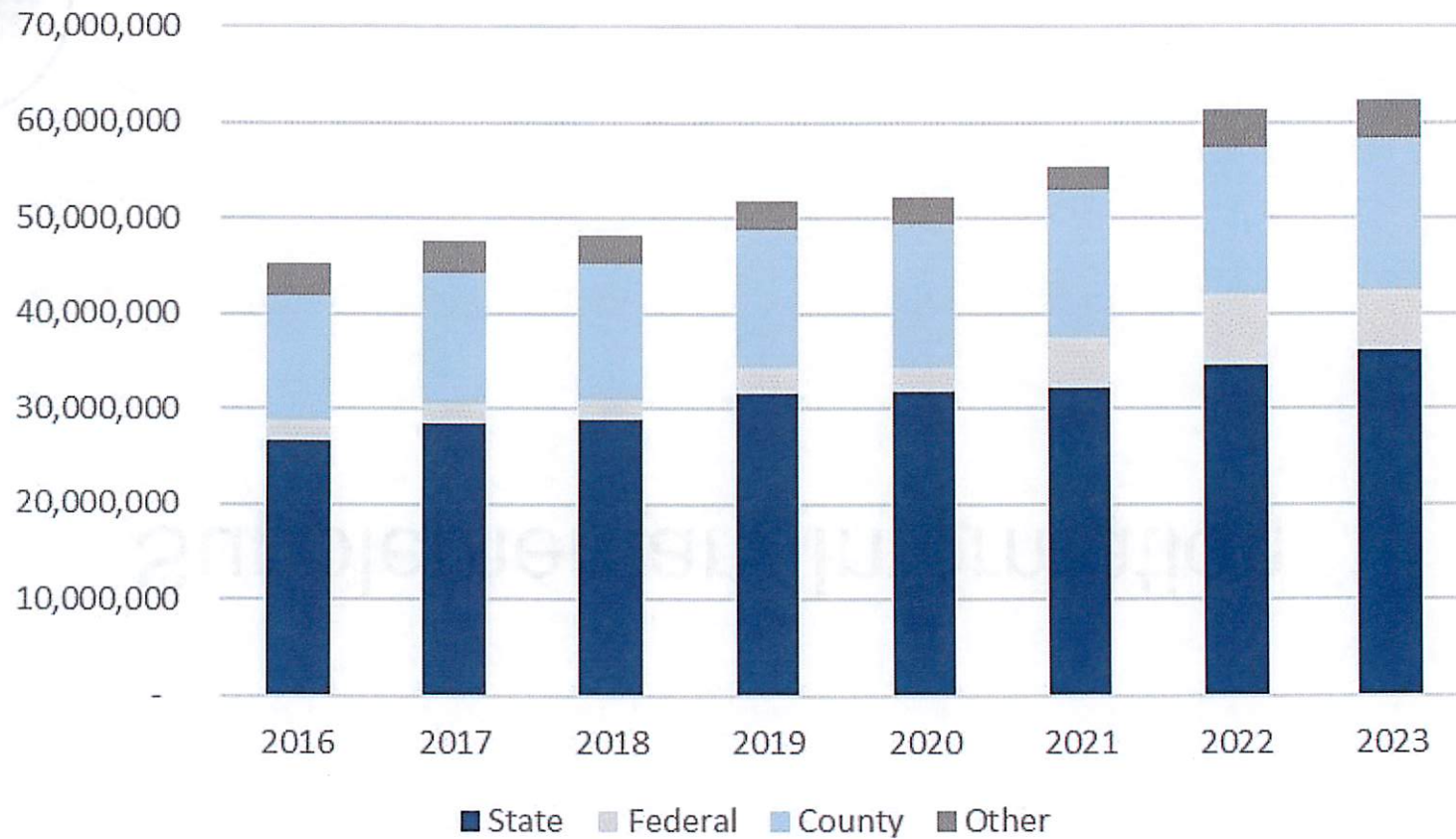
# Audit Findings & Questioned Costs

- Financial Statements
  - None
- Federal Awards
  - None
- State Awards
  - None

# Supplementary Information

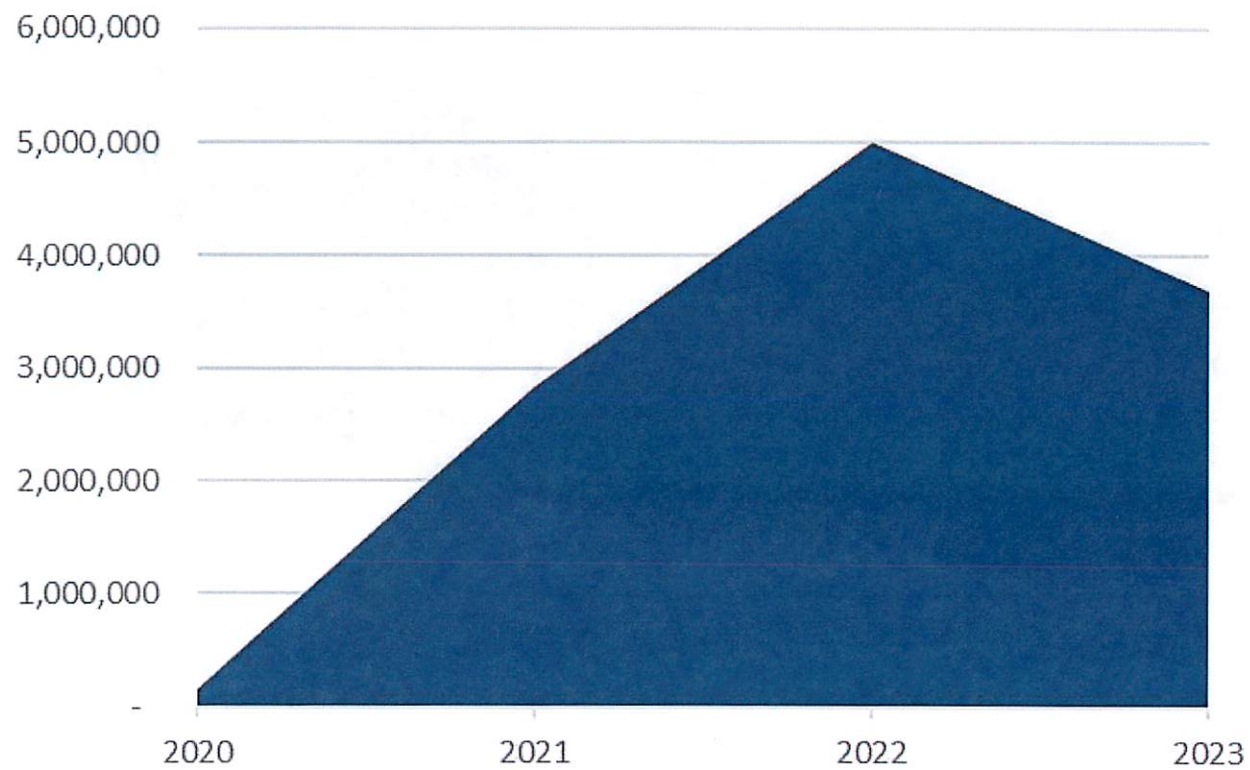


# Revenue over time

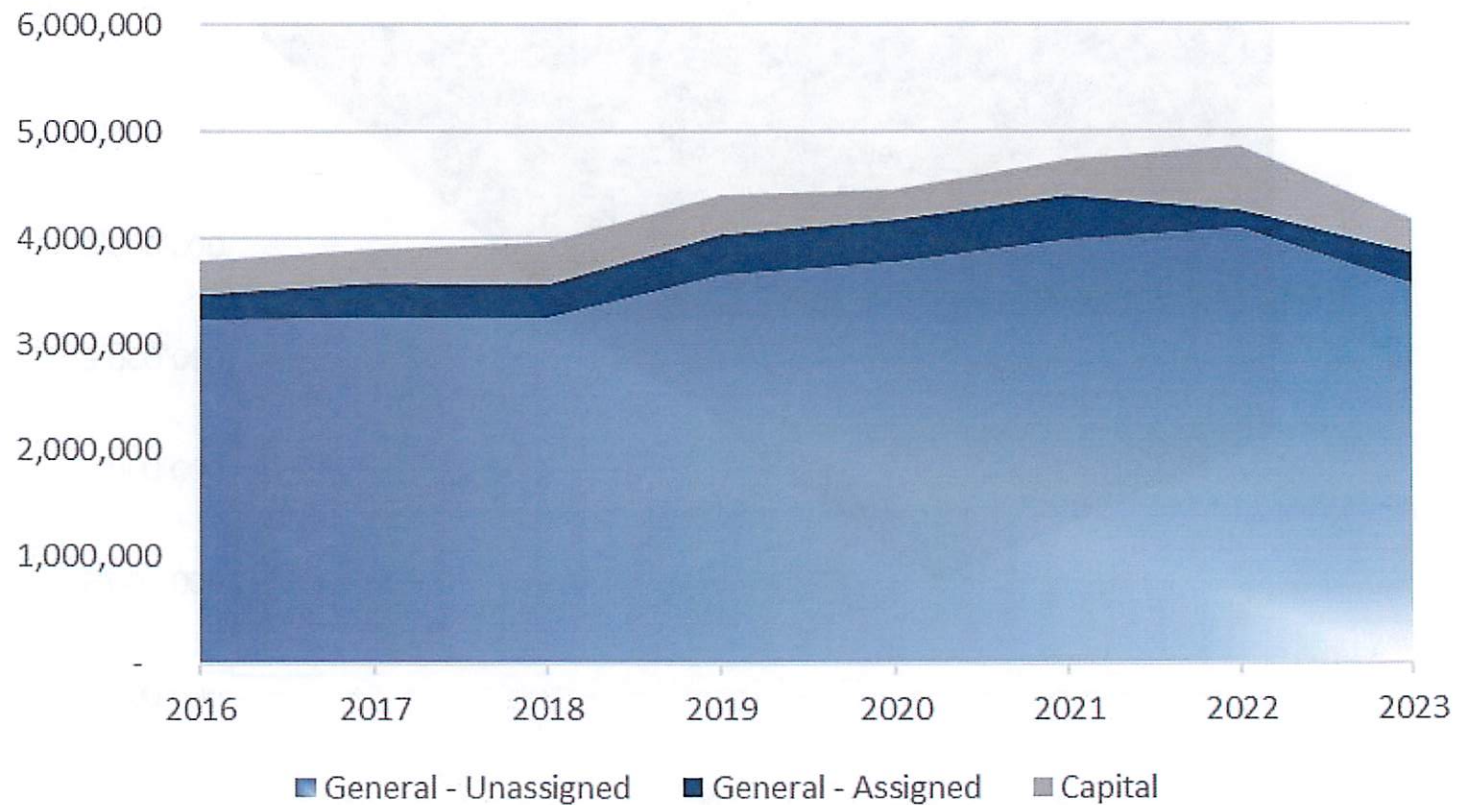




# COVID Related Revenue



# Local Fund Balance over time





ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

Shannon Dennison, CPA

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**Watauga County  
Board of Education**

Financial Statements  
For the Year Ended  
June 30, 2023

# WATAUGA COUNTY BOARD OF EDUCATION

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## **WATAUGA COUNTY BOARD OF EDUCATION**

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ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Watauga County Board of Education  
Boone, North Carolina

### ***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 Watauga County Board of Education, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise of the Watauga 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 Watauga County Board of Education as of June 30, 2023, 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, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Watauga 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 Watauga 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that



includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *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 responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Watauga 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 Watauga 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, OPEB Liabilities and the Schedule of Board Contributions on pages 53 to 58, 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 Watauga 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 September 1, 2023 on our consideration of Watauga 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 Watauga 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 Watauga County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

September 1, 2023  
Elon, North Carolina  
(336) 380-4123

**WATAUGA COUNTY BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

---

This section of the Watauga 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, 2023. This information should be read in conjunction with the audited financial statements included in this report.

***Financial Highlights***

- The liabilities of the Board exceeded assets at the close of the fiscal year by \$48,376,431.
- The Board's total net position increased by \$4,538,856 during the 2022-2023 year.
- At the close of the fiscal year, the Board's governmental funds reported a combined fund balance of \$5,128,646, a decrease of \$564,813 from the prior year.
- At the close of the fiscal year, the Board's General Fund reported a fund balance of \$3,861,072, a decrease of \$417,386 from the prior year.

***District Highlights***

Watauga County Schools is home to more than 4,600 students who attend classes at one of the system's 11 schools. The district is made up of eight schools serving students in grades K-8, one consolidated high school and the Watauga Innovation Academy, a cooperative high school that allows students to earn high school and college credit simultaneously. Starting in the 2021-22 school year, Watauga County Schools also added an online remote learning school called the Watauga Virtual Academy. The school is home to students who do the majority of their school work online and who also attend regular in-person events and special classes.

Watauga County Schools is consistently ranked among the best public school systems in the state of North Carolina. In recent years, each of our schools met or exceeded growth standards set by the state of North Carolina. Watauga County Schools also ranks as a top academic contender statewide, recently scoring in the top five for End-of-Grade testing and netting the top spot region-wide in six testing categories. The system routinely brings home some of the best ACT and SAT scores in the state.

Watauga County Schools is consistently named an "Accomplished District" by the National Board for Professional Teaching Standards. The designation was given to school districts in which 20 percent or more of teachers have achieved National Board certification. Watauga County is one of just 81 school districts across the nation that were awarded the Accomplished District designation.

The system is home to two North Carolina Green Schools of Excellence, Watauga High School and Cove Creek School. The designation recognizes schools that show the highest level of commitment to a sustainable campus and environmental education curriculum.

Students in Watauga County Schools have access to strong arts, music and outdoor education programs. Elementary and middle school students have physical education classes every day and a variety of exploratory options, from programming to robotics.

Watauga County Schools charges no admission for out-of-county enrollees and is open to homeschool students who wish to dual enroll at Watauga High School. Home school students can earn high school

**WATAUGA COUNTY BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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and college credit by attending classes at WHS or virtually through the North Carolina Virtual Public School.

**Overview of the Financial Statements**

The audited financial statements of the Watauga 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 section that presents budgetary statements for certain governmental funds and budgetary statements for the enterprise funds*

The *Basic Financial Statements* include two types of statements that present different views of the Board's finances. The first is the *government-wide statements*. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the Board's assets 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 and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on the 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 and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

**WATAUGA COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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- 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 Watauga County's (the "County") property tax base and the condition of its school buildings and other physical assets.

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

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

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

***Fund Financial Statements***

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

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

Watauga 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, 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. Watauga County Board of Education has two proprietary funds – both enterprise funds - the School Food Service Fund and the Child Care Fund.

**WATAUGA COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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

*Fiduciary fund:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Watauga County Board of Education has one fiduciary fund - the Private Purpose Trust Fund, which is a scholarship fund under the control of the administrative unit. This is accounted for as a private purpose trust fund.

The fiduciary fund statements are shown as Exhibits 9 and 10 of this report.

***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 assets and deferred outflows of resources exceeded by \$48,376,431 as of June 30, 2023. The largest component of net position is net investment in capital assets, net of related debt, of \$17,546,405.

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, 2023 and 2022</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Current assets	\$ 5,294,056	\$ 5,874,936	\$ 2,399,310	\$ 2,284,659	\$ 7,693,366	\$ 8,159,595
Capital assets	17,397,869	17,920,356	171,966	198,726	17,569,835	18,119,082
<b>Total assets</b>	<b>22,691,925</b>	<b>23,795,292</b>	<b>2,571,276</b>	<b>2,483,385</b>	<b>25,263,201</b>	<b>26,278,677</b>
Deferred outflow s of resources	36,565,260	17,987,227	958,874	435,060	37,524,134	18,422,287
Current liabilities	165,410	152,837	232,957	670,521	398,367	823,358
Long-term liabilities	83,895,550	65,833,049	2,181,135	1,573,716	86,076,685	67,406,765
<b>Total liabilities</b>	<b>84,060,960</b>	<b>65,985,886</b>	<b>2,414,092</b>	<b>2,244,237</b>	<b>86,475,052</b>	<b>68,230,123</b>
Deferred inflow s of resources	24,057,831	28,692,148	630,883	693,980	24,688,714	29,386,128
Net investment in capital assets	17,374,439	17,849,320	171,966	198,726	17,546,405	18,048,046
Restricted net position	1,401,366	1,495,726	-	692	1,401,366	1,496,418
Unrestricted net position	(67,637,411)	(72,240,561)	313,209	(219,190)	(67,324,202)	(72,459,751)
<b>Total net position</b>	<b>\$ (48,861,606)</b>	<b>\$ (52,895,515)</b>	<b>\$ 485,175</b>	<b>\$ (19,772)</b>	<b>\$ (48,376,431)</b>	<b>\$ (52,915,287)</b>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

Note that net position of governmental activities increased during the year, indicating an increase in the financial condition of the Board. The increase is primarily due to a decrease in OPEB liabilities during the year. Also note that the Board carries capital assets for which Watauga County carries the offsetting debt.

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

<b>Table 2</b>						
<b>Condensed Statement of Revenues, Expenses, and Changes in Net Position</b>						
<b>For the Fiscal Years Ended June 30, 2023 and 2022</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 69,991	\$ 59,119	\$ 1,331,137	\$ 415,632	\$ 1,401,128	\$ 474,751
Operating grants and contributions	41,210,137	40,526,940	2,167,473	3,226,778	43,377,610	43,753,718
Capital grants and contributions	47,606	256,678	-	31,427	47,606	288,105
<b>General revenues:</b>						
Other revenues	21,107,066	20,623,367	1,143	688	21,108,209	20,624,055
<b>Total revenues</b>	<u>62,434,800</u>	<u>61,466,104</u>	<u>3,499,753</u>	<u>3,674,525</u>	<u>65,934,553</u>	<u>65,140,629</u>
<b>Expenses:</b>						
<b>Governmental activities:</b>						
Instructional services	45,653,706	43,446,044	-	-	45,653,706	43,446,044
System-wide support services	11,900,666	11,401,465	-	-	11,900,666	11,401,465
Ancillary services	77,722	156,123	-	-	77,722	156,123
Non-programmed charges	324,031	311,333	-	-	324,031	311,333
Depreciation	345,554	207,095	-	-	345,554	207,095
<b>Business-type activities:</b>						
School food service	-	-	2,570,908	2,422,402	2,570,908	2,422,402
Child care	-	-	523,110	492,188	523,110	492,188
<b>Total expenses</b>	<u>58,301,679</u>	<u>55,522,060</u>	<u>3,094,018</u>	<u>2,914,590</u>	<u>61,395,697</u>	<u>58,436,650</u>
Transfers in (out)	<u>(99,212)</u>	<u>(94,148)</u>	<u>99,212</u>	<u>94,148</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	4,033,909	5,849,896	504,947	854,083	4,538,856	6,703,979
Beginning net position	<u>(52,895,515)</u>	<u>(58,745,411)</u>	<u>(19,772)</u>	<u>(873,855)</u>	<u>(52,915,287)</u>	<u>(59,619,266)</u>
Ending net position	<u>\$ (48,861,606)</u>	<u>\$ (52,895,515)</u>	<u>\$ 485,175</u>	<u>\$ (19,772)</u>	<u>\$ (48,376,431)</u>	<u>\$ (52,915,287)</u>

Total governmental activities generated revenues of \$62.4 million, which is slightly more than \$61.5 million generated in the prior year. Expenses for the current year were \$58.3 million as compared to

**WATAUGA COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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\$55.5 million in the prior year. The increase in net position stands at \$4.0 million at June 30, 2023, compared to an increase of \$5.8 million in 2022. Business-type activities generated revenue of \$3.5 million and had expenses of \$3.1 million.

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

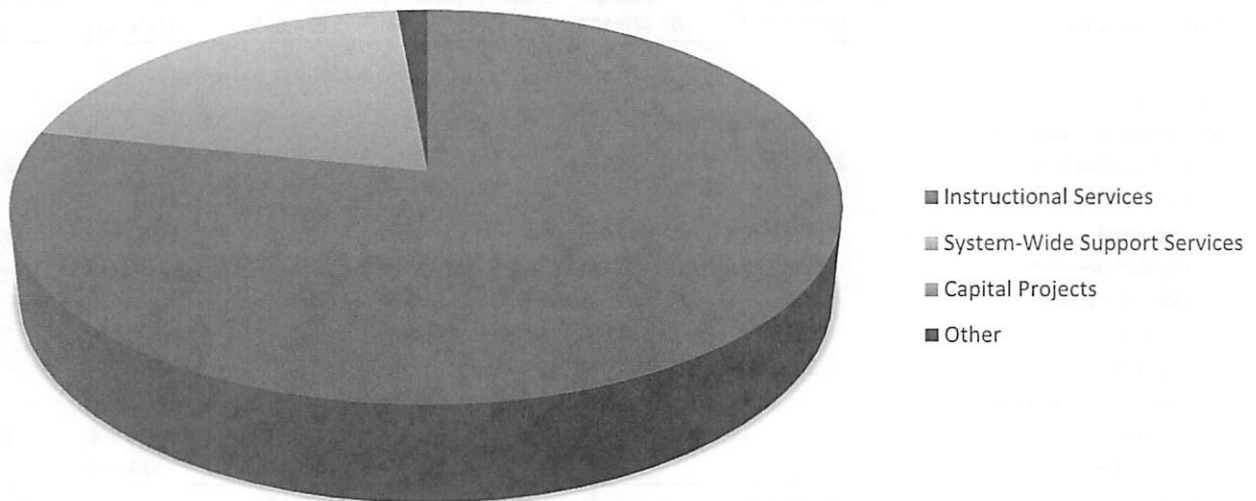
**Governmental Funds:** The focus of Watauga County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$5,128,646, a \$564,813 decrease from last year. The General Fund decreased by \$417,386.

**Proprietary Funds:** The Board's business-type funds had an increase in net position in the past year of \$504,947. The School Food Service Fund reflected an increase in net position of \$68,515 while the Child Care Fund's net position increased by \$436,432.

The following chart summarizes expenditures by category.

**Categorization of Expenditures of Governmental Funds**



Expenditures are presented on the modified accrual basis of accounting.

***General Fund Budgetary Highlights***

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and to reduce appropriations in light of the reduced revenue estimates.

**WATAUGA COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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**Capital Assets**

Capital assets decreased by approximately \$550,000 from the previous year. This was largely due to depreciation exceeding capital asset additions during the year. The following is a summary of the capital assets, net of depreciation at year-end.

A more detailed description of the capital assets is available in Note 2 of the basic financial statements.

<b>Table 3</b>						
<b>Summary of Capital Assets</b>						
<b>As of June 30, 2023 and 2022</b>						
	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2023	6/30/2022	6/30/2023	6/30/2022	6/30/2023	6/30/2022
Land	\$ 1,982,106	\$ 1,982,106	\$ -	\$ -	\$ 1,982,106	\$ 1,982,106
Buildings and improvements	12,294,687	13,076,644	-	-	12,294,687	13,076,644
Equipment and furniture	1,394,982	1,292,040	171,966	198,726	1,566,948	1,490,766
Vehicles	1,726,094	1,569,566	-	-	1,726,094	1,569,566
Total	<u>\$ 17,397,869</u>	<u>\$ 17,920,356</u>	<u>\$ 171,966</u>	<u>\$ 198,726</u>	<u>\$ 17,569,835</u>	<u>\$ 18,119,082</u>

**Debt Outstanding**

During the year the Board's outstanding debt relating to installment purchases decreased by approximately \$48,000 due to debt payments made for school buses. The Board is limited by North Carolina 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.

A more detailed description of the long-term debt is available in Note 2 of the basic financial statements.

**Economic Factors**

County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the school district. The following factors summarize the economic outlook of Watauga County.

- The property tax rate of 31.8 cents per \$100 is the lowest of all 100 counties in North Carolina for 2022-23.
- Watauga County's annual unemployment rate remains one of the lowest in North Carolina. For December 2022, Watauga County had the 2<sup>nd</sup> lowest unemployment rate for the state at 2.6 percent.
- State and local tax revenues from travel to Watauga County amounted to \$35 million. This represents a \$646.83 tax savings to each county resident.



**WATAUGA COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2023**

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***Requests for Information***

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

Ly Marze, Finance Officer  
Watauga County Board of Education  
175 Pioneer Trail  
Boone, NC 28607

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

**Exhibit 1**

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,001,643	\$ 2,297,333	\$ 7,298,976
Due from other governments	133,792	5,985	139,777
Inventories	158,621	95,992	254,613
Capital assets:			
Land, improvements, and construction in progress	1,982,106	-	1,982,106
Other capital assets, net of depreciation	15,415,763	171,966	15,587,729
Total capital assets	17,397,869	171,966	17,569,835
Total assets	22,691,925	2,571,276	25,263,201
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	36,565,260	958,874	37,524,134
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	165,410	9,471	174,881
Accrued salaries and wages payable	-	193	193
Unearned revenues	-	223,293	223,293
Long-term liabilities:			
Net pension liability	33,904,086	889,088	34,793,174
Net OPEB liability	46,513,684	1,219,758	47,733,442
Due within one year	1,676,298	38,694	1,714,992
Due in more than one year	1,801,482	33,595	1,835,077
Total liabilities	84,060,960	2,414,092	86,475,052
<b>DEFERRED INFLOWS OF RESOURCES</b>	24,057,831	630,883	24,688,714
<b>NET POSITION</b>			
Net investment in capital assets	17,374,439	171,966	17,546,405
Restricted for:			
Individual schools	952,762	-	952,762
Stabilization by State statute	133,792	-	133,792
School capital outlay	314,812	-	314,812
Unrestricted	(67,637,411)	313,209	(67,324,202)
Total net position	\$ (48,861,606)	\$ 485,175	\$ (48,376,431)

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2023**

**Exhibit 2**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	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	\$ 28,679,646	\$ 68,931	\$ 22,546,394	\$ -	\$ (6,064,321)	\$ -	\$ (6,064,321)
Special populations	8,006,586	-	6,743,889	-	(1,262,697)	-	(1,262,697)
Alternative programs	2,467,475	-	2,259,993	-	(207,482)	-	(207,482)
School leadership	2,608,815	-	1,681,853	-	(926,962)	-	(926,962)
Co-curricular	436,158	-	-	-	(436,158)	-	(436,158)
School-based support	3,455,025	-	2,869,837	-	(585,188)	-	(585,188)
System-wide support services:							
Support and development	466,832	-	359,431	-	(107,401)	-	(107,401)
Special populations	210,849	-	228,784	-	17,935	-	17,935
Alternative programs	17,481	-	19,015	-	1,534	-	1,534
Technology support	658,268	-	213,212	-	(445,056)	-	(445,056)
Operational support	6,172,223	1,060	2,574,604	47,606	(3,548,953)	-	(3,548,953)
Financial and human resource services	3,367,392	-	1,158,867	-	(2,208,525)	-	(2,208,525)
Accountability	7,476	-	2,265	-	(5,211)	-	(5,211)
System-wide pupil support services	161,155	-	-	-	(161,155)	-	(161,155)
Policy, leadership and public relations	838,990	-	551,993	-	(286,997)	-	(286,997)
Ancillary services	77,722	-	-	-	(77,722)	-	(77,722)
Non-programmed charges	324,031	-	-	-	(324,031)	-	(324,031)
Unallocated depreciation expense*	345,554	-	-	-	(345,554)	-	(345,554)
Total governmental activities	<u>58,301,678</u>	<u>69,991</u>	<u>41,210,137</u>	<u>47,606</u>	<u>(16,973,944)</u>	<u>-</u>	<u>(16,973,944)</u>
Business-type activities:							
School food service	2,570,908	825,110	1,713,958	-	-	(31,840)	(31,840)
Child care	523,110	506,027	453,515	-	-	436,432	436,432
Total business-type activities	<u>3,094,018</u>	<u>1,331,137</u>	<u>2,167,473</u>	<u>-</u>	<u>-</u>	<u>404,592</u>	<u>404,592</u>
Total primary government	<u>\$ 61,395,696</u>	<u>\$ 1,401,128</u>	<u>\$ 43,377,610</u>	<u>\$ 47,606</u>	<u>(16,973,944)</u>	<u>404,592</u>	<u>(16,569,352)</u>
General revenues:							
Unrestricted county appropriations - operating					14,780,022	-	14,780,022
Unrestricted county appropriations - capital					1,032,589	-	1,032,589
Unrestricted State appropriations - operating					357,320	-	357,320
Unrestricted State appropriations - capital					388,376	-	388,376
Investment earnings, unrestricted					56,535	-	56,535
Miscellaneous, unrestricted					4,492,223	1,143	4,493,366
Transfers					(99,212)	99,212	-
Total general revenues and transfers					<u>21,007,853</u>	<u>100,355</u>	<u>21,108,208</u>
Change in net position					<u>4,033,909</u>	<u>504,947</u>	<u>4,538,856</u>
Net position-beginning					(52,895,515)	(19,772)	(52,915,287)
Net position-ending					<u>\$ (48,861,606)</u>	<u>\$ 485,175</u>	<u>\$ (48,376,431)</u>

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

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

**WATAUGA COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2023**

**Exhibit 3**

	Major Funds					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,734,069	\$ -	\$ 952,762	\$ 314,812	\$ -	\$ 5,001,643
Due from other governments	133,792	-	-	-	-	133,792
Inventories	158,621	-	-	-	-	158,621
Total assets	<u>\$ 4,026,482</u>	<u>\$ -</u>	<u>\$ 952,762</u>	<u>\$ 314,812</u>	<u>\$ -</u>	<u>\$ 5,294,056</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	<u>\$ 165,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,410</u>
Fund balances:						
Nonspendable:						
Inventories	158,621	-	-	-	-	158,621
Restricted:						
Stabilization by State statute	133,792	-	-	-	-	133,792
School capital outlay	-	-	-	314,812	-	314,812
Individual schools	-	-	952,762	-	-	952,762
Unassigned	<u>3,568,659</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,568,659</u>
Total fund balances	<u>3,861,072</u>	<u>-</u>	<u>952,762</u>	<u>314,812</u>	<u>-</u>	<u>5,128,646</u>
Total liabilities and fund balances	<u>\$ 4,026,482</u>	<u>\$ -</u>	<u>\$ 952,762</u>	<u>\$ 314,812</u>	<u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	17,397,869
Deferred outflows of resources related to OPEB	14,915,264
Deferred outflows of resources related to pensions	21,649,996
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,477,780)
Net pension liability	(33,904,086)
Net OPEB liability	(46,513,684)
Deferred inflows of resources related to pensions	(755,451)
Deferred inflows of resources related to OPEB	(23,302,380)
Net position of governmental activities	<u>\$ (48,861,606)</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

**Exhibit 4**

	Major Funds					Total Governmental Funds
	General	State Public School	Individual Schools	Capital Outlay	Federal Grants Fund	
<b>REVENUES</b>						
State of North Carolina	\$ 357,320	\$ 35,510,620	\$ -	\$ 388,376	\$ -	\$ 36,256,316
Watauga County	14,780,022	-	-	1,032,589	-	15,812,611
U.S. Government	242,160	-	-	173,631	5,897,941	6,313,732
Other	2,057,868	-	2,003,720	-	-	4,061,588
Total revenues	17,437,370	35,510,620	2,003,720	1,594,596	5,897,941	62,444,247
<b>EXPENDITURES</b>						
<b>Current:</b>						
Instructional services:						
Regular instructional	5,514,464	20,731,291	1,873,601	1,146,820	1,797,818	31,063,994
Special populations	1,959,002	5,501,088	-	-	1,167,170	8,627,260
Alternative programs	419,269	1,352,825	-	-	851,960	2,624,054
School leadership	1,156,005	1,681,853	-	-	-	2,837,858
Co-curricular	453,459	-	-	20,991	-	474,450
School-based support	885,997	2,396,895	-	-	444,161	3,727,053
System-wide support services:						
Support and development	148,387	359,431	-	-	-	507,818
Special populations	-	120,888	-	-	101,330	222,218
Alternative programs	-	18,970	-	-	42	19,012
Technology support	502,849	213,212	-	-	-	716,061
Operational support	3,514,896	2,574,604	-	624,618	-	6,714,118
Financial and human resource services	2,498,740	142,944	-	-	954,098	3,595,782
Accountability	5,867	2,265	-	-	-	8,132
Policy, leadership and public relations	327,284	315,142	-	32,107	222,437	896,970
Ancillary services	84,546	-	-	-	-	84,546
Non-programmed charges	383,991	-	-	-	358,925	742,916
<b>Debt service</b>						
Principal	-	-	-	47,606	-	47,606
Total expenditures	17,854,756	35,411,408	1,873,601	1,872,142	5,897,941	62,909,848
Revenues over (under) expenditures	(417,386)	99,212	130,119	(277,546)	-	(465,601)
<b>OTHER FINANCING USES</b>						
Transfers to other funds	-	(99,212)	-	-	-	(99,212)
Net change in fund balance	(417,386)	-	130,119	(277,546)	-	(564,813)
Fund balances-beginning	4,278,458	-	822,643	592,358	-	5,693,459
Fund balances-ending	\$ 3,861,072	\$ -	\$ 952,762	\$ 314,812	\$ -	\$ 5,128,646

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2023**

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

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

Net changes in fund balances - total governmental funds	\$ (564,813)
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeded the capital outlays expense in the current period.	(513,039)
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Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	6,137,760
---	-----------

Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	2,468,524
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	353,108

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	47,606
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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	(7,306,242)
Net OPEB expense	3,364,077
Compensated absences	56,376
Loss on disposal of assets	(9,448)

Total changes in net position of governmental activities	<u>\$ 4,033,909</u>
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**WATAUGA 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, 2023**

**Exhibit 5**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
State of North Carolina	\$ 318,000	\$ 318,000	\$ 357,320	\$ 39,320
Watauga County	14,780,022	16,045,022	14,780,022	(1,265,000)
U.S. Government	-	217,400	242,160	24,760
Other	558,000	1,398,000	2,057,868	659,868
Total revenues	<u>15,656,022</u>	<u>17,978,422</u>	<u>17,437,370</u>	<u>(541,052)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	7,797,343	10,397,343	10,388,196	9,147
System-wide support services	7,374,930	7,064,443	6,998,023	66,420
Ancillary services	-	92,400	84,546	7,854
Non-programmed charges	483,749	424,236	383,991	40,245
Total expenditures	<u>15,656,022</u>	<u>17,978,422</u>	<u>17,854,756</u>	<u>123,666</u>
Revenues over (under) expenditures	-	-	(417,386)	(417,386)
Other financing uses:				
Transfers to other funds	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(417,386)</u>	<u>\$ (417,386)</u>
Fund balances, beginning of year			<u>4,278,458</u>	
Fund balances, end of year			<u>\$ 3,861,072</u>	



**WATAUGA 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, 2023**

**Exhibit 5**  
**(Continued)**

	State Public School Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ 33,719,292	\$ 37,784,727	\$ 35,510,620	\$(2,274,107)
Watauga County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	33,719,292	37,784,727	35,510,620	(2,274,107)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	31,899,911	33,462,042	31,663,952	1,798,090
System-wide support services	1,819,381	3,872,685	3,747,456	125,229
Ancillary services	-	300,000	-	300,000
Non-programmed charges	-	-	-	-
Total expenditures	33,719,292	37,634,727	35,411,408	2,223,319
Revenues over expenditures	-	150,000	99,212	(50,788)
<b>Other financing uses:</b>				
Transfers to other funds	-	(150,000)	(99,212)	50,788
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances, beginning of year			-	
Fund balances, end of year			\$ -	

**WATAUGA 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, 2023**

**Exhibit 5**  
**(Continued)**

	Federal Grants Fund			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Watauga County	-	-	-	-
U.S. Government	2,361,780	7,703,381	5,897,941	(1,805,440)
Other	-	-	-	-
Total revenues	2,361,780	7,703,381	5,897,941	(1,805,440)
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	2,361,780	4,261,780	4,261,109	671
System-wide support services	-	1,300,000	1,277,907	22,093
Ancillary services	-	-	-	-
Non-programmed charges	-	2,141,601	358,925	1,782,676
Total expenditures	2,361,780	7,703,381	5,897,941	1,805,440
Revenues over expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**June 30, 2023**

**Exhibit 6**

	<u>Major Fund</u>	<u>Non-major Fund</u>	
	<u>School Food Service</u>	<u>Child Care</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,527,321	\$ 770,012	\$ 2,297,333
Due from other governments	5,985	-	5,985
Inventories	95,992	-	95,992
Total current assets	<u>1,629,298</u>	<u>770,012</u>	<u>2,399,310</u>
Noncurrent assets:			
Capital assets, net	171,966	-	171,966
Total assets	<u>1,801,264</u>	<u>770,012</u>	<u>2,571,276</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>798,556</u>	<u>160,318</u>	<u>958,874</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	9,243	228	9,471
Accrued salaries and wages payable	-	193	193
Compensated absences	24,566	14,128	38,694
Unearned revenues	40,030	183,263	223,293
Total current liabilities	<u>73,839</u>	<u>197,812</u>	<u>271,651</u>
Noncurrent liabilities:			
Net pension liability	740,438	148,650	889,088
Net OPEB liability	1,015,821	203,937	1,219,758
Compensated absences	29,797	3,798	33,595
Total noncurrent liabilities	<u>1,786,056</u>	<u>356,385</u>	<u>2,142,441</u>
Total liabilities	<u>1,859,895</u>	<u>554,197</u>	<u>2,414,092</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>525,403</u>	<u>105,480</u>	<u>630,883</u>
<b>NET POSITION</b>			
Net investment in capital assets	171,966	-	171,966
Unrestricted	42,556	270,653	313,209
Total net position	<u>\$ 214,522</u>	<u>\$ 270,653</u>	<u>\$ 485,175</u>

**WATAUGA COUNTY BOARD OF EDUCATION  
STATEMENT OF REVENUES, EXPENSES, AND  
POSITION - PROPRIETARY FUNDS  
For the Year Ended June 30, 2023**

**Exhibit 7**

	<u>Major Fund</u>	<u>Major Fund</u>	
	<u>School Food Service</u>	<u>Child Care</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Food sales	\$ 825,110	\$ -	\$ 825,110
Child care fees	-	506,027	506,027
Other	1,143	-	1,143
Total operating revenues	<u>826,253</u>	<u>506,027</u>	<u>1,332,280</u>
<b>OPERATING EXPENSES</b>			
Food cost:			
Purchase of food	1,037,570	24,035	1,061,605
Salaries and benefits	1,358,809	476,511	1,835,320
Supplies and materials	16,271	17,946	34,217
Repairs and maintenance	11,549	-	11,549
Indirect costs	105,128	-	105,128
Depreciation	26,760	-	26,760
Non-capitalized equipment	3,663	906	4,569
Other	11,158	3,712	14,870
Total operating expenses	<u>2,570,908</u>	<u>523,110</u>	<u>3,094,018</u>
Operating loss	<u>(1,744,655)</u>	<u>(17,083)</u>	<u>(1,761,738)</u>
<b>NONOPERATING REVENUES</b>			
Federal reimbursements	1,433,967	-	1,433,967
Federal commodities	160,225	-	160,225
State reimbursements	14,638	-	14,638
Contract reimbursements	-	453,515	453,515
Indirect costs not paid	105,128	-	105,128
Total nonoperating revenues	<u>1,713,958</u>	<u>453,515</u>	<u>2,167,473</u>
Income (loss) before transfers	(30,697)	436,432	405,735
Transfers from other funds	<u>99,212</u>	<u>-</u>	<u>99,212</u>
Change in net position	68,515	436,432	504,947
Total net position - beginning	<u>146,007</u>	<u>(165,779)</u>	<u>(19,772)</u>
Total net position - ending	<u>\$ 214,522</u>	<u>\$ 270,653</u>	<u>\$ 485,175</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2023**

**Exhibit 8**

	<u>Major Fund</u>	<u>Non-major Fund</u>	
	<u>School Food Service</u>	<u>Child Care</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 832,167	\$ 52,512	\$ 884,679
Cash paid for goods and services	(923,657)	(46,224)	(969,881)
Cash paid to employees for services	(1,206,623)	(508,285)	(1,714,908)
Other operating revenues	1,143	-	1,143
Net cash provided (used) by operating activities	<u>(1,296,970)</u>	<u>(501,997)</u>	<u>(1,798,967)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Federal and State reimbursements	1,484,522	-	1,484,522
Contract reimbursement	-	453,515	453,515
Net cash provided from noncapital financing activities	<u>1,484,522</u>	<u>453,515</u>	<u>1,938,037</u>
Net increase (decrease) in cash and cash equivalents	187,552	(48,482)	139,070
Balances-beginning of the year	<u>1,339,769</u>	<u>818,494</u>	<u>2,158,263</u>
Balances-end of the year	<u>\$ 1,527,321</u>	<u>\$ 770,012</u>	<u>\$ 2,297,333</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
**For the Year Ended June 30, 2023**

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

Reconciliation of operating loss to net cash used by operating activities

Operating loss	\$ (1,744,655)	\$ (17,083)	\$ (1,761,738)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:			
Depreciation	26,760	-	26,760
Expenses paid by other funds	99,212	-	99,212
Donated commodities consumed	160,225	-	160,225
Indirect costs not paid	105,128	-	105,128
Changes in assets, deferred outflows of resources and liabilities:			
(Increase) decrease in accounts receivable	724	-	724
(Increase) decrease in net OPEB asset	563	129	692
(Increase) decrease in inventories	(12,914)	-	(12,914)
Increase (decrease) in accounts payable	9,243	182	9,425
Increase (decrease) in accrued salaries and wages payable	-	193	193
(Increase) decrease in deferred outflows	(444,657)	(79,157)	(523,814)
Increase (decrease) in net pension liability	557,984	106,807	664,791
Increase (decrease) in net OPEB liability	(26,517)	(35,105)	(61,622)
Increase (decrease) in deferred inflows	(39,115)	(23,982)	(63,097)
Increase (decrease) in unearned revenues	6,333	(453,515)	(447,182)
Increase (decrease) in compensated absences	4,716	(466)	4,250
Total adjustments	447,685	(484,914)	(37,229)
Net cash provided (used) by operating activities	\$ (1,296,970)	\$ (501,997)	\$ (1,798,967)

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

Indirect costs of \$105,128 that would be due to the General Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The School Food Service Fund received donated commodities with a value of \$160,225 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue on Exhibit 7.

The State Public School Fund contributed \$99,212 to the School Food Service Fund during the fiscal year to provide assistance with the payment of wages. This payment is reflected as a transfer in and an operating expense on Exhibit 7.



**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUND**  
**June 30, 2023**

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**Exhibit 9**

	<u>Private-Purpose Trust Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	<u>\$ 134,360</u>
<b>NET POSITION</b>	
Assets held in trust for private purpose	<u>\$ 134,360</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - FIDUCIARY FUND**  
**For the Year Ended June 30, 2023**

**Exhibit 10**

	<b>Private-Purpose Trust Fund</b>
<b>Additions:</b>	
Contributions and other revenue	\$ 23,355
Interest income	4,598
Total additions	<u>27,953</u>
<b>Deductions:</b>	
Instructional costs	<u>10,420</u>
Change in net position	17,533
Total net position - beginning	<u>116,827</u>
Total net position - ending	<u><u>\$ 134,360</u></u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Watauga 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 Watauga 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 Watauga 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, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

*Fund Financial Statements:* The fund financial statements provide information about the Board's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary funds are presented separately.

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.

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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The Board reports the following major governmental funds:

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

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

*Federal Grants Fund.* The Federal Grants Fund includes appropriations from the federal government, generally the U.S. Department of Education, which are passed-through the North Carolina Department of Public Instruction for the current operating expenditures of the 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.

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

The Board reports the following major enterprise fund:

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

*Child Care Fund.* The Child Care Fund is used to account for the after school care program.

The Board reports the following fiduciary fund:

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

**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.

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 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 capital leases are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net 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.

**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 \$5,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. All amendments must be approved by the governing board. During the year, several immaterial 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, 2023.

**Assets, Liabilities, and Fund Equity**

**Deposits and Investments**

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

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
***For the Year Ended June 30, 2023***

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State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with state laws and regulations. It is not registered with the SEC. 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 and the NCCMT are measured at amortized cost, which is the NCCMT's share price. 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 cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies which are reported as expenditures when consumed. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is reserved. 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 capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1950 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.

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. In addition, other items that are purchased and used in large quantities

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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such as student desks are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Watauga 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:

	Years
Buildings and Improvements	50
Equipment and Furniture	10
Computer Equipment	5
Buses	15
Vehicles	6

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 Watauga County carries the offsetting debt.

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 – unavailable grant revenue in the General Fund and 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.

Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2023 is recorded in

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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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**

Net position in the government-wide and proprietary fund financial statements are classified as net investment in capital assets, net of related debt; 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:

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

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

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

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.

*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. The Board of Education approves the appropriation.



**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, and lastly board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(53,990,252) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 55,157,210
Less Accumulated Depreciation	<u>37,759,341</u>
Net capital assets	17,397,869
Pension related deferred outflows of resources	21,649,996
OPEB related deferred outflows of resources	14,915,263
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Compensated absences	(3,454,350)
Installment purchases	(23,430)
Net pension liability	(33,904,086)
Net OPEB liability	(46,513,684)
Deferred inflows of resources related to pensions	(755,451)
Deferred inflows of resources related to OPEB	<u>(23,302,379)</u>
Total adjustment	<u>\$ (53,990,252)</u>

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B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$4,598,722 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 899,704
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,412,743)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	6,137,760
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	2,468,524
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	353,108
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Pension expense	(7,306,242)
Net OPEB expense	3,364,077
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	56,376
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 assets. This amount is the net effect of these differences in the treatment of long-term debt.	47,606
Loss on disposal of fixed assets	(9,448)
Total adjustment	<u>\$ 4,598,722</u>

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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 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, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$7,433,336 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$8,036,944 and \$380,514, respectively. Of these balances, \$1,005,609 was covered by federal depository insurance and \$7,411,849 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

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Accounts Receivable

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

	<u>Due from other governments</u>
Governmental activities:	
General Fund	\$ <u>133,792</u>
Business-type activities:	
School Food Service	\$ <u>5,985</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 89,593	Gear Up NC Grant
General Fund	44,199	Caldwell Community College
Total	\$ <u>133,792</u>	
Business-type activities:		
School Food Service	\$ <u>5,985</u>	USDA Grant reimbursement

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Capital Assets

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

	Beginning Balances	Increases	Retirements and Transfers	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,982,106	\$ -	\$ -	\$ 1,982,106
Capital assets being depreciated:				
Buildings/improvements	45,866,723	124,077	63,219	45,927,581
Equipment and furniture	2,171,305	451,033	38,930	2,583,408
Vehicles	4,541,714	324,594	202,193	4,664,115
Total capital assets being depreciated	52,579,742	899,704	304,342	53,175,104
Less accumulated depreciation for:				
Buildings/improvements	32,790,079	906,034	63,219	33,632,894
Equipment and furniture	879,265	345,554	36,393	1,188,426
Vehicles	2,972,148	161,155	195,282	2,938,021
Total accumulated depreciation	36,641,492	1,412,743	294,894	37,759,341
Total capital assets being depreciated, net	15,938,250			15,415,763
Governmental activity capital assets, net	\$ 17,920,356			\$ 17,397,869
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 571,378	\$ -	\$ 13,675	\$ 557,703
Less accumulated depreciation for:				
Furniture and office equipment	372,652	26,760	13,675	385,737
School Food Service capital assets, net:	\$ 198,726			\$ 171,966

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Depreciation was charged to governmental functions as follows:

Regular instructional services	\$ 906,034
System-wide support services	161,155
Unallocated depreciation	345,554
Total	<u>\$ 1,412,743</u>

Liabilities

Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined at 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

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as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in 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, 2023 was 17.38% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by the employees during the year. Contributions to the pension plan from the Board were \$6,298,715 for the year ended June 30, 2023.

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

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

At June 30, 2023, the Board reported a liability of \$34,793,174 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportionate share of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2022 and at June 30, 2021, the Boards proportion was .23% and .20%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$7,521,953. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 151,492	\$ 474,236
Changes of assumptions	2,745,049	-
Net difference between projected and actual earnings on pension plan investments	11,427,473	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,595,009	301,026
Board contributions subsequent to the measurement date	6,298,715	-
Total	<u>\$ 22,217,738</u>	<u>\$ 775,262</u>

\$6,298,715 reported as deferred outflows of resources related to pensions resulted from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2024	\$ 4,091,568
2025	3,838,426
2026	1,735,756
2027	5,478,011
2028	-
Thereafter	-
Total	<u>\$ 15,143,761</u>

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

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

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



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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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*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 7.00 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:

	<b>1% Decrease (5.50%)</b>	<b>Current Discount Rate (6.50%)</b>	<b>1% Increase (7.50%)</b>
Board's proportionate share of the net pension liability (asset)	\$ 61,516,105	\$ 34,793,174	\$ 12,735,532

*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 in Chapter 135, Article 2 of the General Statutes. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

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

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

*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

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Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

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

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.89% of covered payroll which amounted to \$2,497,016. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$362,368.

At June 30, 2023, Board reported a liability of \$47,671,962 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing

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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, 2022 and at June 30, 2021, the Boards proportion was 0.20% and 0.18%, respectively.

\$2,497,016 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:

<b>Year ended June 30:</b>	
2024	\$ (4,532,950)
2025	(2,309,509)
2026	(3,070,117)
2027	(1,333,373)
2028	-
Thereafter	-
<b>Total</b>	<b>\$ (11,245,949)</b>

*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%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%

**Healthcare cost trend rates:**

Medical	5.00% - 6.00%
Prescription drug	5.00% - 9.50%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 2.16%, the same as June 30, 2022. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2022.

*Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the

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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:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Net OPEB liability	\$ 56,152,078	\$ 47,671,962	\$ 40,746,008

*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:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates (6.50% Medical, 7.25% Rx, 3.00% Administrative Expenses)</u>	<u>1% Increase in Trend Rates</u>
Net OPEB liability	\$ 39,241,650	\$ 47,671,962	\$ 58,569,344

*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.

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>.

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*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, 2023, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$36,241 for the year ended June 30, 2023.

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

At June 30, 2023, Board reported an OPEB liability of \$61,480 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and at June 30, 2021, the Boards proportion was .21% and .18%, respectively.

\$36,241 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:

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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<b>Year ended June 30:</b>		
2024	\$	27,384
2025		31,858
2026		22,337
2027		16,387
2028		379
Thereafter		7,290
Total	\$	<u>105,635</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 liability to changes in the discount rate.* The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage point higher (4.00 percent) than the current discount rate:

	<u>1% Decrease (2.00%)</u>	<u>Current Discount Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net OPEB liability	\$ 75,705	\$ 61,480	\$ 47,220

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

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

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

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2022. 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, 2022 is 1.3%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2023:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense	\$ 3,409,064	\$ (59,542)	\$ 3,349,522
OPEB liability (asset)	47,671,962	61,480	47,733,442
Proportionate share of the net OPEB liability (asset)	0.201%	0.207%	
<b>Deferred of Outflows of Resources</b>			
Differences between expected and actual experience	\$ 462,832	\$ 68,914	\$ 531,746
Changes of assumptions	3,816,760	3,952	3,820,712
Net difference between projected and actual earnings on plan investments	412,819	65,027	477,846
Changes in proportion and defferences between Board contributions and proportionate share of contributions	7,941,960	874	7,942,834
Board contributions subsequent to the measurement date	2,497,016	36,241	2,533,258
Total Deferred Outflows of Resources	<u>\$ 15,131,387</u>	<u>\$ 175,008</u>	<u>\$ 15,306,396</u>
<b>Deferred of Inflows of Resources</b>			
Differences between expected and actual experience	\$ 131,913	\$ -	\$ 131,913
Changes of assumptions	21,696,632	11,390	21,708,022
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,051,775	21,742	2,073,517
Total Deferred Inflows of Resources	<u>\$ 23,880,320</u>	<u>\$ 33,132</u>	<u>\$ 23,913,452</u>



**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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Accounts Payable

Accounts payable at June 30, 2023, are as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Governmental Activities		
General	\$ 165,410	\$ -
Business-type Activities		
School Food Service	\$ 9,243	\$ -
Child Care	228	193
Total - business-type activities	<u>\$ 9,471</u>	<u>\$ 193</u>

Unearned Revenues

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

	<u>Unearned Revenues</u>
Prepaid lunch balances (School Food Service Fund)	\$ 40,030
Contract reimbursement (Child Care)	183,263
	<u>\$ 223,293</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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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>
Changes in proportion and differences between Board contributions and proportionate share of contributions	\$ 9,537,843	\$ 2,374,543
Changes in assumptions	6,565,761	21,708,022
Difference between projected and actual earnings on plan investments	11,905,319	-
Board contributions subsequent to the measurement date	8,831,972	-
Difference between expected and actual experience	<u>683,238</u>	<u>606,149</u>
Total	<u>\$ 37,524,134</u>	<u>\$ 24,688,714</u>

Risk Management

The Board is exposed to various risk 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 Board 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 (or self-insured by the local board). 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. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption, and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays the majority of the 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 moneys at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$85,000. The remaining employees that have access to funds are bonded under a blanket bond for \$15,000.

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

Long-Term Obligations

a. 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 with various companies. At June 30, 2023 the Board has one such installment purchase agreement that requires an annual payment of \$23,430.

The future minimum payments of the installment purchases as of June 30, 2023, are as follows:

Year Ending June 30,	<u>Principal</u>
2024	<u>\$ 23,430</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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**b. 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, 2023:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023	Current Portion
<b>Governmental activities:</b>					
Direct placement					
installment purchases	\$ 71,036	\$ -	\$ 47,606	\$ 23,430	\$ 23,430
Net pension liability	9,273,423	24,630,663	-	33,904,086	-
Net OPEB liability	52,977,864	-	6,464,180	46,513,684	-
Compensated absences	3,510,726	3,113,005	3,169,381	3,454,350	1,652,868
Total	<u>\$65,833,049</u>	<u>\$ 27,743,668</u>	<u>\$ 9,681,167</u>	<u>\$83,895,550</u>	<u>\$ 1,676,298</u>
<b>Business-type activities:</b>					
Net pension liability	\$ 224,297	\$ 664,791	\$ -	\$ 889,088	\$ -
Net OPEB liability	1,281,380	-	61,622	1,219,758	-
Compensated absences	68,039	87,511	83,261	72,289	38,694
Total	<u>\$ 1,573,716</u>	<u>\$ 752,302</u>	<u>\$ 144,883</u>	<u>\$ 2,181,135</u>	<u>\$ 38,694</u>

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

**Transfers to/from other Funds**

During the year ended June 30, 2023, the State Public School Fund transferred \$99,212 to the School Food Service Fund to pay for certain wages.

**WATAUGA COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2023**

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Fund Balance

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

Total fund balance - General Fund	\$3,861,072
Less:	
Inventories	158,621
Stabilization by State statute	<u>133,792</u>
Remaining fund balance	<u><u>\$3,568,659</u></u>

**NOTE 3 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

Federal and State Assisted Programs

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

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

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Board's proportion of the net pension liability (asset)	0.234%	0.203%	0.206%	0.207%	0.199%
Board's proportionate share of the net pension liability (asset)	\$ 34,793,174	\$ 9,497,720	\$ 24,931,201	\$ 21,426,427	\$ 19,869,367
Board's covered-employee payroll	\$ 34,633,915	\$ 31,538,063	\$ 31,257,320	\$ 30,306,029	\$ 28,434,751
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	100.46%	30.12%	79.76%	70.70%	69.88%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	85.98%	87.56%	87.61%

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	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Board's proportion of the net pension liability (asset)	0.197%	0.196%	0.196%	0.197%	0.197%
Board's proportionate share of the net pension liability (asset)	\$ 15,660,206	\$ 7,207,510	\$ 7,207,510	\$ 2,309,081	\$ 11,771,706
Board's covered-employee payroll	\$ 27,516,454	\$ 26,589,694	\$ 26,807,956	\$ 25,459,278	\$ 26,199,964
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	56.91%	27.11%	26.89%	9.07%	44.93%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	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.**

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF BOARD CONTRIBUTIONS**  
**TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM**  
**Last Ten Fiscal Years\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 6,298,715	\$ 5,673,035	\$ 4,661,326	\$ 4,054,074	\$ 3,724,611
Contributions in relation to the contractually required contribution	<u>6,298,715</u>	<u>5,673,035</u>	<u>4,661,326</u>	<u>4,054,074</u>	<u>3,724,611</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 36,241,167	\$ 34,633,915	\$ 31,538,063	\$ 31,257,320	\$ 30,306,029
Contributions as a percentage of covered-employee payroll	17.38%	16.38%	14.78%	12.97%	12.29%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,065,266	\$ 2,746,143	\$ 2,432,958	\$ 2,452,928	\$ 2,212,411
Contributions in relation to the contractually required contribution	<u>3,065,266</u>	<u>2,746,143</u>	<u>2,432,958</u>	<u>2,452,928</u>	<u>2,212,411</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 28,434,751	\$ 27,516,454	\$ 26,589,694	\$ 26,807,956	\$ 25,459,278
Contributions as a percentage of covered-employee payroll	10.78%	9.98%	9.15%	9.15%	8.69%

**This schedule is required supplementary information.**

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

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability (asset)	0.201%	0.176%	0.182%	0.181%	0.177%
Board's proportionate share of the net OPEB liability (asset)	\$ 47,671,962	\$ 54,259,244	\$ 50,704,690	\$ 57,175,779	\$ 50,695,094
Board's covered-employee payroll	\$ 34,633,915	\$ 31,538,063	\$ 31,257,320	\$ 30,306,029	\$ 28,434,751
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	137.65%	172.04%	162.22%	188.66%	178.29%
Plan fiduciary net position as a percentage of the total OPEB liability	10.58%	7.72%	6.92%	4.40%	4.40%

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	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.179%	0.199%
Board's proportionate share of the net OPEB liability (asset)	\$ 58,945,383	\$ 75,034,823
Board's covered-employee payroll	\$ 27,516,454	\$ 26,589,694
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	214.22%	282.20%
Plan fiduciary net position as a percentage of the total OPEB liability	3.52%	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.**



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

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	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
Contractually required contribution	\$ 2,497,016	\$ 2,178,473	\$ 2,106,743	\$ 2,022,349	\$ 1,900,188
Contributions in relation to the contractually required contribution	<u>2,497,016</u>	<u>2,178,473</u>	<u>2,106,743</u>	<u>2,022,349</u>	<u>1,900,188</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 36,241,167	\$ 34,633,915	\$ 31,538,063	\$ 31,257,320	\$ 30,306,029
Contributions as a percentage of covered-employee payroll	6.89%	6.29%	6.68%	6.47%	6.27%

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	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 1,720,302	\$ 1,599,100	\$ 1,488,791	\$ 1,471,757	\$ 1,374,801
Contributions in relation to the contractually required contribution	<u>1,720,302</u>	<u>1,599,100</u>	<u>1,488,791</u>	<u>1,471,757</u>	<u>1,374,801</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 28,434,751	\$ 27,516,454	\$ 26,589,694	\$ 26,807,956	\$ 25,459,278
Contributions as a percentage of covered-employee payroll	6.05%	5.81%	5.60%	5.49%	5.40%

**This schedule is required supplementary information.**

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**DISABILITY INCOME PLAN OF NORTH CAROLINA**  
*Last Seven Fiscal Years\**

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Board's proportion of the net OPEB liability/asset	0.207%	0.180%	0.183%	0.184%	0.178%
Board's proportionate share of the net OPEB liability (asset)	\$ 61,480	\$ (29,332)	\$ (89,445)	\$ (79,336)	\$ (57,628)
Board's covered payroll	\$ 34,633,915	\$ 31,538,063	\$ 31,257,320	\$ 30,306,029	\$ 28,434,751
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll	0.18%	0.09%	0.29%	0.26%	0.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.34%	105.18%	115.57%	113.00%	108.47%

	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability/asset	0.175%	0.177%
Board's proportionate share of the net OPEB liability (asset)	\$ (113,739)	\$ (118,321)
Board's covered payroll	\$ 27,516,454	\$ 26,589,694
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered-employee payroll	0.41%	0.44%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	116.23%	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.**

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

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	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 36,241	\$ 31,171	\$ 28,384	\$ 31,257	\$ 42,463
Contributions in relation to the contractually required contribution	<u>36,241</u>	<u>31,171</u>	<u>28,384</u>	<u>31,257</u>	<u>42,463</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 36,241,167	\$ 34,633,915	\$ 31,538,063	\$ 31,257,320	\$ 30,306,029
Contributions as a percentage of covered-employee payroll	0.10%	0.09%	0.09%	0.10%	0.14%

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	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 39,809	\$ 104,588	\$ 109,001	\$ 110,029	\$ 113,059
Contributions in relation to the contractually required contribution	<u>39,809</u>	<u>104,588</u>	<u>109,001</u>	<u>110,029</u>	<u>113,059</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered-employee payroll	\$ 28,434,751	\$ 27,516,454	\$ 26,589,694	\$ 26,807,956	\$ 25,459,278
Contributions as a percentage of covered-employee payroll	0.14%	0.38%	0.41%	0.41%	0.44%

**This schedule is required supplementary information.**

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2023**

**Exhibit A-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
State of North Carolina:			
NC Pre-Kindergarten Program	<u>\$ 318,000</u>	<u>\$ 357,320</u>	<u>\$ 39,320</u>
Watauga County appropriations	<u>16,045,022</u>	<u>14,780,022</u>	<u>(1,265,000)</u>
U.S. Government:			
Gear Up NC Grant	200,000	233,493	33,493
Local Food for Schools	<u>17,400</u>	<u>8,667</u>	<u>(8,733)</u>
Total US Government	<u>217,400</u>	<u>242,160</u>	<u>24,760</u>
Other :			
ABC revenues		120,878	
Sales tax refund		59,652	
School nurse reimbursement		50,000	
Medicaid reimbursements		654,398	
Tuition and fees		68,931	
Fines and forfeitures		175,546	
Rental of school property		1,060	
Interest		56,535	
Miscellaneous		69,927	
Indirect cost allocated		360,782	
Private grants and donations		440,159	
Total	<u>1,398,000</u>	<u>2,057,868</u>	<u>659,868</u>
Total revenues	<u>17,978,422</u>	<u>17,437,370</u>	<u>(541,052)</u>
<b>Expenditures:</b>			
Instructional services:			
Regular instructional		5,514,464	
Special populations		1,959,002	
Alternative programs		419,269	
School leadership		1,156,005	
Co-curricular		453,459	
School-based support		885,997	
Total instructional services	<u>10,397,343</u>	<u>10,388,196</u>	<u>9,147</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**For the Year Ended June 30, 2023**

**Exhibit A-1**  
**(Continued)**

	Budget	Actual	Variance Positive (Negative)
System-wide support services:			
Support and development		148,387	
Technology support		502,849	
Operational support		3,514,896	
Financial and human resource services		2,498,740	
Accountability		5,867	
Policy, leadership and public relations		327,284	
Total system-wide support services	7,064,443	6,998,023	66,420
Ancillary services	92,400	84,546	7,854
Non-Programmed charges	424,236	383,991	40,245
Total expenditures	17,978,422	17,854,756	123,666
Revenues over (under) expenditures	\$ -	(417,386)	\$ (417,386)
Fund balances:			
Beginning of year, July 1		4,278,458	
End of year, June 30		\$ 3,861,072	

**WATAUGA 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, 2023**

**Exhibit B-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
State appropriations - buses		\$ 47,606	
State appropriations - lottery proceeds		340,770	
Total State of North Carolina	<u>\$ 458,604</u>	<u>388,376</u>	<u>\$ (70,228)</u>
Watauga County			
Appropriations - operating	<u>1,265,000</u>	<u>1,032,589</u>	<u>(232,411)</u>
U.S. Government:			
Emergency Connectivity Grant	<u>175,000</u>	<u>173,631</u>	<u>(1,369)</u>
Total revenues	<u>1,898,604</u>	<u>1,594,596</u>	<u>(304,008)</u>
Expenditures:			
Current:			
Instructional services		1,167,811	
System-wide support services		656,725	
Debt Service			
Principal		47,606	
Total expenditures	<u>2,323,029</u>	<u>1,872,142</u>	<u>450,887</u>
Revenues over (under) expenditures	<u>(424,425)</u>	<u>(277,546)</u>	<u>146,879</u>
Appropriated fund balance	<u>424,425</u>	<u>-</u>	<u>(424,425)</u>
Revenues, other sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>(277,546)</u>	<u>\$ (277,546)</u>
Fund balance:			
Beginning of year, July 1		<u>592,358</u>	
End of year, June 30		<u>\$ 314,812</u>	

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - SCHOOL FOOD SERVICE FUND**  
**For the Year Ended June 30, 2023**

**Exhibit C-1**

	Budget	Actual	Variance Positive (Negative)
Operating revenues	\$ 654,000	\$ 826,253	\$ 172,253
Operating expenditures:			
Business support services:			
Food cost:			
Purchase of food		1,050,484	
Salaries and benefits		1,305,835	
Supplies and materials		16,271	
Repairs and maintenance		11,549	
Non-capitalized equipment		3,663	
Other		11,158	
Total operating expenditures	2,515,487	2,398,960	116,527
Operating loss	(1,861,487)	(1,572,707)	288,780
Nonoperating revenues:			
Federal reimbursements		1,433,967	
Federal commodities		160,225	
State reimbursements		14,638	
Total nonoperating revenues	1,621,000	1,608,830	(12,170)
Revenues over (under) expenditures before other financing sources	(240,487)	36,123	276,610
Transfers from other funds	240,487	99,212	(141,275)
Revenues and other sources over (under) expenditures	\$ -	\$ 135,335	\$ 135,335
Reconciliation of modified accrual to full accrual basis:			
Revenues under expenditures		\$ 135,335	
Depreciation		(26,760)	
Net pension liability		(557,984)	
Net OPEB liability		25,954	
Deferred outflows		444,657	
Deferred inflows		39,115	
Increase (decrease) in inventories		12,914	
(Increase) decrease in compensated absences		(4,716)	
Change in net position (full accrual)		\$ 68,515	

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-**  
**GAAP) - CHILD CARE FUND**  
**For the Year Ended June 30, 2023**

**Exhibit D-1**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues	<u>\$ 631,416</u>	<u>\$ 506,027</u>	<u>\$ (125,389)</u>
Operating expenditures:			
Business support services:			
Food cost:			
Purchase of food		24,035	
Salaries and benefits		508,285	
Supplies and materials		17,946	
Non-capitalized equipment		906	
Other		3,712	
Total business support services	<u>631,416</u>	<u>554,884</u>	<u>76,532</u>
Total operating expenditures	<u>631,416</u>	<u>554,884</u>	<u>76,532</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 404,658</u>	<u>\$ 404,658</u>
Reconciliation of modified accrual to full accrual basis:			
Revenues under expenditures		\$ 404,658	
Net pension liability		(106,807)	
Net OPEB liability		34,976	
Deferred outflows		79,157	
Deferred inflows		23,982	
(Increase) decrease in compensated absences		466	
Change in net position (full accrual)		<u>\$ 436,432</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 Watauga County Board of Education  
Boone, 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 Watauga County Board of Education, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Watauga County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated September 1, 2023.

*Report on Internal Control over Financial Reporting*

In planning and performing our audit of the financial statements, we considered the Watauga 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 Watauga 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*

**September 1, 2023**  
**Elon, North Carolina**



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

**Report on Compliance with Requirements for Each major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

**INDEPENDENT AUDITORS' REPORT**

**To the Watauga County Board of Education  
Boone, North Carolina**

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

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

We have audited Watauga 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 Watauga County Board of Education's major federal programs for the year ended June 30, 2023. Watauga County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Watauga 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Watauga 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 Watauga 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 Watauga County Board of Education federal programs.

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Watauga 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 Watauga 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 w

- 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 Watauga 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 Watauga 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 Watauga 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 Auditor's 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*

**September 1, 2023**  
**Elon, North Carolina**



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

**Report on Compliance with Requirements for Each major State Program and Report on Internal Control over Compliance Required by the Uniform Guidance and the State Single Audit Implementation Act**

**INDEPENDENT AUDITORS' REPORT**

**To the Watauga County Board of Education  
Boone, North Carolina**

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

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

We have audited the Watauga 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 Watauga County Board of Education's major state programs for the year ended June 30, 2023. The Watauga 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, Watauga 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, 2023.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Watauga 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 Watauga 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 Watauga County Board of Education's State programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Watauga 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 Watauga 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 Watauga 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 Watauga 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 Watauga 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 Auditor's 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*

*September 1, 2023  
Elon, North Carolina*

**Watauga County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Section I. Summary of Auditors' Results**

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

Noncompliance material to financial statements noted?

\_\_\_yes    Xno

**Federal Awards**

Internal control over major federal programs:

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

Identification of major federal programs:

<u>AL Numbers</u>	<u>Names of Federal Program or Cluster</u>
10.555	Child Nutrition Cluster
10.553	National School Lunch Program
10.555	National School Breakfast Program
10.559	Supply Chain Assistance Funds
	Summer Food Service Program for Children
84.027	Special Education Cluster
84.173	Special Education Grants to States
	Special Education Early Intervening Services
84.425	COVID-19 - Education Stabilization Fund

**Watauga County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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        X   no

**Identification of major State programs:**

Program Name  
State Public School Fund

**Watauga County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Section II. Financial Statement Findings**

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Finding: None

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**Section III. Federal Award Findings and Questioned Costs**

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Finding: None

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**Section IV. State Award Findings and Questioned Costs**

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Finding: None



# WATAUGA COUNTY BOARD OF EDUCATION

Margaret E. Gragg Education Center  
175 Pioneer Trail, Boone, NC 28607

## Corrective Action Plan For the Year Ended June 30, 2023

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### Section II. Financial Statement Findings

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Finding: None Reported

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### Section III. Federal Award Findings and Questioned Costs

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Finding: None Reported

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### Section IV. State Award Findings and Questioned Costs

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Finding: None Reported

**Watauga County Board of Education  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2023**

No findings reported in the prior year audit.

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2023**

Page 1 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<b>Federal Grants:</b>			
<u>U.S. Department of Agriculture</u>			
Food and Nutrition Service			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555		\$ 160,225
Cash Assistance:			
School Breakfast Program	10.553		286,459
Supply Chain Assistance Funds	10.555		128,800
National School Lunch Program	10.555		1,005,759
Summer Food Service Program for Children	10.559		12,949
Cash Assistance Subtotal			<u>1,433,967</u>
Total Child Nutrition Cluster			<u>1,594,192</u>
Passed-through the N.C. Department of Agriculture & Consumer Services			
Local Food for Schools Program	10.185		<u>8,667</u>
Total U.S. Department of Agriculture			<u>1,602,859</u>
<u>U.S. Department of Education</u>			
Office of Elementary and Secondary Education			
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			
Title I Cluster			
Educationally Deprived Children	84.010	PRC 050	794,766
Supporting Effective Instruction State Grants	84.367	PRC 103	153,176
Targeted Support and Improvement	84.010	PRC 115	47
Student Support and Academic Enrichment Program	84.424	PRC 108	61,350
Language Acquisition Grant	84.365	PRC 104, 111	24,923
Special Education State Improvement	84.323A	PRC 082	14,109
COVID-19 - Education Stabilization Fund			
CRRSA:			
ESSER II - K-12 Emergency Relief Fund	84.425D	PRC 171	283,887
ESSER II - Learning Loss Funding	84.425D	PRC 176	51,063
ESSER II - Competency-Based Assessment	84.425D	PRC 178	26,962
ARP:			
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	3,032,800
ESSER III - Cyberbullying & Suicide Prevention Grant	84.425U	PRC 192	17,808
ESSER III - Gaggle Grants	84.425U	PRC 193	15,378
ESSER III - STEM Pilot Program	84.425U	PRC 196	30,000
Total COVID-19 - Education Stabilization Fund			<u>3,457,898</u>

**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2023**

Page 2 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
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	1,005,239
Special Education - Targeted Assistance	84.027	PRC 118	10,047
Special Education - Special Risk Pool	84.027	PRC 114	30,150
COVID-19 - ESSER III - ARP IDEA Grant to States	84.027	PRC 185	236,237
Special Education - Preschool Grants	84.173	PRC 049	35,759
COVID-19 - ESSER III - ARP IDEA Preschool Grants	84.173	PRC 186	5,748
Total Special Education Cluster			<u>1,323,180</u>
Office of Vocational and Adult Education 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>68,492</u>
Passed through Appalachian State University Gear Up NC Grant			
	84.334	PRC 311	<u>233,493</u>
Total U.S. Department of Education			<u>6,131,434</u>
<u>U.S. Federal Communications Commission</u> Direct Program: Emergency Connectivity Fund			
	32.009		<u>173,631</u>
<b>Total Federal Assistance</b>			<b><u>7,907,924</u></b>
<b>State Grants:</b>			
<u>N.C. Department of Public Instruction (cash assistance):</u> State Public School Fund			33,334,619
Career and Technical Education			
State Months of Employment		PRC 013	1,597,387
Program Support Funds		PRC 014	436,798
Driver Training		PRC 012	86,650
School Technology Fund		PRC 015	55,166
Passed-through Watauga County: Public School Capital Fund - Lottery			<u>340,770</u>
Total N.C. Department of Public Instruction (cash assistance)			<u>35,851,390</u>
<u>N.C Department of Public Instruction (noncash assistance)</u> School Buses			<u>47,606</u>



**WATAUGA COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2023**

Page 3 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<u>N.C. Department of Agriculture</u>			
State Reduced Breakfast Program			3,566
State Reduced Lunch Program			11,072
Total N.C. Department of Agriculture			<u>14,638</u>
<u>N.C. Department of Health and Human Services</u>			
NC Pre-Kindergarten Program			<u>357,320</u>
<b>Total State Assistance</b>			<b><u>36,270,954</u></b>
<b>Total Federal and State Assistance</b>			<b><u>\$ 44,178,878</u></b>

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Watauga County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 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 Watauga County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Watauga 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.

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

Note 3. Cluster of Programs

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

The Watauga County Board of Education (the “board”) recognizes the critical role of parents in the education of their children and in the schools. The board directs school administrators to develop programs that will promote and support parental involvement in student learning and achievement at school and at home and encourage successful progress toward graduation. Each parent is encouraged to learn about the educational program, the educational goals and objectives of the school system, and his or her own child’s progress. The board also encourages parents to participate in their children’s education and in activities designed by school personnel to involve them, such as parent conferences, in order to encourage foster effective teacher and parent communication. Parents are responsible for cooperating with school employees to facilitate their children’s compliance with board policies concerning homework, school attendance, and behaviorbehavior. As required by law, the board shall post a list of specific parent rights with regards to their child’s education with any corresponding policy numbers on the school district website..

For purposes of this policy, “parent” includes parents, legal guardians, and legal custodians of students who are under 18 years old and who have not been emancipated.

#### **A. PARENTAL INVOLVEMENT PLANS**

##### **1. Parental Involvement Plan as Part of the School Improvement Plan**

The board directs each principal ~~or designee~~ to ensure that the school improvement team develops a plan for the school’s parental involvement program plan as a part of the school improvement plan. The principal shall publicize drafts of the parental involvement plan prior to finalization and solicit input from parents of students in the school. This plan must include, at a minimum, efforts ~~that meet the requirements established in this policy.~~ In addition, ~~the plan must include ways to enhance parental involvement by promoting in the following areas~~ priorities:

- a. regular, meaningful, two-way communication between home and school;
- b. ~~promotion of~~ responsible parenting;
- c. involvement of parents and guardians in student learning;
- d. ~~promotion of~~ parental volunteering in the school;
- e. involvement of parents and guardians in school decisions that affect children and families;
- f. parental training based on parents’ informational needs;
- g. community collaboration with community agencies and other organizations

to provide resources to strengthen school programs, families, and student learning; and

- h. promotion of student health awareness among parents by addressing the need for health programs and student health services, which are linked to student learning.

## 2. Title I Parent and Family Engagement Plan

Each school participating in the Title I program must develop, with parents and family members, a school-level written parent and family engagement plan that involves parents in the planning and improvement of Title I activities and describes the means for carrying out school-level policy, sharing responsibility for student academic achievement, building the capacity of school staff and parents for involvement, and increasing accessibility for participation of all parents and family members of children participating in Title I programs. See policy 1320/3560, Title I Parent and Family Engagement.

## 3. Parental Involvement Component of a School Plan for Managing Student Behavior

Each school's plan for managing student behavior should include parental involvement strategies that address when parents will be notified or involved in issues related to their child's behavior. See policy 4302, School Plan for Management of Student Behavior.

This policy applies to the parents, legal guardians, and legal custodians of students who are under 18 years old and are not married.

# **A.B. PARENT COMMUNICATION, PARTICIPATION, AND CONFERENCES**

## 1. Communication with Parents

The board encourages school personnel to have regular contact with parents for informational purposes ~~commendation~~ as well as for commendation of students and notification of concerns. School personnel shall communicate with parents about student behavior issues in accordance with requirements of policy 4341, Parental Involvement in Student Behavior Issues, and about student attendance as described in policy 4400, Attendance. In addition, parents will be notified promptly if school personnel suspect that a criminal offense has been committed against the parent's child, unless notification would impede an investigation by law enforcement or the child welfare agency.

Principals or designees shall plan for periodic communication with parents. The principal must effectively communicate to parents the manner in which textbooks are used to implement the school's curricular objectives. Any parent interested in learning more about their child's course of study or the source of any supplementary instructional materials should contact the principal for more information. If a

parent would like to inspect and review particular instructional materials, the parent should make such a request in accordance with policy 3210, Parental Request to Review Inspection of and Objection to Instructional Materials.

The principal also shall ensure that information about the nature and purpose of all clubs and activities, curricular and extracurricular, offered at the school is available at the school's main office. Any parent who would like information about such clubs or activities should contact the school's main office. Teachers are responsible for scheduling conferences with parents.

The principal or designee shall strive, through oral or written communication or other means, to include the parents of students identified as at-risk in the implementation and review of academic and/or behavioral interventions for their children, in accordance with policy 3405, Students at Risk of Academic Failure.

The principal or designee shall provide the parent of each student in kindergarten, first, or second grade with written notification of the student's reading progress. The notice will be provided three times a year, following each benchmark assessment and will include: (1) assessment results, (2) whether the child may not reach reading proficiency by the end of third grade, and (3) instructional support activities for use at home.

## 2. Parent Participation at Schools

The board encourages parents to engage in activities in their children's schools. Parents are welcome to visit schools in accordance with policy 5020, Visitors to the Schools, and, if interested, are urged to participate in school volunteer programs as described in policy 5015, School Volunteers. In addition, opportunities exist for parents to participate on school advisory councils, such as the school health advisory council (see policy 6140, Student Wellness), school improvement teams (see policy 3430, School Improvement Plan), school media and technology advisory committees (see policy 3200, Selection of Instructional Materials), and the business advisory council (see policy 21670, Business Advisory Council).

## 3. Conferences

Teachers are responsible for scheduling conferences or meetings with parents. The board encourages the superintendent to work with local business leaders, including the local chambers of commerce, to encourage employers to adopt, as part of their stated personnel policies, time for employees who are parents or guardians to attend conferences with their child's teachers.

# **B.C. PARENTAL NOTIFICATION**

## 1. Title I Notifications

Each principal or designee of a Title I school shall effectively notify parents of all parental rights and other required information regarding Title I schools and programs, in accordance with federal law. Parents of students in Title I schools shall receive a copy of the system-wide Title I parent and family engagement policy (policy 3560) and the school-wide parent involvement plan.

## 2. Parent Guide for Student Achievement

Each year, the superintendent or designee shall create a parent guide for student achievement that meets the requirements of state law and the State Board of Education. All parents will receive a written copy of the guide, and information in the guide will be discussed at the beginning of each school year in meetings of students, parents, and teachers.

At a minimum the guide will include the following:

- a. information for parents regarding the following as it pertains to their child: (1) requirements for promotion to the next grade, including the requirements of the North Carolina Read to Achieve Program as set forth in Part 1A of Article 8 of Chapter 115C; (2) the course of study, textbooks, and other supplementary instructional materials and policy 3210, Parental Inspection of and Objection to Request to Review Instructional Materials, which provides for the inspection and review of those materials; (3) the child's progress toward achieving State and unit expectations for academic proficiency, including policies for student assessment, and the child's assessment results, report cards, and progress reports; (4) qualifications of the child's teachers, including licensure status; and (5) school entry requirements, including required immunizations;
- b. parental actions that can do the following: (1) strengthen the child's academic progress, especially in the area of reading as provided in the North Carolina Read to Achieve Program; (2) strengthen the child's citizenship, especially social skills and respect for others; (3) strengthen the child's realization of high expectations and setting lifelong learning goals; and (4) place a strong emphasis on the communication between the school and the home;
- c. services available for parents and their children, such as family literacy services; mentoring, tutoring, and other academic reinforcement programs; after-school programs; and college planning, academic advisement, and student counseling services (see policy 3610, Counseling Program);
- d. opportunities for parental participation, such as parenting classes, adult education, school advisory councils, and school volunteer programs;
- e. opportunities for parents to learn about rigorous academic programs that

may be available for their child, such as honors programs, Career and College Promise and other dual enrollment opportunities, advanced placement, Advanced International Certificate of Education (AICE) courses, International Baccalaureate, North Carolina Virtual High School courses, and accelerated access to postsecondary education;

- f. educational choices available to parents, including each type of public school unit available to residents of the county in which the child lives and nonpublic school options, educational choice options offered within the school system, and programs for scholarship grants for nonpublic schools (Part 2A of Article 39 of Chapter 115C) and for personal education student accounts for students with disabilities (Article 41 of Chapter 115C);
- g. rights of students who have been identified as students with disabilities, as provided in Article 9 of Chapter 115C;
- h. contact information for school and unit offices;
- i. resources for information on the importance of student health and other available resources for parents, including the following information on available immunizations and vaccinations: (1) a recommended immunization schedule in accordance with the United States Centers for Disease Control and Prevention recommendations; and (2) information about meningococcal meningitis and influenza, including the causes, symptoms, and vaccines, how the diseases are spread, and places where parents and guardians may obtain additional information and vaccinations for their children as required by G.S. 115C-375.4; and
- j. this policy (policy 1310/4002, Parental Involvement); policy 1320/3560, Title I Parent and Family Engagement; policy 21670, Business Advisory Council; policy 3210, Parental Inspection of and Objection to Request to Review Instructional Materials; policy 3430, School Improvement Plan; policy 3540, Comprehensive Health Education Program; policy 4400, Attendance; policy 5015, School Volunteers; policy 5020, Visitors to the Schools; and policy 6140, Student Wellness.

### 3. Additional Annual Notifications

In addition, annually every The building principal or designee shall effectively annually notify parents of the following information to the extent that it has not already been provided to parents as part of the parent guide for student achievement:

- a. parental rights related to student records (see policy 4700, Student Records);

- b. parental rights related to student surveys (see policy 4720, Surveys of Students);
- c. the approximate dates of any non-emergency, invasive physical examination or screening that is: (a) required as a condition of attendance, (b) administered and scheduled in advance by the school administration, and (c) not necessary to protect the immediate health and safety of students;
- d. the schedule of pesticide use on school property and their right to request notification of nonscheduled pesticide use (see policy 9205, Pest Management);
- e. student behavior policies, the Code of Student Conduct, and school standards and rules (see policies in the 4300 series);
- f. the permissible use of seclusion and restraint in the schools (see regulation 4302-R, Rules for Use of Seclusion and Restraint in Schools);
- g. policy 4329/7311, Bullying and Harassing Behavior Prohibited;
- h. policy ~~1740~~/4010, Student and Parent Grievance Procedure;
- i. the dates of the system-wide and state-mandated tests that students will be required to take during that school year, how the results from the tests will be used, and whether each test is required by the State Board of Education or by the local board;
- j. grading practices that will be followed at the school and, for parents of high school students, the method of computing the grade point averages that will be used for determining class rank (see policies 3400, Evaluation of Student Progress, and 3450, Class Rankings);
- k. available opportunities and the enrollment process for students to take advanced courses and information explaining the value of taking advanced courses;
- l. if applicable, that their child will be provided advanced learning opportunities in mathematics or will be placed in an advanced mathematics course;
- m. a clear and concise explanation of the North Carolina testing and accountability system that includes all information required by federal law;
- n. a report containing information about the school system and each school, including, but not limited to:

- i. the following information both in the aggregate and disaggregated by category: student achievement, graduation rates, performance on other school quality and/or student success indicators, the progress of students toward meeting long-term goals established by the state, student performance on measures of school climate and safety, and, as available, the rate of enrollment in post-secondary education;
- ii. the performance of the school system on academic assessments as compared to the state as a whole and the performance of each school on academic assessments as compared to the state and school system as a whole;
- iii. the percentage and number of students who are:
  - 1. assessed,
  - 2. assessed using alternate assessments,
  - 3. involved in preschool and accelerated coursework programs, and
  - 4. English learners achieving proficiency;
- iv. the per pupil expenditures of federal, state, and local funds; and
- v. teacher qualifications;
- o. the grade earned by the school on the most recent annual report card issued for it by the State Board of Education if the grade was a D or F;
- p. supportive services available to students, including ~~guidance, counseling, and health services (see policy 3610, Counseling Program);~~
- ~~q. information about meningococcal meningitis and influenza, including the causes, symptoms, and vaccines, how the diseases are spread, and places where parents and guardians may obtain additional information and vaccinations for their children;~~
- ~~r-q.~~ for parents of students in grades 5 through 12, information about cervical cancer, cervical dysplasia, and human papillomavirus, including the causes and symptoms of these diseases, how they are transmitted, how they may be prevented by vaccination, including the benefits and possible side effects of vaccination, and places parents and guardians may obtain additional information and vaccinations for their children;
- ~~s-r.~~ how to reach school officials in emergency situations during non-school hours;
- ~~t-s.~~ information about and an application form for free and reduced price meals and/or free milk (see policy 6225, Free and Reduced Price Food Services);



- ~~u.t.~~ information about the school breakfast program;
- ~~v.u.~~ information about the availability and location of free summer food service program meals for students when school is not in session;
- ~~w.v.~~ for parents of children with disabilities, procedural safeguards (see also policy 1730/4022/7231, Nondiscrimination on the Basis of Disabilities);
- ~~x.w.~~ information on the availability of the asbestos management plan and planned or in-progress inspections, re-inspections, response actions, and post-response actions, including periodic re-inspection and surveillance activities;
- ~~y.x.~~ education rights of homeless students (see policy 4125, Homeless Students);
- ~~z.y.~~ the content and implementation of the local school wellness policy (see policy 6140, Student Wellness);
- ~~aa.z.~~ their right to take four hours of unpaid leave from their jobs every year in order to volunteer in their child's school as stated in G.S. 95-28.3 (see policy 5015, School Volunteers);
- ~~bb.aa.~~ that the school system does not discriminate on the basis of race, color, national origin, sex, disability, or age, and that the school system provides processes for resolving discrimination and harassment complaints (see policies 4020/7230, Discrimination and Harassment Prohibited by Federal Law, 1720/4030/7235, Title IX Nondiscrimination on the Basis of Sex, and 1730/4022/7231, Nondiscrimination on the Basis of Disabilities);
- ~~ee.bb.~~ that the school system provides equal access to its facilities, programs, and activities to the Boy Scouts and other designated youth groups (see policy 1730/4020/7230, Discrimination and Harassment Prohibited by Federal Law); and
- ~~dd.cc.~~ the availability of and the process for requesting a waiver or reduction of student fees (see policy 4600, Student Fees).

**C. ~~OPPORTUNITIES TO WITHHOLD CONSENT/OPT OUT~~**

**4. Opportunities to Withhold Consent/Opt Out Notifications**

As a part of the annual notification described above, parents will be effectively notified that they may opt out of any of the following:

- a. release of student directory information about their child for school purposes or to outside organizations (see policy 4700, Student Records);
- b. release of their child's name, address, and telephone listing to military recruiters or institutions of higher education (see policy 4700, Student Records);
- c. their child's participation in curricula related to (a) prevention of sexually transmitted diseases, including HIV/AIDS; (b) avoidance of out-of-wedlock pregnancy; or (c) reproductive health and safety education, as provided in policy 3540, Comprehensive Health Education Program. A copy of the materials that will be used in these curricula will be available in the school media center during the school year and at other times that the media center is available to the public. To meet any review periods required by law, materials also may be made available for review in the central office;
- d. their child's participation in academic or career guidance or personal or social counseling services of a generic nature offered to groups of students (e.g., peer relations strategies offered to all sixth graders). However, parental notification and permission are not required for: (a) short-duration academic, career, personal, or social guidance and counseling and crisis intervention that is needed to maintain order, discipline, or a productive learning environment; (b) student-initiated individual or group counseling targeted at a student's specific concerns or needs; and (c) counseling if child abuse or neglect is suspected (see policies 3610, Counseling Program, and 4240/7312, Child Abuse and Related Threats to Child Safety);
- ~~e. their child's participation in non-Department of Education funded surveys concerning protected topics (see policy 4720, Surveys of Students);~~
- f.e. their child's participation in any non-emergency, invasive physical examination or screening that is: (a) required as a condition of attendance; (b) administered and scheduled in advance by the school administration; and (c) not necessary to protect the immediate health and safety of students;
- g.f. the collection, disclosure, or use of their child's personal information for marketing purposes (see policy 4720, Surveys of Students); and
- h.g. release of their child's free and reduced-price meal information to State Medicaid or State children's health insurance program (SCHIP).

Any parent or legal guardian who wishes to opt out/withhold consent must do so in writing after receiving notice. Otherwise, consent to the programs or activities is presumed. After the annual notification, the school is not required to provide further notice to the parent or legal guardian as to the manner in which student directory information is used, the curriculum is provided, or guidance programs are

made available.

#### **D. PARENTAL PERMISSION REQUIRED**

Written parental permission is required prior to the following activities:

1. the administration of medications to students by employees of the school system (see policy 6125, Administering Medicines to Students);
2. the release of student records that are not considered directory information, unless the release is allowed or required by law (see policy 4700, Student Records);
3. off-campus trips;
4. students' participation in high-impact or high-risk sports or extracurricular activities, such as football or mountain climbing (see policy 4220, Student Insurance Program);
5. all decisions or actions as required by the IDEA with regard to providing special education or related services to students with disabilities (see policy 3520, Special Education Programs/Rights of Students with Disabilities);
6. certain health services, as required by law;
7. participation in a mental health assessment or mental health services under circumstances prescribed by federal law;
8. students' participation in programs or services that provide information about where to obtain contraceptives or abortion referral services;
9. students' participation in surveys ~~funded by the Department of Education~~ that are conducted concerning protected topics (see policy 4720, Surveys of Students);
10. disclosure of students' free and reduced price lunch eligibility information or eligibility status; and
11. students' access to the Internet, as described in policy 3225/4312/7320, Technology Responsible Use.

#### **E. PROCEDURES FOR PARENTAL INVOLVEMENT IN STUDENT HEALTH**

##### **1. Parent Notifications Regarding Student Physical and Mental Health**

At the beginning of each school year, the principal or designee shall notify parents of (1) each health care service offered at their children's schools and the means for parents to provide consent for any specific services; (2) acknowledgement that

consenting to a health care service does not waive the parents' right to access their children's educational records or health records or to be notified of changes in their children's services or monitoring; and (3) the procedures to exercise the parental remedies for concerns related to student health provided by G.S. 115C-76.60 and described below in subsection E.6.

Before any student well-being questionnaire or health screening form is administered to students in kindergarten through third grade, the principal or designee shall provide parents with a copy of the questionnaire or form and shall inform parents of the means for parents to consent to the use of the questionnaire or form for their children.

The principal or designee shall notify parents of changes in services or monitoring related to their children's mental, emotional, or physical health or well-being and the school's ability to provide a safe and supportive learning environment for their children prior to or contemporaneously with the changes being made. In addition, the principal or designee shall notify parents before any changes are made to the names or pronouns used for their children in school records or by school personnel.

No school system policy, procedure, or form will expressly or otherwise prohibit school employees from notifying parents about their children's mental, emotional, or physical health or well-being or a change in related services or monitoring, nor will any school system policy, procedure, or form intentionally encourage or be designed in a manner that is reasonably likely to have the effect of encouraging any children to withhold from their parents information about their mental, emotional, or physical health or well-being or a change in related services or monitoring. School personnel shall not discourage or prohibit parental notification of and involvement in critical decisions affecting a student's mental, emotional, or physical health or well-being.

## 2. Discussions Related to Student Well-Being

In accordance with the rights of parents provided in Chapter 114A of the General Statutes, when issues of a student's well-being arise, school personnel shall encourage the student to discuss the issues with his or her parent. As appropriate, school personnel may facilitate discussions of such issues with parents.

## 3. Parent Access to Student Records

Parents will not be prohibited from accessing any of their children's education and health records created, maintained, or used by the school system, except as permitted by law. See policy 4700, Student Records.

## 4. Student Support Services Training

Student support services training developed or provided by the school system to

school personnel will adhere to student services guidelines, standards, and frameworks established by the Department of Public Instruction.

5. Instruction on Gender Identity, Sexual Activity, and Sexuality

Instruction on gender identity, sexual activity, or sexuality will not be included in the curriculum provided in kindergarten through fourth grade, regardless of whether the information is provided by school personnel or third parties. For purposes of this subsection, curriculum includes the standard course of study and support materials, locally developed curriculum, supplemental instruction, and textbooks and other supplementary materials, but does not include responses to student-initiated questions.

6. Remedies for Parental Concerns Related to Student Health

If a parent has a concern about the school or school system's procedure or practice under Part 4 of Article 7B of Chapter 115C, as described here in Section E of this policy, the parent should submit the concern in writing to the principal. The principal shall schedule and hold a meeting with the parent within five days after the concern was submitted. The principal shall conduct any necessary investigation. If possible, the principal should resolve the concern within seven days after the concern was submitted. If the principal cannot resolve the concern within seven days, the principal shall immediately notify the superintendent or designee. The superintendent or designee shall assist, as needed, in resolving the concern.

If the concern has not been resolved within 15 days after the parent initially submitted the concern, the superintendent or designee shall schedule a board hearing to be conducted pursuant to policy 251600, Hearings Before the Board, to occur within the next 15 days. If the concern is not resolved 30 days after the parent initially submitted the concern, the board will provide a statement of the reasons for not resolving the concern.

If the concern is not resolved within 30 days of initial submission, the parent has the right to pursue additional remedies as provided in G.S. 115C-76.60(b).

**F. PARENT REQUESTS FOR INFORMATION**

A parent may request in writing from the principal any of the information the parent has the right to access under Part 3 of Article 7B of Chapter 115C. The principal, within 10 business days, shall either provide the requested information to the parent or provide an extension notice to the parent that, due to the volume or complexity of the request, the information will be provided no later than 20 business days from the date of the parental request.

If the principal (1) denies or fails to respond to the request for information within 10

business days or (2) fails to provide information within 20 business days following an extension notice, the parent may then submit the written request for information to the superintendent, along with a statement specifying the time frame of the denial or failure to provide information by the principal.

If the superintendent denies or does not respond to the request for information within 10 business days, the parent may appeal the denial or lack of response to the board no later than 20 business days from the date of the request to the superintendent. The board will place the parent's appeal on the agenda for the next board meeting occurring more than three business days after submission of the appeal.

The information in this Section F will be posted on the school system's website along with the list of parents' legal rights for their child's education as described in G.S. 115C-76.25.

#### **G. COMMUNITY SERVICES AVAILABLE**

A variety of community services are available to provide parents and families of students in the school system with needed information, support, and resources. Parents are encouraged to utilize applicable community services such as the following:

[G.S. 115C-76.35(a)(1) requires that board policy provides links to parents for community services. Insert here a list of applicable links to community services available to parents of students in your school system.]

#### **H. REPORTING REQUIREMENTS**

By September 15 of each year, the superintendent or designee shall report to the State Board of Education parental involvement information as required by G.S. 115C-76.70.

Legal References: Americans with Disabilities Act, 42 U.S.C. 12101 *et seq.*, 28 C.F.R. pt. 35; Asbestos Hazard Emergency Response Act, 15 U.S.C. 2641, *et seq.*; Boy Scouts of America Equal Access Act, 20 U.S.C. 7905, 34 C.F.R. 108.9; Elementary and Secondary Education Act, as amended, 20 U.S.C. 6301 *et seq.*, 34 C.F.R. pt. 200; Family Educational Rights and Privacy Act, 20 U.S.C. 1232g, 34 C.F.R. pt. 99; Individuals with Disabilities Education Act, 20 U.S.C. 1400, *et seq.*; McKinney-Vento Homeless Assistance Act, 42 U.S.C. 11431, *et seq.*; National School Lunch Program, 42 U.S.C. 1751 *et seq.*, 7 C.F.R. 210.12, 7 C.F.R. pt. 245; Protection of Pupil Rights Amendment, 20 U.S.C. 1232h, 34 C.F.R. pt. 98; Rehabilitation Act of 1973, 29 U.S.C. 705(20), 794, 34 C.F.R. pt. 104; Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d *et seq.*, 34 C.F.R. pt. 100; Title IX of the Education Amendments Act of 1972, 20 U.S.C. 1681 *et seq.*, 34 C.F.R. pt. 106; 20 U.S.C. 7908; G.S. 90-21.1, -21.10B; 95-28.3; 114A-10; 115C-47(47), -47(51), -47(54), -47(58), -76.1, -76.20, -76.25, -76.30, -76.35, -76.40, -76.45, -76.50, -76.55, -76.60, -76.65, -76.70, -81.25, -81.30, -81.36, -105.41, -109.1, -174.26(d), -307(c), -375.4, -390.2, -391.1, -402.15, -407.16; 16 N.C.A.C. 6D .0307; State Board of Education Policies KNEC-002, PRNT-000, TEST-001

Cross References: Title I Parent and Family Engagement (policy 3560), Discrimination and

Harassment Prohibited by Federal Law (policy 4020/7230), Title IX Nondiscrimination on the Basis of Sex (policy 1720/4030/7235), Nondiscrimination on the Basis of Disabilities (policy 1730/4022/7231), Student and Parent Grievance Procedure (policy 4010), Hearings Before the Board (policy 251600), Business Advisory Council (policy 261670), Selection of Instructional Materials (policy 3200), Parental Inspection of and Objection to Request to Review Instructional Materials (policy 3210), Technology Responsible Use (policy 3225/4312/7320), Evaluation of Student Progress (policy 3400), Students at Risk of Academic Failure (policy 3405), School Improvement Plan, (policy 3430), Class Rankings (policy 3450), Special Education Programs/Rights of Students with Disabilities (policy 3520), Comprehensive Health Education Program (policy 3540), Counseling Program (policy 3610), Homeless Students (policy 4125), Student Insurance Program (policy 4220), Child Abuse and Related Threats to Child Safety (policy 4240/7312), Student Behavior Policies (4300 series), Rules for Use of Seclusion and Restraint in Schools (regulation 4302-R), Bullying and Harassing Behavior Prohibited (policy 4329/7311), Parental Involvement in Student Behavior Issues (policy 4341), Attendance (policy 4400), Student Fees (policy 4600), Student Records (policy 4700), Surveys of Students (policy 4720), School Volunteers (policy 5015), Visitors to the Schools (policy 5020), Registered Sex Offenders (policy 5022), Student Health Services (policy 6120), Administering Medicines to Students (policy 6125), Student Wellness (policy 6140), Free and Reduced Price Meal Services (policy 6225), Pest Management (policy 9205)

Adopted: July 14, 2014

Replaces: Policy 2.04.60, Parental Involvement (in part)

Revised: January 11, 2016; February 13, 2017; February 12, 2018, November 13, 2018; February 10, 2020; August 12, 2020, January 11, 2021, December 13, 2021(Legal references only); {DATE}

## **PARENTAL REQUEST TO REVIEW INSTRUCTIONAL MATERIALS**

*Policy Code:*

**3210**

In policy 3200, Selection of Instructional Materials, the Watauga County Board of Education (the "board") establishes a process for the selection of instructional materials to meet State Board of Education requirements and the educational goals of the board.

The board recognizes that parents may have concerns about instructional materials used in the school system. Thus, to further involve parents in the education of their children, the board also provides opportunities for parents to review instructional materials and a process for parents to use when they object to instructional materials.

### **A. PARENTAL RIGHT TO INSPECT MATERIALS**

~~Parents have a right under federal law to inspect all instructional materials which will be used in connection with any survey, analysis, or evaluation as part of any applicable federally funded programs. Parents ordinarily also may review all other instructional materials following procedures provided by the school or superintendent. The term "instructional materials" as defined in policy 3200, Selection of Instructional Materials. Instructional materials does not include academic tests or assessments. Some materials available through the Internet and used in individual classes to provide up-to-date information or information on current events may not be available for advance review; however, Parents who would like to inspect and review instructional materials should make a request in writing to the principal. The principal shall schedule a mutually agreeable date and time for the parent to come into the school to review the materials. All efforts should be made to schedule the time as soon as possible but no later than 10 business days from the date of the request. a~~All materials used in reproductive health and safety education shall be available for review as provided in policy 3540, Comprehensive Health Education Program.

### **B. PARENTAL OBJECTION TO MATERIALS**

Parents may voice a concern by first meeting with the teacher using the material or the Media Center Coordinator if the material is in the media center. During that meeting the parent will share their concerns and the teacher or Coordinator will share the selection process and determine any accommodations that may be made. If the parent is not satisfied, they will meet with the principal. The principal will review the selection process and determine if any other accommodations may be made. During this meeting the principal will share the process outlined in Section C. If after the meeting with the principal, the parent is not satisfied, then they shall follow the procedures outlined in Section C. While input from the community is valuable, the board believes professional educators are in the best position to determine whether a particular instructional material is appropriate for the age and maturity of the students and for the subject being taught.

### **C. PROCEDURES FOR RECONSIDERATION OF INSTRUCTIONAL RESOURCES**



Occasional objections to some resources may be voiced by parents despite the care taken in the selection process, the qualifications of persons selecting the resources, and the accommodations offered to the parent. If a reconsideration request is made on material other than a state adopted text, the procedures are as follows:

1. The parent shall complete the *Parent Request for Building Level Reconsideration of Instructional Resources* form and return it to the principal.
- 1.2. The principal shall forward the completed form to the building level Media and Technology Advisory Committee (MTAC). This committee shall consist of at least a building level administrator, a teacher, a parent, the Media Center Coordinator and an Instructional Technology Facilitator.
- 2.3. Materials shall remain in use until and unless a decision is made to withdraw the materials by the Building Level MTAC.
- 3.4. Upon receipt of the *Parent Request for Building Level Reconsideration* form, the building level MTAC shall:
  - Review the material in question.
  - Review any accommodations offered.
  - Interview the complainant, the teacher(s) in control of the content, and other relevant school personnel.
  - Survey appraisals of the material in professional reviewing sources.
  - Weigh merits against alleged faults to form opinions based on the material as a whole, not on isolated passages based on selection criteria.
  - Meet to discuss the findings and prepare a written report and recommendation within 15 school days after receipt of the completed Request for Reconsideration form.
  - File the report with the principal, superintendent, and the complainant within 5 days after the meeting in which the report was written.
  - Retain or withdraw the challenged materials upon completion of this process.
  - Materials shall be retained or withdrawn as decided by the Building Level MTAC through the completion of any appeal of that decision.

If the principal or the committee determines that any material violates constitutional or other legal rights of the parent or student, the principal or the committee shall either remove the material from instructional use or accommodate the particular student and parent. Before any material is removed, the principal or the committee shall ensure that the curriculum is still aligned with current statewide instructional standards and articulated from grade to grade. If an objection made by a parent or student is not based upon constitutional or legal rights, the principal or the committee may accommodate the objection after considering the effect on the curriculum; any burden on the school, teacher, or other students that the accommodation would create; and any other relevant factors. Books and other instructional materials may be removed from the school media collection only for legitimate educational reasons and subject to the limitations of the First Amendment.

The decision of the committee may be appealed to the superintendent. Only the parent who

initiated the request for review or the teacher/staff member in control of the resource may file an appeal in writing to the superintendent within 10 days of receipt of the Building Level MTAC report. The superintendent shall:

- Review the Building Level report provided as well as the material in question.
- Interview the complainant, the teacher(s) in control of the content, and other relevant school personnel.
- Request that a sub group of the District Level Media and Technology Advisory Committee complete the same process as the Building Level MTAC. This District Level committee shall consist of at least a building level administrator, a teacher, a parent, a Media Center Coordinator and an Instructional Technology Facilitator.
- Direct the District Level Committee to provide a written recommendation to the superintendent within 15 days of notice of appeal.
- Within 5 days of receipt of the District Level report, the superintendent shall render a decision to support or reject the Building Level decision and shall report that decision to the complainant and the Board of Education. Materials shall remain retained or withdrawn as determined by the Building Level team until the decision of the superintendent.
- Materials will be retained or removed based on the decision of the superintendent.

The decision of the superintendent may be appealed to the Board of Education as the final level of appeal. Only the parent who initiated the request for review or the teacher/staff member in control of the resource may appeal the decision of the Superintendent. The appeal shall be submitted in writing to the Chair of the Board of Education within 10 days of notification of the Superintendent decision. The Board will review whether the process for *Parent Request for Reconsideration of Instructional Resources* was followed and whether the superintendent used appropriate diligence in rendering a decision. Within 15 days of receipt of the appeal in writing, the Board will announce their findings. If the Board determines that due diligence was not provided, then the superintendent will be directed to reconvene a new subcommittee of the District Level Media and Technology Advisory Committee and to address any concerns noted by the Board.

Materials shall remain retained or withdrawn as determined by the superintendent until the final level of appeal by the Board of Education is completed.

Unless otherwise noted by the superintendent or the board, the decision regarding Request for Reconsideration of Instructional Materials shall apply only to the school where the original request was made and will not apply to other schools in the district.

Legal References: U.S. Const. amend. I; 20 U.S.C. 1232h; N.C. Const. art. I, § 14; *Board of Educ. v. Pico*, 457 U.S. 853 (1982); G.S. 115C art. 8 pt. 1; 115C-45, -47, -76.25(a)(5), -76.35(b), -76.40, -98, -101

Cross References: Parental Involvement (1310/4002), Goals and Objectives of the Educational Program (policy 3000), Curriculum Development (policy 3100), Selection of Instructional

Materials (policy 3200), Comprehensive Health Education Program (policy 3540)

Adopted: April 11, 2016

Revised: April 9, 2018 (Legal references only); {DATE}

Replaces: Board policy 4.02.40, Selection of Educational Resources, Sections V and VI

## **COMPREHENSIVE HEALTH EDUCATION PROGRAM**

*Policy Code:*

**3540**

The Watauga County Board of Education (the ‘board’) is committed to a sound, comprehensive health education program that provides students with accurate information and encourages them to be responsible for their own health and behavior. The board recognizes the primary role of parents in providing for the health and well-being of their children and seeks to involve parents as provided in this policy. The comprehensive health education program provided by the school system will meet the requirements of state law and the objectives established by the State Board of Education. The board may, in its discretion, expand on the subject areas to be included in the program and on the instructional objectives to be met.

### **A. COMPREHENSIVE HEALTH EDUCATION PROGRAM**

A comprehensive health education program must be taught to students from kindergarten through ninth grade. As required by law, the health education program must include age-appropriate instruction on bicycle safety, nutrition, dental health, environmental health, family living, consumer health, disease control, growth and development, first aid and emergency care, mental and emotional health, drug and alcohol abuse prevention, prevention of sexually transmitted diseases (STDs), including HIV/AIDS and other communicable diseases, and reproductive health and safety education.

Instruction on gender identity, sexual activity, or sexuality will not be included in the health education program in kindergarten through fourth grade (see also policy 1310/4002, Parental Involvement). As required by law and beginning in seventh grade, reproductive health and safety education will include age-appropriate instruction on sexual abstinence until marriage, STDs, the human reproductive system, preventable risks for preterm birth in subsequent pregnancies, the effectiveness of contraceptive methods in preventing pregnancy, awareness of sexual assault and sexual abuse, and sex trafficking prevention and awareness.

### **B. PARENTAL OPPORTUNITIES TO REVIEW MATERIALS AND WITHHOLD CONSENT FOR STUDENT PARTICIPATION**

Each year before students participate in reproductive health and safety education or in other separate instruction on the prevention of STDs, including HIV/AIDS, or the avoidance of out-of-wedlock pregnancy, the principal or designee shall notify parents of the opportunity to review the materials and objectives that will be used in instruction. A copy of all objectives and materials will be available for review in the media center of each school where these subjects will be taught.

The principal or designee shall also notify parents of the right to withhold or withdraw consent for their child’s participation in all reproductive health and safety education instruction or in specific topics such as STDs, the effectiveness and safety of contraceptive methods, awareness of sexual assault and sexual abuse, and sex trafficking prevention and awareness. Parents may also withhold consent to student participation in

other separate instruction on the prevention of STDs, including HIV/AIDS, or the avoidance of out-of-wedlock pregnancy. Any parent wishing to withhold consent must do so in writing to the principal.

### C. STANDARDS FOR INSTRUCTION

For reproductive health and safety education, teachers shall follow the instructional objectives and only use the age-appropriate materials that have been made available to parents for review in accordance with this policy. Information conveyed during instruction will be objective and based upon scientific research that is peer reviewed and accepted by professionals and credentialed experts in the field of sexual health education or other field authorized by law.

A determination of what is an appropriate education for a student with disabilities must be made in accordance with the student's individualized education plan, following all procedures as provided in the North Carolina *Policies Governing Services for Children with Disabilities*.

Legal References: G.S. 115C art. 9; 115C-36, -76.25(a)(1), -76.35(b)(5), -76.40, -76.55, -81.25, -81.30; *Policies Governing Services for Children with Disabilities*, State Board of Education Policy EXCP-000; State Board of Education Policy SCOS-007

Cross References: Parental Involvement (policy 1310/4002)

Adopted: March 21, 2016

Revised: February 12, 2018; {DATE}

Criminal or other illegal behavior is prohibited. Any student whom the principal reasonably believes has engaged in criminal behavior on school premises or at school activities will be subject to appropriate disciplinary action, as stated in applicable Watauga County Board of Education (the "board") policies, and also may be criminally prosecuted.

School officials shall cooperate fully with any criminal investigation and prosecution. School officials shall independently investigate any criminal behavior that also violates school rules or board policy.

**A. STUDENTS CHARGED WITH OR CONVICTED OF CRIMINAL BEHAVIOR**

The superintendent and principal may take reasonable or legally required measures to preserve a safe, orderly environment when a student has been charged with or convicted of a serious crime, regardless of whether the alleged offense was committed on school grounds or was related to school activities. Depending upon the circumstances, including the nature of the crime or alleged crime, the child's age, and the publicity within the school community, reasonable or legally required efforts may include changing a student's classroom assignment or transferring the student to another school. Transfer to an alternative school may be made in accordance with the criteria established in policy 3470/4305, Alternative Learning Programs/Schools. The student will continue to be provided with educational opportunities unless and until the student is found to have violated board policy or school rules and is suspended or expelled in accordance with procedures established in board policy.

**B. REPORTING CRIMINAL BEHAVIOR**

A school employee is permitted to report to law enforcement an assault by a student on a school employee. Principals or other supervisors shall not, by threats or in any other manner, intimidate or attempt to intimidate the school employee from doing so.

Principals must immediately report to law enforcement the following acts when they have personal knowledge or actual notice from school personnel that such acts have occurred on school property, regardless of the age or grade of the perpetrator or victim: (1) assault resulting in serious personal injury; (2) sexual assault; (3) sexual offense; (4) rape; (5) kidnapping; (6) indecent liberties with a minor; (7) assault involving the use of a weapon; (8) possession of a firearm in violation of the law; (9) possession of a weapon in violation of the law; and (10) possession of a controlled substance in violation of the law. A principal who willfully fails to make a required report to law enforcement will be subject to disciplinary action, up to and including dismissal.

The principal or designee shall notify the superintendent or designee in writing or by e-mail of any report made by the principal to law enforcement. Such notice must occur by the end of the workday in which the incident occurred, when reasonably possible, but not

later than the end of the following workday. The superintendent must inform the board of any such reports.

In addition, the principal or designee must promptly notify the parents if a school system employee suspects that any criminal offense has been committed against the parents' child, including but not limited to any of the offenses required to be reported to law enforcement, regardless of where the offense allegedly occurred, unless the incident has been reported to law enforcement or the county child services agency and notification of the parents would impede the investigation. ~~of students who are alleged to be victims of any reported offenses.~~ In determining whether the notification of parents would impede the investigation, law enforcement or child protective services should be consulted.

Certain crimes must be reported to the Department of Public Instruction in accordance with 16 N.C.A.C. 6E.0107.

Legal References: Gun-Free Schools Act, 20 U.S.C. 7961; G.S. 14-17, -18, 27.21, -27.22, -27.24 through -27.27, -27.29, -27.30, -27.33, -32 through -34.10, -39, -87, -202, -202.1, -202.2, -269.2; ch. 90 art. 5; 114A-10; 115C-47(56); -288(g); 16 N.C.A.C. 6E .0107.

Cross References: Alternative Learning Programs/Schools (policy 3470/4305), Drugs and Alcohol (policy 4325), Theft, Trespass and Damage to Property (policy 4330), Assaults and Threats (policy 4331), Weapons, Bomb Threats, Terrorist Threats and Clear Threats to Safety (policy 4333), School-Level Investigations (policy 4340)

Adopted: February 9, 2015

Revised: January 11, 2016; November 14, 2016; August 14, 2017 (Legal references only); February 8, 2021 (Legal references only); July 26, 2021; {DATE}

The superintendent shall ensure that all notification and other requirements of state law and the Protection of Pupil Rights Amendment are met, including all legal requirements regarding the surveying of students.

**A. SURVEYS INVOLVING PROTECTED TOPICS**

**1. Definition of Protected Topic Survey**

For purposes of this policy, the following are considered a “protected topic”:

- a. political affiliations or beliefs of the student or the student’s parent;
- b. mental or psychological problems of the student or the student's family;
- c. sex behavior and attitudes;
- d. illegal, anti-social, self-incriminating or demeaning behavior;
- e. critical appraisals of other individuals with whom respondents have close family relationships;
- f. legally recognized privileged or analogous relationships, such as those of lawyers, physicians and ministers;
- g. religious practices, affiliations or beliefs of the student or the student’s parent; or
- h. income (other than that required by law to determine eligibility for participation in a program or for receiving financial assistance under such program).

For purposes of this policy, a “protected topic survey” is any survey, analysis, or evaluation that reveals information concerning any of the protected topics.

**2. Rules Regarding Protected Topic Surveys Involving Protected Topics**

**a. Protection of Student Privacy**

The school system will take measures to protect the identification and privacy of students participating in any protected topic survey ~~concerning any of the protected topics~~. These measures may include limiting access to completed surveys and to survey results, as allowed by law.



b. Parental Notification

The school system will notify parents at the beginning of each school year of the specific or approximate dates of administration of protected topic surveys concerning the protected topics. At least 10 days prior to the administration of a protected topic survey, parents and eligible students (students who are 18 years of age or older or who are emancipated minors) will be provided the opportunity to review both electronically and in person the process for providing consent to participate in the protected topic survey and the full text of the protected topic survey. ~~have the right to review any survey that concerns one of the protected topics or any instructional materials used in any such survey.~~

c. Parental Consent

Before a student will be permitted ~~is required~~ to participate in any protected topic Department of Education funded survey, analysis, or evaluation that reveals information concerning a protected topic, the parent or eligible student must provide prior written or electronic consent.

~~If prior written consent is not mandated for a survey involving a protected topic (because the survey either is not required or is not funded in whole or part by the Department of Education), the parent or eligible student must be given an opportunity to opt out.~~

**B. WELL-BEING QUESTIONNAIRES AND HEALTH SCREENING FORMS**

Before any student well-being questionnaire or health screening form is administered to students in kindergarten through third grade, the principal or designee shall provide parents with a copy of the questionnaire or form and shall inform parents of the means for parents to consent to the use of the questionnaire or form for their children. See also policy 1310/4002, Parental Involvement.

If a well-being questionnaire or health screening form falls under the definition of a protected topic survey, all rules for protected topic surveys, as described above in subsection A.2, also apply.

**B.C. OTHER SURVEYS CREATED BY A THIRD PARTY SURVEYS**

Parents and eligible students have the right, upon request, to inspect any other survey created by a third party before the survey is administered or distributed to a student.

**C.D. COLLECTION OF STUDENT DATA FOR MARKETING PURPOSES**

The school system generally will not collect, disclose or use personal student information for the purpose of marketing or selling the information or otherwise providing the information to others for that purpose. However, in the event the board approves a collection, disclosure, or use of personal student information for one of those purposes, the school system will (1) notify parents at the beginning of each school year of the specific or approximate dates of such collection, disclosure, or use, (2) allow parents to inspect any instrument used to collect the information before the instrument is administered or distributed to a student, and (3) offer the parent the opportunity to opt out of the collection, disclosure, or use of the student's personal information.

The preceding rules for the collection, disclosure, and use of personal student information do not apply if the school system collects, discloses, or uses personal information from students for the exclusive purpose of developing, evaluating, or providing educational products or services for or to students or educational institutions, such as the following:

1. college or other postsecondary education recruitment or military recruitment;
2. book clubs, magazines, and programs providing access to low-cost literary products;
3. curriculum and instructional material used by elementary schools and secondary schools;
4. tests and assessments used by elementary schools and secondary schools to provide cognitive, evaluative, diagnostic, clinical, aptitude, or achievement information about students (or to generate other statistically useful data for the purpose of securing such tests and assessments) and the subsequent analysis and public release of the aggregate data from such tests and assessments;
5. the sale by students of products or services to raise funds for school-related or education-related activities; and
6. student recognition programs.

#### **D.E. OTHER RELEVANT POLICIES**

In addition to this policy, the Watauga County Board of Education, with parental and community input, has developed other policies concerning surveys and related matters as required by the Protection of Pupil Rights Amendment. These policies include: 4002, Parental Involvement; 3210, Parental ~~Inspection of and Objection to~~ Request to Review Instructional Materials; 4700, Student Records; and 5240, Advertising in the Schools.

Legal References: Family Educational Rights and Privacy Act, 20 U.S.C. 1232g, h, 34 C.F.R. pt. 99; Protection of Pupil Rights Amendment, 20 U.S.C. 1232h; G.S. 115C-36, -76.25(a)(11), -76.45(a)(3), -76.65, -402.15

Cross References: Parental Involvement (policy 4002), Student and Parent Grievance Procedure (policy 4010), Parental ~~Inspection of and Objection to~~ Request to Review Instructional Materials (policy 3210), Student Discipline Records (policy 4345), Student Records (policy 4700), Advertising in the Schools (policy 5240)

Adopted: January 12, 2015

Replaces: Policy 5.05.85, Protection of Pupil Rights

Revised: February 14, 2022, {DATE}

**A. STUDENT HEALTH SERVICES GENERALLY**

The Watauga County Board of Education (the “board”) will provide health services to students as required by law. State law authorizes ~~S~~school employees ~~to~~may administer medication prescribed by a health care practitioner ~~only~~ upon the written request of the parents; give emergency health care when reasonably apparent circumstances indicate that any delay would seriously worsen the physical condition or endanger the life of the student; and perform any other first aid or lifesaving technique in which training has been provided to school employees.

A registered nurse will be available to provide assessment, care planning, and ongoing evaluation of students with special health care service needs in the school setting.

The superintendent may develop procedures or delegate the development of procedures to each principal for providing these health services and meeting the board requirements listed below.

1. The principal shall determine at the beginning of each school year prior to the beginning of classes, and thereafter as circumstances require, which employees will be selected to participate in the health services program. The principal shall inform his or her staff about which health services duties are delegated to which employees.
2. A school nurse, with the assistance of other personnel as appropriate, will prepare an individual health plan for each student with special health care needs. This plan will identify the student’s medical needs, the person responsible for monitoring the child’s medical needs during the school day, and other information necessary to ensure the child’s medical needs are appropriately addressed during all school-related activities.
3. When a student’s special health care needs include an increased risk of a medical emergency, a school nurse, with the assistance of other personnel as appropriate, will prepare an emergency health care plan to address this risk. This plan will identify the type of risk involved, the symptoms that indicate a potential medical emergency, and the important actions that should be taken and avoided by school personnel in the event of a medical emergency.
4. Any employee designated to provide health care services must receive appropriate training.
5. Health manuals prepared by the governing state agencies must be followed in developing appropriate procedures and for determining which tasks must be performed by registered nurses.
6. Procedures must be consistent with all related board policies, including policy 4230, Communicable Diseases – Students, and policy 6125, Administering Medicines to Students.

7. Procedures must be consistent with state and federal law for students with disabilities, including the Individuals with Disabilities Education Act, Section 504 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act. The *Policies Governing Services for Children with Disabilities* will be followed, as applicable.
8. Procedures must be consistent with guidelines adopted by the State Board of Education under G.S. 115C-12(31) to serve students with diabetes, including developing and implementing individual diabetes care plans for such students and providing information and training to school personnel to appropriately support and assist such students, in accordance with their individual diabetes care plans.
9. Written information maintained by the school or school personnel regarding a student's medicinal and health needs is confidential. Parents and students must be accorded all rights provided by the Family Educational Rights and Privacy Act (FERPA) and state confidentiality laws. Any employee who violates the confidentiality of the records may be subject to disciplinary action.
10. School personnel must obtain parental consent for medical services as required by law. Parents will be notified of their rights in accordance with policy 4002, Parental Involvement.
11. Health professionals will be consulted in the development of health services. Opportunities also will be provided for input from staff, parents, and students on the health services provided.

#### B. SCHOOL SYSTEM MENTAL HEALTH PLAN

The superintendent shall develop a school-based mental health plan that includes a mental health training program and suicide risk referral protocol that satisfies the requirements of State Board of Education Policy SHLT-003. The superintendent shall submit the plan to the board for approval and direct implementation of the plan within all applicable deadlines.

By September 15 of each year, the superintendent shall report to the Department of Public Instruction on (1) the content of the school system's mental health plan, including the mental health training program and suicide risk referral protocol, and (2) the school system's prior school year compliance with the requirements of State Board of Education Policy SHLT-003. The board will review the components of the school system's mental health plan at least every five years, starting August 1, 2025, and will update the mental health plan in accordance with any updated requirements provided by the State Board of Education.

Legal References: Americans with Disabilities Act, 42 U.S.C. 12134, 28 C.F.R. pt. 35; Family Educational Rights and Privacy Act, 20 U.S.C. 1232g; Individuals with Disabilities Education Act, 20 U.S.C. 1400 *et seq.*, 34 C.F.R. pt. 300; Rehabilitation Act of 1973, 29 U.S.C. 705(20), -794, 34 C.F.R. pt. 104; G.S. 90-21.10B; 115C-12(12), -12(31), -36, -307(c), -375.1, -375.3, -376.5; 16 N.C.A.C. 6D.0402; 21 N.C.A.C. 36-.0221, .0224; *Policies Governing Services for Children with Disabilities*, State Board of Education Policies EXCP-000, SHLT-003

Cross References: Parental Involvement (policy 4002), Communicable Diseases – Students (policy 4230), Student Records (policy 4700), Administering Medicines to Students (policy 6125)

Adopted: April 11, 2016

Revised: August 14, 2017 and April 9, 2018 and January 13, 2020 (Legal references only);  
September 13, 2021; {DATE}

Replaces: Board policy 5.03.30, Student Health Services

For students to succeed, all school employees must approach their responsibilities conscientiously, always remembering that the ultimate responsibility of the school system is to provide students with the opportunity to receive a sound basic education. The standards shall apply to all school employees and shall be the basis for review of the performance of school employees. These standards shall establish prohibitions and mandatory requirements for all employees. Violation of these standards shall subject an employee to investigation and disciplinary action by the Watauga County School System and/or the State Board of Education.

All employees, student teachers, and volunteers shall adhere to the standards of professional conduct contained in this policy. Any act or omission that violates these standards is prohibited and is subject to disciplinary action up to and including dismissal from employment.

**A. STAFF RESPONSIBILITIES**

All school employees shall:

1. be familiar with, support, comply with and, when appropriate, enforce all applicable Watauga County Board of Education (the "board") policies, administrative procedures, school rules and applicable laws;
2. attend to the safety and welfare of students, including the need to provide appropriate supervision of students;
3. demonstrate integrity, respect and commitment to the truth through attitudes, behavior and communications with others;
4. address or appropriately direct any complaints concerning school employees, the school program or school operations;
5. develop, promote, and maintain courteous and professional working relationships with other staff members, students, parents, and visitors;
6. avoid confrontations with co-workers, including but not limited to engaging in actions or conversations which the employee knows or should know will result in a disruption;
7. direct all complaints regarding the work environment to the appropriate supervisors and/or file grievances and avoid any actions that may undermine the work or the authority of co-workers and supervisors;
8. not create or post any inappropriate online content that has an impact on their (or any employee's) ability to perform their job, especially if accessible to any student(s), and bear in mind that content created or posted online apart from the WCS network may be viewed by anyone, including students, parents, and other

members of the community;

9. use the Watauga County Schools network only in a professional manner as described in policy 7335, Employee Use of Social Media, and 3225/4312/7320, Technology Responsible Use;
10. be respectful in all conduct and communications with students as set forth in policy 4040/7310, Staff-Student Relations, and shall not abuse or exploit any student in person or in electronic communication in any manner, including but not limited to the actions listed below. Electronic communications include, but are not limited to, e-mail, text messaging, instant messaging, chat rooms, blogging, websites, and social media.
  - a. any use of language that is considered profane, vulgar, or demeaning;
  - b. any sexual act;
  - c. any solicitation of a sexual act, whether written, verbal, or physical;
  - d. any act of child abuse, as defined by law;
  - e. any act of sexual harassment, as defined by law; and
  - f. any intentional solicitation, encouragement, or consummation of a romantic or physical relationship with a student, or any sexual contact with a student. The term "romantic relationship" shall include dating any student.
11. comply with all administrative directives in a timely and professional manner, including written directives regarding specific issues or behaviors;
12. attend, participate in, and complete all required professional development activities and meetings;
13. complete and transmit all required reports and other documentation in a timely and professional manner;
14. maintain the confidentiality of records as required by law and more fully set forth in policy 1325/7315, Confidential Information, and 4250/5075/7316, North Carolina Address Confidentiality Program;
15. faithfully account for all funds collected from students, colleagues, or other parties and not submit fraudulent requests for reimbursement, expenses, or pay;
16. arrive at school each day at an appropriate time designated by the principal ready and prepared to complete all assigned duties; and



17. exercise proper care and maintenance of school property; and
18. support parents in effectively participating in their child's education and never encourage or coerce a child to withhold information from a parent.
19. refrain from creating any video recording of a student without the parent's prior written consent, unless a) the recording is created by an employee acting in their official capacity within the reasonable and prudent scope of their authority or b) when the recording will be used by the educator or administrator solely for a safety demonstration, an academic or extracurricular activity, classroom instruction, photo identification cards, or security or surveillance of buildings, grounds, or school transportation.

**B. NOTICE OF CRIMINAL OFFENSE**

Employees shall notify the human resources director if they are arrested for, charged with or convicted of a criminal offense (including entering a plea of guilty or *nolo contendere*) other than a minor traffic violation (i.e., speeding, parking or a lesser violation). Notice must be in writing, must include all pertinent facts and must be delivered to the human resources director no later than the next scheduled business day following the arrest, charge or conviction, unless the employee is hospitalized or incarcerated, in which case the employee must report the alleged violation within 24 hours after his or her release. Upon judicial action in the matter, the employee must report the disposition and pertinent facts in writing to the human resources director no later than the next business day following adjudication.

In addition, all driver education instructors must immediately report to the board any conviction that results in three or more points, and any conviction that could cause suspension or revocation of the driver license in any state. The board will notify the Department of Public Instruction when an instructor loses his or her privilege to drive in North Carolina or any other state. The superintendent or designee shall conduct annual checks of the driving records of all driver education instructors.

Failure by an employee to provide timely notice as described in this policy may lead to disciplinary action up to, and including, dismissal.

Legal References: G.S. 114A-20; 115C-47, -307, -308; State Board of Education Policies DRIV-003, DRIV-004

Cross References: Nondiscrimination on the Basis of Disabilities (policy 4022/7231), Drug-Free and Alcohol-Free Workplace (policy 7240), Prohibition Against Discrimination, Harassment, and Bullying (policy 4021/7230), Staff-Student Relations (policy 4040/7310), Confidential Information (policy 1325/7315), North Carolina Address Confidentiality Program (policy 4250/5075/7316), Technology Responsible Use (policy 3225/4312/7320), Copyright Compliance (policy 3230/7330), Professional Standards of Conduct and Performance for Teachers (policy 7305), Duty to Report a Criminal Offense (policy 7307), Employee Use of Social Media (policy 7335), Employee Dress and Appearance (policy 7340), Public Records – Retention, Release, and

Disposition (policy 5070/7350), Electronically Stored Information Retention (policy 5071/7351), Extracurricular and Non-Instructional Duties (policy 7405), Employee Conflict of Interest (policy 7730)

Adopted: December 14, 2015

Revised: March 11, 2019; {DATE}

## **2023-24 Board of Education Committee Assignments**

<b><u>Committee</u></b>	<b><u>Board Member(s)</u></b>
CALENDAR	Marshall Ashcraft
ELEMENTARY CURRICULUM	Marshall Ashcraft
FACILITIES	Gary Childers & Steve Combs
FINANCE	Gary Childers & Jay Fenwick
HIGH SCHOOL CURRICULUM	Gary Childers
MEDIA & TECHNOLOGY ADVISORY	Jay Fenwick
SAFE SCHOOLS	Jason Cornett
SCHOOL HEALTH ADVISORY	Jay Fenwick
TEACHER OF THE YEAR	TBD
WATAUGA EDUCATION FOUNDATION	Jason Cornett

<b><u>Board Member</u></b>	<b><u>Committee(s)</u></b>
Marshall Ashcraft	<ul style="list-style-type: none"> <li>• Calendar</li> <li>• Elementary Curriculum</li> </ul>
Gary Childers	<ul style="list-style-type: none"> <li>• Facilities</li> <li>• Finance</li> </ul>
Steve Combs	<ul style="list-style-type: none"> <li>• Facilities</li> </ul>
Jason Cornett	<ul style="list-style-type: none"> <li>• Safe Schools</li> <li>• Watauga Education Foundation</li> </ul>
Jay Fenwick	<ul style="list-style-type: none"> <li>• Finance</li> <li>• Media &amp; Technology Advisory</li> <li>• School Health Advisory</li> </ul>

## **+BOARD SELF- EVALUATION+**

### **BOARD OPERATIONS AND PERFORMANCE**

The board operates through policies and meeting procedures, exhibiting good boardmanship in areas of confidentiality, preparedness, and conflict management.

<i>Our board ...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Operates in accordance with and annually reviews the board's code of ethics policy.	5			
Provides a climate that allows free, open, and orderly discussion by all members at our meetings.	5			
Adheres to confidentiality laws and requirements of open and closed meetings.	5			
Uses good decision-making processes, acting only after all appropriate information has been received and studied.	5			

### **PLANNING AND GOALS**

The board's values, mission, vision and goals guide deliberations, decisions, and actions in the best interest of student achievement.

<i>Our board...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Regularly monitors progress towards achieving the district's vision, mission, and goals adjusting as needed.	1	4		
Widely publicizes and distributes throughout the district our vision and mission statements.	4	1		
Develops meeting agenda items and work sessions that are specifically linked to the district's goals.	3	2		
Strives to improve board skills by staying abreast of educational issues presented at workshops and conferences at the local and state level.	5			

### **STUDENT ACHIEVEMENT**

The board sets high instructional standards with a curriculum that is centered on student achievement and aligned with state standards.

<i>Our board...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Has a good, working knowledge of the board's role regarding curriculum and instruction review and approval.	3	2		
Uses the expertise of the professional staff in development of curriculum, ensuring it is focused on student achievement.	4	1		
Requires systematic evaluations of and feedback on the instructional program.	1	4		
Sets high standards for each and every student based on multiple assessment measures.	2	2		1

### **POLICY**

The board focuses on the development, review, and revision of policy that supports the district's vision and goals to drive decision making.

<i>Our board...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Understands the importance of board policy and ensures policies reflect current regulatory and statutory requirements.	5			
Develops policies that give district administration sufficient authority and latitude to manage the day-to-day operations.	5			
Uses written policies as the framework for our decision-making process.	4	1		
Ensures that district policies are readily available to all stakeholders through multiple means.	3	2		



### **FINANCE**

The board provides financial oversight for the district and utilizes approved funding to maintain a high-quality educational program.

<i>Our board...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Understands the basic principles of school finance including local, state, and federal sources of revenue.	4	1		
Adopts a process and timeline for the preparation of the budget.	4	1		
Ensures that the budget reflects the district's goals and priorities.	4	1		
Monitors the financial status of the school district.	3	2		

### **BOARD/SUPERINTENDENT RELATIONSHIP**

The board respects the differences in roles and responsibilities as well as maintains good communication and interaction between themselves and the superintendent.

<i>Our board...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Respects the management responsibilities of the superintendent and observes the chain of command.	5			
Maintains regular dialogue with the superintendent on progress towards district goals, student achievement, and feedback on performance.	3	2		
Refrains from public criticism of the superintendent and district staff.	5			
Conducts a comprehensive and fair annual evaluation of the superintendent.	4	1		

#### **Comments/Examples:**

*Regular dialogue is perhaps initiated more by the Superintendent than the Board, but the most important thing is that the dialogue happens.*

### **BOARD AND COMMUNITY**

The board effectively represents and communicates with the public and involves the community in district planning.

<i>Our board...</i>	Very Good	Satisfactory	Needs Improvement	No Opinion
Acts as representatives for each and every student in our school district.	4	1		
Encourages community involvement in the district.	2	3		
Acknowledges community issues and trends affecting our district.	3	2		
Builds partnerships with parents, businesses, governmental leaders, and other community members.	3	2		

#### Comments/Examples:

*The community is not discouraged from involvement, but now sure how proactive we are in encouraging. The Superintendent and Board Chair do most of the partnership-building.*

### **✦ BOARD SELF-EVALUATION DISCUSSION PROMPTS ✦**

1. Based on the results of our evaluation, what are the strengths of our Board of Education?
2. Based on the results of our evaluation, what are the areas of improvement for our Board of Education?
3. Recognizing our Board's highest priority is to improve student achievement, what are the major challenges facing our district?

**Agenda**  
**Calendar Committee Meeting**  
**28 September 2023**  
**3:45P WHS Room 2202**

Welcome and Sign-In

- Chris Blanton, Claudine Lovins, Jim Pries, Melissa VanLenten, Jennie Weschler, Annie Johnson, Carly Pugh, Marshall Ashcraft, Susan Milhaupt, Melody Cook, Sumer Williams, Pamela West, Jana Yount, Kim Shockey, Wayne Eberle
- Minutes taken by Annie Johnson
- 3:48 Dr. Eberle calls to order

Review items discussed from 7 September meeting

3:50 Discussion of Priorities from past meetings:

- WHS is willing to reduce the number of days in 1<sup>st</sup> semester to as low as 84 to ensure 1<sup>st</sup> semester testing occurs or may begin before the holiday break: *SY 23-24 first semester testing will occur following the holiday break due to the limited number of days achieved with an August 21st start date/ likely testing will occur following the holiday break for SY 24-25 as well*
- One full week at Spring Break
- Easter at the beginning of Spring Break (Easter is 20 April 2025)
- Support the use of Saturday school as early as possible (Note- Remote Days may significantly reduce to need for this option in the future)

3:52 Consideration/consensus on calendar choices/ options- what works and what does not

- Start with the presented calendar from the last meeting, using it as a template and discuss stakeholder feedback. Pros/ Cons
- Discuss Calendar B with additional Mandatory Workday at the beginning of the year
- Dr. Eberle explained the difference (moving a day from the end of the year to the beginning of the year to have 5 mandatory days at the start of the year instead of 4)
  - Dr. Blanton asked: Is there any distinction in state law? No. We can use these days how we want to as long as we stay at 215 total days.
  - Dr. Blanton asked: Can snow day passes be used on mandatory workdays? No (this is a county decision, not a state)
- Discuss PD Days and options:



- Dr. Eberle explains: We have been offering these PD Days for K-8 teachers because of LETRS (a DPI requirement for the last 2 years), closing the K-8 schools and keeping the high school in session. This will no longer be a requirement after this year.
- Feedback from C/I Team
- 0 days vs. 2 days vs. 4 days (All K-8 or K-8 and/or WHS)
  - If PD is selected, what days of the week?
- Hybrid of 2 for K-8 with WHS in session and 2 for WHS with K-8 in session to continue to count days/ hours
- Dr. Eberle shows these options laid out on the whiteboard
  - 0 Days, No action taken
  - 2 Days (1 spring, 1 fall), Action is taken to modify the calendar
  - 4 Days, Action is taken to modify the calendar
  - Hybrid 2 Days (High School is in session, K-8 is out for PD), No action taken because school is in session
  - Hybrid 4 Days, No action taken because school is in session
- Conversation about these options:
  - Question asked about if the Curriculum Committee had discussed these options. Dr. Eberle said: Curriculum Committee weighed the options and like the idea of 2 full PD days, feel that 4 is too many, not crazy about having 0 PD days, hybrid days start to make child care/logistics challenging
  - Would we keep the early release days? Dr. Eberle said: Yes in the first semester, no in the second semester
  - Dr. Eberle: Are there any we can go ahead and take off the table? Group answered: The hybrid days, the 0 PD option
  - Can there be a PD day that is also a Mandatory Workday? That has been discussed.
  - High school feedback was that they want optional days trickled throughout the year. By the time we are at the end of the year, there is nothing left to do in those final workdays. K-8 schools have said the same (would like an extra day in the beginning and a day in the Spring).
  - Reminder that our hard stop date is June 11th.
  - Discussion about early release days and how they can pose a challenge to the community.
  - Could we move an optional workday to August 9th? In addition to 5 mandatory days in the beginning.
  - Dr. Blanton- One reason those work days are at the end of the year is due to weather. If you take too many optional work days away from the end,

that could complicate days from bad weather (leading to Saturday school, losing Spring Break, etc.).

- Could we make Monday, August 12th optional instead of mandatory? The difference is the use of a snow day pass or having to use time. It also means that day cannot be a PD day for staff. Could it be a protected work day (i.e. no meetings)? For calendar purposes, these days are all essentially the same.
- Question: Does this committee have the right to establish a work day as optional or mandatory? Essentially that is for the Superintendent to decide. We are just looking at the 215 days. We could, however, say “we would really like for this day to be optional” for her consideration.
- Discuss adjustments, if any, to calendar
  - 4:40 Calendar committee votes on doing 2 full PD days (add 2 student days to the end of the year, having students end on June 2nd).
  - Turn September 18th into a full Work Day instead of having it as an Early Release? Look at September 18th, & 25th to be this full Work Day. **The group likes September 18th.**
  - Second Semester PD Day- End of February? March 5th? Early April 2nd or 9th? Looking at the 3rd 9 weeks to give students a break. **Dr. Eberle is in favor of early April due to Battle of the Books, weather, and ASU Spring Break. Many group members would prefer March 5th to have a PD day in the 3rd 9 weeks, however they recognize that March 5th could be interfered with by inclement weather.**
    - Discussion around trying to mitigate attendance issues by avoiding a Monday or Friday.
    - Discussion around consistency- keeping PD days on Wednesdays.
    - Would parents prefer a long weekend if we did a PD day on March 20th and then the teacher Work Day on March 21st? Would teachers actually show up?

Next Steps for sharing with faculties, parent groups, community members

- Talk with your staff about the 2 calendar options (5 mandatory days vs. 4 mandatory days)
- Talk with your staff about having 2 Full PD days on September 18th (canceling out the Early Release) and one in March or April, which means the last day for students will be June 2nd
- Mention to staff that we have asked for Monday the 12th to be a protected day for staff (no PD or meetings), but reiterate that this is by no means a promise

## Questions/Concerns

- Looped back around to discussion on when to schedule those 2 PD days.
- Discussion around the 2nd PD day being in March or in April.
  - If we go with March 5th for PD and it is canceled due to weather, could it be rescheduled for the end of the year or even for March 12th. Would outside presenters be able to travel, reschedule, etc.? Would the PD day just be lost? Consider deciding this next time.

Next Calendar Committee meeting dates: October 19 and November 30 (if needed) beginning at 3:45P. \*\*BOE Meeting is December 11th at 6P at the Central Office\*\*

Pam motioned to adjourn.