

Montgomery County Board of Education

Troy, North Carolina

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2022

Montgomery County Board of Education
Troy, North Carolina

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2022

Prepared by
Mitchell A. Taylor
and the
Finance Department

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Introductory Section

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December 12, 2022

Members of the Montgomery County Board of Education and Citizens of Montgomery County, North Carolina:

In compliance with the Public School Laws of North Carolina, the Annual Comprehensive Financial Report of the Montgomery County Board of Education, operating as "Montgomery County Schools", for the fiscal year ended June 30, 2022, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the Superintendent and Chief Financial Officer.

This report was prepared by the Finance Department in accordance with the requirements and guidelines promulgated by the Governmental Accounting Standards Board. We believe the data is accurate in all material respects and is presented in a manner designed to reflect fairly the financial position and results of operations of the Board. Disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity have been included.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The Montgomery County Board of Education (Board) is the level of government having oversight responsibility and control over activities related to public school education in Montgomery County, North Carolina. For the 2021-2022 fiscal year, the school system served approximately 3,400 students from kindergarten through 12th grade in 6 elementary schools, 2 middle schools, 1 high school, 1 alternative school, and 1 early college. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the county is not entitled to share in any surplus nor is it required to finance any deficits. The Board, whose members are elected by the citizens of Montgomery County, has the authority to designate management, make binding decisions, and significantly influence operations. However, the Board has no tax levying or borrowing authority and is required to maintain accounting records in a uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Montgomery County Board of Education is not included in any other reporting entity.

ECONOMIC CONDITION AND OUTLOOK

Montgomery County has not experienced economic growth in the past several years and is not anticipating growth in the near future. Montgomery County is moving in the direction of developing economic and community revitalization. The county is also focusing on travel and tourism development. Montgomery County is surrounded by the Uwharrie Mountains, national forest and lakes. These areas are statewide

attractions and the county's largest asset. Montgomery County is known as a great place to hunt, fish, hike and bike. Water sports are also a big attraction. Much effort is put forth each year in planning for the Uwharrie Mountain Festival which is held in the fall; many people come for the festival and discover all the natural resources the county has to offer.

Despite the economic issues facing Montgomery County, the Board of County Commissioners has maintained consistent local funding for the school system over the past ten years. Local County appropriations have increased approximately 4% over the past five years. However, due to the decline in the Board's student population, as well as rising healthcare, retirement, and other costs, the Board has had to reduce the number of employees in the school system over the same period. This decrease in staffing has required internal restructuring within the school system in order to continue providing a high level of service to the students.

Over the past ten years, the Board has experienced a decline in student enrollment of approximately 17%. The Board expects student enrollment to level off and remain consistent over the next several years.

During 2016, the Board of Education along with the County Commissioners approved the construction of a new high school, Montgomery Central, to replace East and West Montgomery High Schools and combine them into one. This also includes a CTE Center that will partner with Montgomery Community College, located adjacent to the new facilities. The county secured $70 million of funding from a USDA Rural Development loan to fund the project. Montgomery Central High School opened at the beginning of the 2020-2021 school year. Our middle schools were built in 1990 and have recently been reroofed. They are considered to be in overall good condition.

MAJOR INITIATIVES

The focus of the school system for the next several years will primarily be in the following areas:

- Promote the ideal of success for all students.
- Promote a child-centered culture of health, rigor, and high expectations.
- Promote the importance of graduation and improve the graduation rate.
- Promote family engagement at all school locations.
- Promote distance learning and college opportunities for students.
- Promote understanding of the demands of the 21st century.
- Promote student engagement and improve student achievement.
- Promote the technology that is available and increase technology and its integration in instruction.
- Promote effectiveness and efficiency of operations to maximize available resources.
- Promote career ready students through our CTE curriculum.

The record of accomplishments for the Montgomery County Board of Education continued in fiscal year 2021-2022. Some of these accomplishments include:

- Montgomery Learning Academy (MLA) has been successful in reducing the dropout rate. The alternative school has provided the opportunity of flexible scheduling for students to graduate who otherwise would have dropped out of school. The dropout rate decreased from 2.04% to 0.37%, within the past ten years, which is below the 2021 State average of 1.94%.

- In response to the need for providing a diploma track for handicapped children who would never meet standard graduation requirements without intense supports in place, the Board of Education has continued to implement an occupational diploma, which clearly delineates skills and credits attained by children with major handicapping conditions. This has helped with their placement in the workplace after graduation.

- In recent years, Montgomery County Schools has focused heavily on Career and College Readiness. The local School Board adopted strategic goals that align with this focus by setting a goal that all graduates obtain a minimum of two college credits while in high school. The latest data reflects that 52.5% of MCS graduates earned one college credit while 44.7% earned at least two credits. 36 graduates of the 2021 class earned an Associate's Degree while enrolled in high school and 241 students completed industry recognized credential requirements in college career based coursework. Students also participate in Career and Technical Education courses through high school and middle school programming. CTE courses are taken by 83% of high school students and 100% of middle school students participate in CTE programming. All programs align from middle school through community college and are concentrated on needs to local industry.

FINANCIAL AND BUDGETARY CONTROLS

The cost of public school education in North Carolina is financed primarily by the State, which establishes minimum programs. Local funds supplement the basic program and are appropriated by the local board of county commissioners. Local boards of education have no tax levying or borrowing authority and are required to maintain accounting records in a uniform State format.

Monthly reports on transactions of State and federal funds and details of disbursements from State funds are submitted to the North Carolina Department of Public Instruction for review. Interim financial reports are presented quarterly to the Board of Education.

Financial activities throughout the year are controlled in accordance with the North Carolina School Budget and Fiscal Control Act, which requires a pre-audit procedure to ensure availability of funds prior to the issuance of purchase orders or payment of claims. Outstanding purchase orders at the end of the fiscal year related to normal operations are cancelled and renewed in the following fiscal year.

Internal accounting controls are given consideration in developing and improving the Board's accounting system. Internal controls are designed to provide reliability of financial records for preparing financial statements and maintaining accountability for assets. The cost of a control should not exceed the benefits derived, therefore, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

North Carolina General Statues requires all governmental units in the state to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). 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. The Board's annual Budget Resolution authorizes expenditures by purpose on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budgets as amended for the fiscal year.

INDEPENDENT AUDIT

Anderson Smith & Wike PLLC, independent certified public accountants, whose opinion is expressed on page one, have audited the financial statements. The Montgomery County Board of Education complies with the requirements of the Single Audit Act for which separate reports are issued.

FINANCIAL REPORTING AWARDS

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Montgomery County Schools for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This award is a national program that provides unique professional recognition in the preparation and issuance of ACFRs by school systems.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Montgomery County Schools for its annual comprehensive financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded these certificates a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. These awards are valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the ASBO and GFOA requirements and we are submitting it to ASBO and GFOA to determine its eligibility for renewed awards.

ACKNOWLEDGMENTS

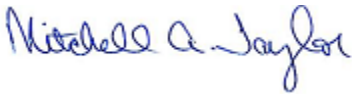
The preparation of this report could not have been accomplished without the dedicated efforts of the finance staff and the Board's independent certified public accounting firm of Anderson Smith & Wike PLLC. We wish to express appreciation to all employees who assisted in the timely closing of the Montgomery County Board of Education's fiscal records as well as the preparation of this report.

We would also like to express appreciation to the members of The Board of Education for their support in planning and conducting the financial affairs of the school system in a responsible and professional manner.

Respectfully submitted,



Dr. Dale Ellis
Superintendent



Mitchell A. Taylor
Chief Financial Officer

Montgomery County Board of Education
Troy, North Carolina

July 1, 2021 - June 30, 2022

Board Members

Steven DeBerry, *Chairman*
Tommy Blake, *Vice Chairman*

Cindy Taylor
Bryan Dozier
Lynn Epps
Sandra Miller
Jesse Hill

Principal Officers

Dr. Dale Ellis, *Superintendent*
Tracy Grit, *Associate Superintendent*
Dr. Jack Cagle, *Assistant Superintendent*
Wade Auman, *Assistant Superintendent*

MONTGOMERY COUNTY SCHOOLS ADMINISTRATIVE ORGANIZATION CHART — AUGUST 2022

Montgomery County Schools will graduate life-ready, globally competitive students who are leaders in their community, who value diversity and who are College and Career Ready.

Board of Education
Clerk to the Board of Education
Cindy Davis

Superintendent
Dr. Dale Ellis
Administrative Assistant
Cindy Davis

Assistant Superintendent Of Learning
Wade Auman
K-12 Curriculum
Federal Programs
State Grants, AdvancED Accrediation,
Local Instructional Initiatives
Federal Program Administrative Assistant
Brooke Howell

Chief Financial Officer
Mitch Taylor
Assistant Finance Officer
Sharon Baldwin
Benefits Representative
Michelle Brady
Accounts Payable
Donna Morris
AR/Federal Programs
Cheryl Kime
Medicaid Billing
Dr. Chuck Dulin

Assistant Superintendent of Administrative Services
Dr. Jack Cagle
Safety, Athletics, SACS A+ Program, Diversity & Inclusion, Partnership Development, Drivers' Education, Student Services, Appeals, SRO's, Human Capital Development
JaMese Black
Executive Director of Student Services

Director of Marketing/Strategic Communications
Susanna Kornegay

Communications Liaison
Sean Maness

Principals
Sloan Bourgeois
Amanda Deaton
Janet Deaton
Jon LaChance
Adam Matthews
Anne McLean
Erin West
Dr. Amy Reynolds
Enoc Robledo
Dr. Heather Seawell
Marvin Smith
School Staff

Associate Superintendent of HR/Operations
Dr. Tracy Grit
Personnel, Policies, Employee Investigations, Title II, Student Assignments/Transfers, Workers Comp, Homeless Liaison
Administrative Assistants
Crystal Douglas
Felicia Ward
Aux Services Admin Assist
Brooke Howell

Executive Director for Auxiliary Services/Emergency Management
Matthew Woodard

Exec. Director for Maintenance & Facility. Services
Bill Mingin

Director of Child Nutrition
Donnie Lynthacum
Administrative Assistant
Andrea Vuncannon

Director of Transportation
Matt DeBerry
Transportation Specialist
Yvonne Dunn

Director of Secondary/ Education/CTE Program Title IX
Emily Shaw

Director of Curriculum Support
Terri Absher
Instructional Facilitators
Media
Elementary
Technology
Training

Differentiation Coordinator
Jessica Lowder

Director of Exceptional Children
Dr. Chuck Dulin
Homebound, Homeless
School Psychologists
Safe and Drug Free Schools
Discipline Data
School Crime and Violence
Administrative Assistant
Irma Robledo

ILT/National Board Support Coordinator, Mentors
Jordan Wilson

Jessalyn Spell
Director of Accountability/Quality
PowerSchool Coordinator,
EVAAS, PSDA
AJ Whitesell
SIS & Testing Coordinator

Director of Career and College Readiness
Matthew Swain

Afterschool & PreK Coordinator
Vance Thomas

EC Assistant Director
DeeDee Terry

Behavior Specialist
Kenston Scott
Krystal Kimery

Nurses
Tina Luther
Amber Taylor
Jessica Roles
Marsha Chambers

Director of Technology
Brian Helms
Technicians
David Kellis
Derek Isley

Receptionist
Tasha Medley

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montgomery County Board of Education
North Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Montgomery County Board of Education

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2021.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

William A. Sutter
President

David J. Lewis
Executive Director



Financial Section

A S W ANDERSON SMITH & WIKE PLLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Montgomery County Board of Education
Troy, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montgomery County Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Montgomery County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montgomery County Board of Education, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Other Special Revenue and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedules of Board Contributions on pages 48 through 53, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2022, on our consideration of the Montgomery County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Montgomery 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 Montgomery County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

October 24, 2022
Rockingham, North Carolina

This section of the Montgomery County Board of Education's (the "Board"*)* financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2022. This information should be read in conjunction with the audited financial statements included in this report.

Impact of Coronavirus on District

During the fiscal year, the State and nation continued to be affected by the coronavirus (COVID-19) pandemic. Educational services returned to the traditional classroom environment with remote learning as an option for students preferring that method of instruction. The Board incurred additional expenses as a result of COVID-19 including: the purchase of personal protective equipment, remote learning educational tools, learning loss remediation due to online learning challenges and increases in salaries due to the Board's expansion of summer school programs. The Board received significant grants from the federal government to assist with these additional expenses incurred due to the pandemic.

Financial Highlights

For the fiscal year ended June 30, 2022, the Board's total government-wide net position increased by $10.2 million. Governmental activities net position increased by $9.4 million and business-type activities net position increased by $796,000.

- Total government-wide net investment in capital assets increased by $1.3 million, or 3.6%, over the prior year. Governmental activities net investment in capital assets increased by $1.3 million and business-type activities investment in capital assets increased by $8,000.
- Total governmental activities restricted net position increased by $436,000 over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2022 increased by $8.5 million over the prior year. Governmental activities unrestricted net position increased by $7.7 million while business-type activities unrestricted net position increased by $788,000 over the prior year.
- Financial reporting awards from the Association of School Business Officials International and the Government Finance Officers Association were received for the tenth consecutive year.

Overview of the Financial Statements

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

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

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

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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Montgomery 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 – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine

whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Other Special Revenue Fund and the Federal Grants Fund.

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary fund: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Montgomery County Board of Education's only proprietary fund is an enterprise fund, the School Food Service Fund.

The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Financial Analysis of the Board 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 by $11.5 million at June 30, 2022 as compared to $21.8 million as of June 30, 2021, an increase of $10.2 million. Following is a summary of the Statement of Net Position at June 30, 2022 and 2021:

Table 1
Condensed Statement of Net Position
As of June 30, 2022 and 2021

	Governmental Acitivities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Current and other assets	$ 7,788,138	$ 7,332,055	$ 1,686,980	$ 1,088,511	$ 9,475,118	$ 8,420,566
Capital assets	36,870,543	35,473,517	67,426	59,338	36,937,969	35,532,855
Total assets	44,658,681	42,805,572	1,754,406	1,147,849	46,413,087	43,953,421
Deferred outflows of resources	11,034,703	10,350,898	424,413	385,088	11,459,116	10,735,986
Current liabilities	1,780,786	2,155,559	51,625	56,005	1,832,411	2,211,564
Long-term liabilities	40,754,413	50,932,585	1,576,240	1,888,431	42,330,653	52,821,016
Total liabilities	42,535,199	53,088,144	1,627,865	1,944,436	44,163,064	55,032,580
Deferred inflows of resources	24,321,457	20,665,261	935,440	768,819	25,256,897	21,434,080
Net investment in capital assets	36,730,174	35,451,338	67,426	59,338	36,797,600	35,510,676
Restricted net position	2,292,144	1,856,413	3,949	4,671	2,296,093	1,861,084
Unrestricted net position (deficit)	(50,185,591)	(57,904,686)	(455,861)	(1,244,327)	(50,641,452)	(59,149,013)
Total net position (deficit)	$ (11,163,273)	$ (20,596,935)	$ (384,486)	$ (1,180,318)	$ (11,547,759)	$ (21,777,253)

The net position of the Board's governmental activities increased $9.4 million during the year, from $(20.6) million at June 30, 2021 to $(11.2) million at June 30, 2022, indicating an improvement in the financial condition of the Board. Restricted net position increased $436,000 while unrestricted net position increased $7.7 million over the prior year. Net investment in capital assets increased $1.3 million due to an excess of capital additions over depreciation expense for the year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The

Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities increased $796,000 during the year. This increase is the net profit generated by our school food service operations during the 2022 fiscal year. The following table shows the revenues and expenses of the Board for the current and prior fiscal years:

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Revenues:						
Program revenues:						
Charges for services	$ 1,234,036	$ 620,753	$ 192,918	$ 3,423	$ 1,426,954	$ 624,176
Operating grants and contributions	41,345,316	35,135,229	3,312,078	2,270,523	44,657,394	37,405,752
Capital grants and contributions	162,547	152,394	-	-	162,547	152,394
General revenues:						
County appropriations	7,519,200	7,002,560	-	-	7,519,200	7,002,560
State appropriations	1,073,725	802,728	-	-	1,073,725	802,728
Other revenues	718,748	441,310	127	89	718,875	441,399
Total revenues	52,053,572	44,154,974	3,505,123	2,274,035	55,558,695	46,429,009
Expenses:						
Governmental activities:						
Instructional services	32,346,046	30,626,922	-	-	32,346,046	30,626,922
System-wide support services	8,375,709	7,824,709	-	-	8,375,709	7,824,709
Ancillary services	195,196	121,750	-	-	195,196	121,750
Non-programmed changes	327,084	322,084	-	-	327,084	322,084
Unallocated depreciation	1,274,830	1,255,023	-	-	1,274,830	1,255,023
Business-type activities:						
School food service	-	-	2,810,336	2,100,748	2,810,336	2,100,748
Total expenses	42,518,865	40,150,488	2,810,336	2,100,748	45,329,201	42,251,236
Excess (deficiency) before transfers	9,534,707	4,004,486	694,787	173,287	10,229,494	4,177,773
Transfers in (out)	(101,045)	(136,277)	101,045	136,277	-	-
Increase (decrease) in net position	9,433,662	3,868,209	795,832	309,564	10,229,494	4,177,773
Beginning net position (deficit)	(20,596,935)	(24,465,144)	(1,180,318)	(1,489,882)	(21,777,253)	(25,955,026)
Ending net position (deficit)	$ (11,163,273)	$ (20,596,935)	$ (384,486)	$ (1,180,318)	$ (11,547,759)	$ (21,777,253)

Total governmental activities generated revenues of $52.1 million while expenses in this category totaled $42.5 million for the year ended June 30, 2022, resulting in an increase in net position of $9.4 million (including transfers to business-type activities of $101,000). Comparatively, revenues were $44.2 million, expenses totaled $40.2 million and transfers out were $136,000 for the year ended June 30, 2021, resulting in an increase in net position of $3.9 million. In comparing the two years, revenues increased $7.9 million, or 17.9%, while expenses increased by $2.4 million, or 5.9%. The increases in revenues and expenses were primarily due to COVID-19 federal grants received and expended during the year.

The Board's primary sources of revenues were funding from the State of North Carolina, Montgomery County, and the United States Government, which respectively comprised 56.7%, 13.8% and 22.0% of

our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 75.1% of our total expenses during the most recent fiscal year. Of the remaining 24.9% of our total expenses, 19.2% was attributable to system-wide support services.

Our business-type activities generated revenues of $3.5 million while expenses in this category totaled $2.8 million for the year ended June 30, 2022. For the year, net position increased by $796,000 (including transfers in of $101,000). Comparatively, revenues were $2.3 million and expenses were $2.1 million for the year ended June 30, 2021, resulting in an increase in net position of $310,000 (including transfers in of $136,000). With students returning to the classroom in the 2022 year, the number of meals served increased to a more normal, pre-pandemic level. As would be expected with the increase in meals served, revenues, food costs, food supplies and salaries and benefits expenses all increased significantly. Expenses were also significantly impacted by a year-over-year decrease of $154,000 in pension and OPEB expense due to changes in actuarial valuations and allocation percentages.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of Montgomery 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.

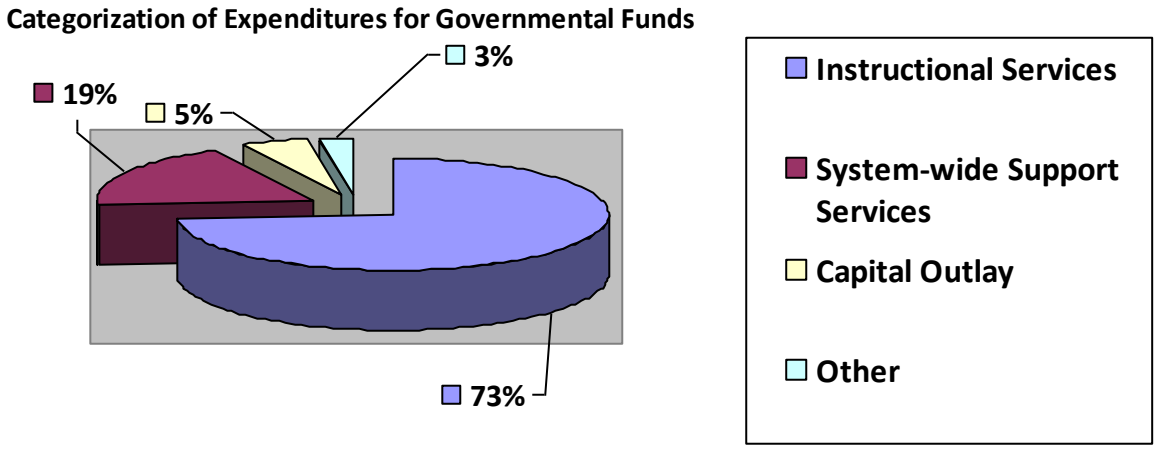
The Board's governmental funds reported a combined fund balance of $7.0 million at June 30, 2022, an increase of $914,000 over the $6.1 million reported at June 30, 2021. The Board's General, Other Special Revenue, Capital Outlay and Individual Schools funds each reported increases in fund balance for the year. Overall, total governmental fund revenues increased $8.6 million, or 19.6%, and expenditures increased by $9.7 million, or 22.8%, over the prior year. These increases are largely attributable to the receipt and expenditure of federal COVID-19 grant funds.

The General Fund reported an increase in fund balance of $293,000 (including the change in reserve for inventories) for the year ended June 30, 2022 compared to an increase of $954,000 in the prior year. The District was able to generate cost savings in the General Fund in some operational areas during the 2021 school year due to students not being in classroom for the majority of the year. During the 2022 year, students returned to the classroom and operational expenditures increased, returning to a more normal pre-pandemic level.

The Capital Outlay Fund reported an increase in fund balance for the current year of $173,000 compared to an increase of $525,000 in the 2021 year. The year-over-year change is primarily due to an increase in capital project expenditures.

The Other Special Revenue Fund reported an increase in fund balance for the current year of $294,000 compared to an increase of $94,000 in the 2021 year. The year-over-year change is largely due to an increase in indirect cost revenue received from the Federal Grants Fund.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these two funds are required to be expended in the year received. Combined revenues and expenditures in these two funds increased $6.4 million over the previous year. The District received increased revenue from COVID-19 grants through these two funds in the current year which was used to cover specific costs incurred by the district in response to the pandemic.



Expenditures presented on modified accrual basis of accounting.

Proprietary Fund: The Board's business-type fund, the School Food Service Fund, reported an increase in net position of $796,000 for the fiscal year ended June 30, 2022 compared to an increase of $310,000 for the same 2021 period. See the section above titled *Financial Analysis of the Board as a Whole* for more discussion regarding School Food Service Fund operating results for the year.

General Fund Budgetary Highlights

Over the course of a year, the Board will revise the budget, as necessary, to account for changes in revenue expectations and program allocations. However, during the year ended June 30, 2022, no significant budget revisions were made in the General Fund as revenue and expenditure expectations remained consistent throughout the year. Due to the timing of some revenues and expenditures being less predictable than others, differences sometimes exist between the final budgeted and actual amounts. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

Capital Assets

Total primary government capital assets were $36.9 million at June 30, 2022 compared to $35.5 million at June 30, 2021, an increase of 4.0%. More detailed information about the Board's capital assets is contained in Note 2.A.4 to the financial statements. The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2022 and 2021:

Table 3
Summary of Capital Assets
As of June 30, 2022 and 2021

	Governmental Acitivities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Land	$ 563,431	$ 563,431	$ -	$ -	$ 563,431	$ 563,431
Construction in progress	2,174,490	905,891	-	-	2,174,490	905,891
Buildings and improvements	32,457,277	32,699,166	-	-	32,457,277	32,699,166
Equipment and furniture	485,559	189,082	67,426	59,338	552,985	248,420
Vehicles	1,189,786	1,115,947	-	-	1,189,786	1,115,947
Total	$ 36,870,543	$ 35,473,517	$ 67,426	$ 59,338	$ 36,937,969	$ 35,532,855

Debt Outstanding

During the year, the Board's long-term debt increased from $22,000 at June 30, 2021 to $140,000 at June 30, 2022. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2.B.6 to the financial statements.

Economic Factors

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

- As of June 30, 2022, Montgomery County experienced an unemployment rate of approximately 4.0% as compared to an unemployment rate of approximately 4.8% at June 30, 2021. Montgomery County's unemployment rate is very comparable to the June 30, 2022 State of N.C. and national unemployment rates which were 4.1% and 3.8%, respectively.
- Due to limited regional growth, the Board expects enrollment to remain consistent for the next year.

Requests for Information

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

Mitch Taylor, Chief Financial Officer
Montgomery County Board of Education
Post Office Box 427
Troy, NC 27371-0427

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 1***
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 6,853,518	$ 1,384,290	$ 8,237,808
Due from other governments	650,548	140,166	790,714
Receivables	118,921	1,305	120,226
Net OPEB asset	18,076	695	18,771
Inventories	147,074	160,524	307,598
Capital assets:			
Land and construction in progress	2,737,921	-	2,737,921
Other capital assets, net of depreciation	34,132,622	67,426	34,200,048
Total capital assets	36,870,543	67,426	36,937,969
Total assets	44,658,680	1,754,406	46,413,086
Deferred Outflows of Resources	11,034,703	424,413	11,459,116
Liabilities			
Accounts payable and accrued expenses	720,025	-	720,025
Due to other governments	32,177	-	32,177
Unearned revenue	-	11,031	11,031
Long-term liabilities:			
Due within one year	1,028,584	40,594	1,069,178
Due in more than one year	40,754,413	1,576,240	42,330,653
Total liabilities	42,535,199	1,627,865	44,163,064
Deferred Inflows of Resources	24,321,457	935,440	25,256,897
Net position			
Net investment in capital assets	36,730,174	67,426	36,797,600
Restricted for:			
Stabilization by State statute	537,383	-	537,383
School capital outlay	1,068,506	-	1,068,506
Individual schools activities	583,614	-	583,614
DIPNC OPEB plan	102,641	3,949	106,590
Unrestricted (deficit)	(50,185,591)	(455,861)	(50,641,452)
Total net position (deficit)	$ (11,163,273)	$ (384,486)	$ (11,547,759)

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

MONTGOMERY COUNTY BOARD OF EDUCATION **Exhibit 2**
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	$ 18,296,102	$ -	$ 21,738,150	$ -	$ 3,442,048	$ -	$ 3,442,048
Special populations	3,388,524	-	4,564,294	-	1,175,770	-	1,175,770
Alternative programs	3,875,813	-	3,119,697	-	(756,116)	-	(756,116)
School leadership	2,612,239	-	2,459,491	-	(152,748)	-	(152,748)
Co-curricular	1,371,433	1,004,097	-	-	(367,336)	-	(367,336)
School-based support	2,801,935	-	3,486,324	-	684,389	-	684,389
System-wide support services:							
Support and development	899,858	-	889,409	-	(10,449)	-	(10,449)
Special population support and development	291,986	-	181,507	-	(110,479)	-	(110,479)
Alternative programs and services support and development	(48,971)	-	18,350	-	67,321	-	67,321
Technology support	192,210	-	148,174	-	(44,036)	-	(44,036)
Operational support	5,395,041	-	3,112,093	162,547	(2,120,401)	-	(2,120,401)
Financial and human resource services	749,217	229,939	327,956	-	(191,322)	-	(191,322)
Accountability	149,678	-	173,944	-	24,266	-	24,266
System-wide pupil support	202,401	-	3,401	-	(199,000)	-	(199,000)
Policy, leadership and public relations	544,289	-	287,859	-	(256,430)	-	(256,430)
Ancillary services	195,196	-	195,196	-	-	-	-
Payments to other governments	327,084	-	639,471	-	312,387	-	312,387
Unallocated depreciation expense**	1,274,830	-	-	-	(1,274,830)	-	(1,274,830)
Total governmental activities	42,518,865	1,234,036	41,345,316	162,547	223,034	-	223,034
Business-type activities:							
School food service	2,810,336	192,918	3,312,078	-	-	694,660	694,660
Total primary government	$ 45,329,201	$ 1,426,954	$ 44,657,394	$ 162,547	223,034	694,660	917,694
		General revenues:					
		Unrestricted county appropriations - operating			5,337,648	-	5,337,648
		Unrestricted county appropriations - capital			2,181,552	-	2,181,552
		Unrestricted State appropriations - operating			965,565	-	965,565
		Unrestricted State appropriations - capital			108,160	-	108,160
		Investment earnings, unrestricted			3,144	127	3,271
		Miscellaneous, unrestricted			715,604	-	715,604
		Total general revenues			9,311,673	127	9,311,800
		Transfers			(101,045)	101,045	-
		Total general revenues and transfers			9,210,628	101,172	9,311,800
		Change in net position			9,433,662	795,832	10,229,494
		Net position (deficit) - beginning			(20,596,935)	(1,180,318)	(21,777,253)
**This amount excludes the depreciation that is included in the direct expenses of the various programs.		Net position (deficit) - ending			$ (11,163,273)	$ (384,486)	$ (11,547,759)

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

FUND FINANCIAL STATEMENTS

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 3***

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

	Major Funds					Non-major Fund	
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 4,843,246	$ 81,885	$ -	$ 558,061	$ 786,712	$ 583,614	$ 6,853,518
Due from other governments	34,357	-	-	334,397	281,794	-	650,548
Accounts receivable	-	-	-	118,921	-	-	118,921
Due from other funds	49,708	-	-	-	-	-	49,708
Inventories	147,074	-	-	-	-	-	147,074
Total assets	$ 5,074,385	$ 81,885	$ -	$ 1,011,379	$ 1,068,506	$ 583,614	$ 7,819,769
Liabilities and Fund balances							
Liabilities:							
Accounts payable and accrued liabilities	$ 714,275	$ -	$ -	$ 5,750	$ -	$ -	$ 720,025
Due to other funds	-	49,708	-	-	-	-	49,708
Due to other governments	-	32,177	-	-	-	-	32,177
Total liabilities	714,275	81,885	-	5,750	-	-	801,910
Fund balances:							
Nonspendable:							
Inventories	147,074	-	-	-	-	-	147,074
Restricted:							
Stabilization by State statute	84,065	-	-	453,318	-	-	537,383
School capital outlay	-	-	-	-	1,068,506	-	1,068,506
Individual schools	-	-	-	-	-	583,614	583,614
Assigned:							
Subsequent year's expenditures	983,016	-	-	-	-	-	983,016
Special revenues	-	-	-	552,311	-	-	552,311
Unassigned	3,145,955	-	-	-	-	-	3,145,955
Total fund balances	4,360,110	-	-	1,005,629	1,068,506	583,614	7,017,859
Total liabilities and fund balances	$ 5,074,385	$ 81,885	$ -	$ 1,011,379	$ 1,068,506	$ 583,614	$ 7,819,769

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

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

Total fund balances of governmental funds	$ 7,017,859
Net OPEB asset	18,076
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	36,870,543
Deferred outflows of resources related to pensions	6,214,985
Deferred outflows of resources related to OPEB	4,819,718
Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(2,402,546)
Net pension liability	(5,878,607)
Net OPEB liability	(33,501,844)
Deferred inflows of resources related to pensions	(8,442,827)
Deferred inflows of resources related to OPEB	(15,878,630)
Net position (deficit) of governmental activities	$ (11,163,273)

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 4***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	$ -	$ 28,140,237	$ -	$ 1,416,796	$ 270,707	$ -	$ 29,827,740
Montgomery County:							
Local current expense	5,337,648	-	-	-	-	-	5,337,648
Other	-	-	-	-	2,181,552	-	2,181,552
U.S. Government	-	823,804	9,243,569	1,485,296	-	-	11,552,669
Other	223,425	-	-	2,207,769	466,655	1,004,097	3,901,946
Total revenues	5,561,073	28,964,041	9,243,569	5,109,861	2,918,914	1,004,097	52,801,555
Expenditures:							
Current:							
Instructional services:							
Regular instructional	1,818,054	15,500,022	4,057,844	637,796	-	-	22,013,716
Special populations	(9,486)	3,361,823	859,374	5,915	-	-	4,217,626
Alternative programs	75,689	672,174	2,256,633	1,531,508	-	-	4,536,004
School leadership	263,081	2,818,777	79,155	6,090	-	-	3,167,103
Co-curricular	245,908	-	-	323,093	-	850,432	1,419,433
School-based support	23,840	1,411,854	739,122	984,954	-	-	3,159,770
System-wide support services:							
Support and development	27,580	677,122	269,726	33,118	-	-	1,007,546
Special population support and development	2,279	176,238	5,269	109,360	-	-	293,146
Alternative programs and services support and development	2,044	18,350	-	7	-	-	20,401
Technology support	-	147,781	393	118,749	-	-	266,923
Operational support	2,190,125	2,927,514	83,534	538,168	280,737	-	6,020,078
Financial and human resource services	396,059	665,886	-	-	-	-	1,061,945
Accountability	881	173,944	-	-	-	-	174,825
System-wide pupil support	-	2,332	1,069	199,804	-	-	203,205
Policy, leadership and public relations	292,094	239,998	125,964	-	-	-	658,056
Ancillary services	-	69,181	126,015	-	-	-	195,196
Non-programmed charges	-	-	639,471	327,084	-	-	966,555
Debt service - principal retirement	-	-	-	-	162,547	-	162,547
Capital outlay	-	-	-	-	2,583,569	-	2,583,569
Total expenditures	5,328,148	28,862,996	9,243,569	4,815,646	3,026,853	850,432	52,127,644
Revenues over (under) expenditures	232,925	101,045	-	294,215	(107,939)	153,665	673,911
Other financing sources (uses):							
Transfers to other funds	-	(101,045)	-	-	-	-	(101,045)
Installment purchase obligations issued	-	-	-	-	280,737	-	280,737
Total other financing sources (uses)	-	(101,045)	-	-	280,737	-	179,692
Net change in fund balance	232,925	-	-	294,215	172,798	153,665	853,603
Fund balances:							
Beginning of year	4,067,170	-	-	711,414	895,708	429,949	6,104,241
Change in reserve for inventories	60,015	-	-	-	-	-	60,015
End of year	$ 4,360,110	$ -	$ -	$ 1,005,629	$ 1,068,506	$ 583,614	$ 7,017,859

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds	$ 853,603
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	1,397,026
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	3,679,413
Contributions to the OPEB plans in the current fiscal year are not included on the statement of activities	1,433,128
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	202,643
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(118,190)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(1,093,622)
Net OPEB (expense) benefit	2,828,801
Compensated absences	190,845
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	60,015
Total change in net position of governmental activities	$ 9,433,662

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 6***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Montgomery County	5,274,000	5,343,000	5,337,648	(5,352)
U.S. Government	-	-	-	-
Other	389,000	320,000	223,425	(96,575)
Total revenues	5,663,000	5,663,000	5,561,073	(101,927)
Expenditures:				
Current:				
Instructional services	3,088,627	3,088,627	2,417,086	671,541
System-wide support services	3,555,389	3,555,389	2,911,062	644,327
Ancillary services	2,000	2,000	-	2,000
Non-programmed charges	-	-	-	-
Total expenditures	6,646,016	6,646,016	5,328,148	1,317,868
Revenues over (under) expenditures	(983,016)	(983,016)	232,925	1,215,941
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	983,016	983,016	-	(983,016)
Net change in fund balance	$ -	$ -	232,925	$ 232,925
Fund balances:				
Beginning of year			4,067,170	
Change in reserve for inventories			60,015	
End of year			$ 4,360,110	

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	$ 26,142,141	$ 29,465,325	$ 28,140,237	$ (1,325,088)
Montgomery County	-	-	-	-
U.S. Government	-	823,804	823,804	-
Other	-	-	-	-
Total revenues	26,142,141	30,289,129	28,964,041	(1,325,088)
Expenditures:				
Current:				
Instructional services	22,111,054	24,937,814	23,764,650	1,173,164
System-wide support services	3,931,535	5,177,242	5,029,165	148,077
Ancillary services	99,552	72,521	69,181	3,340
Non-programmed charges	-	-	-	-
Total expenditures	26,142,141	30,187,577	28,862,996	1,324,581
Revenues over (under) expenditures	-	101,552	101,045	(507)
Other financing uses:				
Transfers to other funds	-	(101,552)	(101,045)	507
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			$ -	

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Montgomery County	-	-	-	-
U.S. Government	11,871,324	18,653,592	9,243,569	(9,410,023)
Other	-	-	-	-
Total revenues	11,871,324	18,653,592	9,243,569	(9,410,023)
Expenditures:				
Current:				
Instructional services	9,200,022	14,907,395	7,992,128	6,915,267
System-wide support services	2,524,767	2,235,347	485,955	1,749,392
Ancillary services	116,397	207,200	126,015	81,185
Non-programmed charges	30,138	1,303,650	639,471	664,179
Total expenditures	11,871,324	18,653,592	9,243,569	9,410,023
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			$ -	

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2022

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	$ 1,523,014	$ 1,621,056	$ 1,416,796	$ (204,260)
Montgomery County	-	-	-	-
U.S. Government	846,712	2,059,077	1,485,296	(573,781)
Other	973,673	2,624,500	2,207,769	(416,731)
Total revenues	3,343,399	6,304,633	5,109,861	(1,194,772)
Expenditures:				
Current:				
Instructional services	2,757,765	4,294,185	3,489,356	804,829
System-wide support services	343,443	1,537,863	999,206	538,657
Ancillary services	-	-	-	-
Non-programmed charges	250,857	488,630	327,084	161,546
Total expenditures	3,352,065	6,320,678	4,815,646	1,505,032
Revenues over (under) expenditures	(8,666)	(16,045)	294,215	310,260
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	8,666	16,045	-	(16,045)
Net change in fund balance	$ -	$ -	294,215	$ 294,215
Fund balances:				
Beginning of year			711,414	
Change in reserve for inventories			-	
End of year			$ 1,005,629	

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 7***
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
June 30, 2022

	Enterprise Fund Major Fund School Food Service
Assets	
Current assets:	
Cash and cash equivalents	$ 1,384,290
Due from other governments	140,166
Receivables	1,305
Inventories	160,524
Total current assets	1,686,285
Noncurrent assets:	
Net OPEB asset	695
Capital assets:	
Furniture and office equipment, net	67,426
Total noncurrent assets	68,121
Total assets	1,754,406
Deferred Outflows of Resources	424,413
Liabilities	
Current liabilities:	
Compensated absences	40,594
Unearned revenue	11,031
Total current liabilities	51,625
Noncurrent liabilities:	
Net pension liability	226,100
Net OPEB liability	1,288,531
Compensated absences	61,609
Total noncurrent liabilities	1,576,240
Total liabilities	1,627,865
Deferred Inflows of Resources	935,440
Net position	
Investment in capital assets	67,426
Restricted for DIPNC OPEB plan	3,949
Unrestricted (deficit)	(455,861)
Total net position (deficit)	$ (384,486)

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 8***
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2022

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	$ 191,329
Other	1,589
Total operating revenues	192,918
Operating expenses:	
Food cost:	
Purchase of food	837,935
Donated commodities	254,374
Salaries and benefits	1,398,375
Indirect costs	127,469
Materials and supplies	118,062
Repairs and maintenance	26,631
Depreciation	7,315
Non-capitalized equipment	17,462
Contracted services	22,715
Other	18,955
Total operating expenses	2,829,293
Operating loss	(2,636,375)
Nonoperating revenues:	
Federal reimbursements	3,057,704
Federal commodities	254,374
Indirect costs not paid	18,957
Interest earned	127
Total nonoperating revenues	3,331,162
Income before transfers	694,787
Transfers from other funds	101,045
Change in net position	795,832
Net position (deficit), beginning of year	(1,180,318)
Net position (deficit), end of year	$ (384,486)

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

MONTGOMERY COUNTY BOARD OF EDUCATION ***Exhibit 9***
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2022

	Enterprise Fund Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	$ 183,997
Cash paid for goods and services	(1,195,010)
Cash paid to employees for services	(1,478,898)
Other operating revenue	1,589
Net cash used by operating activities	(2,488,322)
Cash flows from noncapital financing activities:	
Federal and State reimbursements	3,057,857
Cash flows from capital and related financing activities:	
Purchase of capital assets	(15,403)
Cash flows from investing activities:	
Interest earned on investments	127
Net increase in cash and cash equivalents	554,259
Cash and cash equivalents, beginning of year	830,031
Cash and cash equivalents, end of year	$ 1,384,290
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	$ (2,636,375)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	7,315
Donated commodities	254,374
Salaries paid by special revenue fund	101,045
Indirect costs not paid	18,957
Changes in assets, liabilities, deferred outflows and deferred inflows:	
Increase in accounts receivable	(1,121)
Decrease in net OPEB asset	1,496
Increase in inventories	(44,738)
Decrease in unearned revenue	(6,211)
Decrease in net pension liability	(398,472)
Increase in net OPEB liability	73,614
Increase in deferred outflows	(39,325)
Increase in deferred inflows	166,621
Increase in compensated absences payable	14,498
Total adjustments	148,053
Net cash used by operating activities	$ (2,488,322)

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

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of $254,374 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

Indirect costs of $18,957 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 8.

The State Public School Fund paid salaries and benefits of $101,045 to personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Montgomery County Board of Education conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Montgomery 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 Montgomery County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

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

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

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

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

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are 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 U.S. Government for the current operating expenditures of the public school system.

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

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

The Board reports the following nonmajor governmental fund:

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

The Board reports the following major enterprise fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the 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 purpose level for all annually budgeted funds. Any revisions that alter the total expenditures of any fund or require a transfer between purpose codes within a fund must be approved by the Board of Education prior to any expenditures being made. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 115C-443] authorizes the Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances; the North Carolina Capital Management Trust (NCCMT), an SEC-registered (2a-7) money market mutual fund; and the North Carolina State Treasurer's Short Term Investment Fund (STIF). The STIF is managed by the staff of the Department of State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC. 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 has no policy for managing concentration risk.

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. The NCCMT is reported at fair value. Ownership interest of 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. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

2. Cash and Cash Equivalents

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

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance

is classified as nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

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

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

	Years
Buildings and improvements	20 - 50
Equipment and furniture	3 - 10
Vehicles	6 - 15

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

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

6. 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.

7. Compensated Absences

The Board follows the State’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2022 is recorded in the

government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

8. Net Position/Fund Balances

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

Fund Balances
In the governmental fund financial statements, fund balance is composed of 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 balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

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

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

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

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

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

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

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

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

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

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

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. 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.

9. 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 $(18,181,132) 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)	$ 80,428,383
Less accumulated depreciation	(43,557,840)
Net capital assets	36,870,543
Net OPEB asset	18,076
Deferred outflows of resources related to pensions	6,214,985
Deferred outflows of resources related to OPEB	4,819,718
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(140,369)
Compensated absences	(2,262,177)
Net pension liability	(5,878,607)
Net OPEB liability	(33,501,844)
Deferred inflows of resources related to pensions	(8,442,827)
Deferred inflows of resources related to OPEB	(15,878,630)
Total adjustment	$ (18,181,132)

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 $8,580,059 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	$ 2,881,191
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,484,165)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	202,643
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(280,737)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	162,547
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	3,679,413
Contributions to the OPEB plans in the current fiscal year are not included on the statement of activities	1,433,128
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	
Pension (expense) benefit	(1,093,622)
Net OPEB (expense) benefit	2,828,801
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	190,845
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	60,015
Total adjustment	$ 8,580,059

10. Defined Benefit Pension Plans

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

has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2022, the Board had deposits with banks and savings and loans with a carrying amount of $6,599,666 and with the State Treasurer of $81,885. The bank balances with the financial institutions and the State Treasurer were $6,947,816 and $757,624, respectively. Of these balances, $1,021,723 was covered by federal depository insurance and $6,683,717 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. The Board also had petty cash on hand at year end totaling $150.

2. Investments

At June 30 2022, the Board had $1,556,107 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2022. The Board has no investment balances in the NCCMT as of June 30, 2022. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

3. Accounts Receivable

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

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	$ 49,708	$ 34,357	$ -	$ 84,065
Other governmental activities	(49,708)	616,191	118,921	685,404
Total governmental activities	$ -	$ 650,548	$ 118,921	$ 769,469
Business-type activities:				
School Food Service Fund	$ -	$ 140,166	$ 1,305	$ 141,471

Due from other governments consists of the following:

Governmental activities:		
General Fund	$ 34,357	Amounts due from County and federal government
Other Special Revenue Fund	334,397	State and federal grant funds
Capital Outlay Fund	281,794	Amounts due from County
Total governmental activities	$ 650,548	
Business-type activities:		
School Food Service Fund	$ 140,166	Federal grant funds

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 563,431	$ -	$ -	$ 563,431
Construction in progress	905,891	1,268,599	-	2,174,490
Total capital assets not being depreciated	1,469,322	1,268,599	-	2,737,921
Capital assets being depreciated:				
Buildings and improvements	68,026,835	994,579	-	69,021,414
Equipment and furniture	1,352,706	334,839	-	1,687,545
Vehicles	6,698,329	283,174	-	6,981,503
Total capital assets being depreciated	76,077,870	1,612,592	-	77,690,462
Less accumulated depreciation for:				
Buildings and improvements	35,327,669	1,236,468	-	36,564,137
Equipment and furniture	1,163,624	38,362	-	1,201,986
Vehicles	5,582,382	209,335	-	5,791,717
Total accumulated depreciation	42,073,675	1,484,165	-	43,557,840
Total capital assets being depreciated, net	34,004,195			34,132,622
Governmental activity capital assets, net	$ 35,473,517			$ 36,870,543
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	$ 1,209,112	$ 15,403	$ 20,130	$ 1,204,385
Vehicles	62,702	-	-	62,702
Total capital assets being depreciated	1,271,814	15,403	20,130	1,267,087
Less accumulated depreciation for:				
Equipment and furniture	1,186,608	4,089	20,130	1,170,567
Vehicles	25,868	3,226	-	29,094
Total accumulated depreciation	1,212,476	7,315	20,130	1,199,661
School Food Service capital assets, net	$ 59,338			$ 67,426

Depreciation was charged to governmental functions as follows:

System-wide support services	$ 209,335
Unallocated depreciation	1,274,830
Total	$ 1,484,165

5. Construction and Other Significant Commitments

At June 30, 2022, the Board had a project in progress for construction of a fieldhouse and other improvements at the high school. At year-end, the Board's commitments with contractors for the remaining portion of the contracts related to this project totaled approximately $378,000.

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years 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 period July 1, 2021 through December 31, 2021 was 14.78% of covered payroll and 17.98% for the period January 1, 2022 through June 30, 2022, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were $3,820,929 for the year ended June 30, 2022.

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

At June 30, 2022, the Board reported a liability of $6,104,707 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2021 and 2020, the Board's proportion was 0.1304% and 0.1441%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of $1,149,135. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 343,153	$ 138,645
Changes of assumptions	2,289,941	-
Net difference between projected and actual earnings on pension plan investments	-	7,563,808
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,065,098
Board contributions subsequent to the measurement date	3,820,929	-
Total	$ 6,454,023	$ 8,767,551

$3,820,929 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	$ (1,234,883)
2024	(1,224,371)
2025	(1,355,413)
2026	(2,319,790)
Total	$ (6,134,457)

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

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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%	

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

Discount rate. The discount rates used to measure the total pension liability reported at June 30, 2022 and 2021 was 6.50% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term

expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	$ 20,477,487	$ 6,104,707	$ (5,842,676)

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

b. Other Postemployment Benefits

1. Healthcare Benefits

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

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

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

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

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina (DIPNC) and retirees of the TSERS, the Consolidated Judicial Retirement System (CJRS), the Legislative Retirement System (LRS), the

University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the period July 1, 2021 through December 31, 2021, the Board contributed 6.68% of covered payroll and 5.90% for the period January 1, 2022 through June 30, 2022, which amounted to $1,467,255 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling $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 $210,437.

At June 30, 2022, the Board reported a liability of $34,790,375 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and 2020, the Board's proportion was 0.1125% and 0.1221%, respectively.

$1,467,255 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	$ (5,743,997)
2024	(3,578,390)
2025	(1,942,343)
2026	(1,578,895)
2027	(195,702)
Total	$ (13,039,327)

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%
Healthcare cost trend rates:	
Medical	5.00-6.00%
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 classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2022 and 2021 were 2.16% and 2.21%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

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

	1% decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	$ 41,382,645	$ 34,790,375	$ 29,451,377

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:

	1% Decrease (Medical - 4.00-5.00%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00-7.00%, Pharmacy - 6.00-10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	$ 28,174,336	$ 34,790,375	$ 43,567,159

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

2. Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2022, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were $20,994 for the year ended June 30, 2022.

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

At June 30, 2022, the Board reported an asset of $18,771 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and 2020, the Board's proportion was 0.1149% and 0.1242%, respectively.

$20,994 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	$ 15,728
2024	11,818
2025	14,308
2026	8,389
2027	5,082
Thereafter	11,500
Total	$ 66,825

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB asset	$ 11,852	$ 18,771	$ 25,172

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.3%.

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, 2022:

	RHBF	DIPNC	Total
OPEB expense (benefit)	$ (2,920,607)	$ 44,656	$ (2,875,951)
OPEB liability	34,790,375	-	34,790,375
OPEB asset	-	(18,771)	(18,771)
Proportionate share of the net OPEB liability or asset	0.1125%	0.1149%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 205,397	$ 47,861	$ 253,258
Changes of assumptions	2,845,553	3,296	2,848,849
Net difference between projected and actual earnings on plan investments	-	1,832	1,832
Changes in proportion and differences between Board contributions and proportionate share of contributions	392,254	20,651	412,905
Board contributions subsequent to the measurement date	1,467,255	20,994	1,488,249
Total deferred outflows of resources	$ 4,910,459	$ 94,634	$ 5,005,093
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 647,611	$ -	$ 647,611
Changes of assumptions	8,454,817	6,815	8,461,632
Net difference between projected and actual earnings on plan investments	17,797	-	17,797
Changes in proportion and differences between Board contributions and proportionate share of contributions	7,362,306	-	7,362,306
Total deferred inflows of resources	$ 16,482,531	$ 6,815	$ 16,489,346

2. Accounts Payable

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

	Vendors and Other	Due to Other Governments	Total
Governmental activities:			
General Fund	$ 714,275	$ -	$ 714,275
Other governmental activities	5,750	32,177	37,927
Total governmental activities	$ 720,025	$ 32,177	$ 752,202

3. Unearned Revenues

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

Business-type activities:	
Prepayments of meals (School Food Service Fund)	$ 11,031

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 596,411	$ 786,256
Changes of assumptions	5,138,790	8,461,632
Net difference between projected and actual earnings on pension and OPEB plan investments	1,832	7,581,605
Changes in proportion and differences between Board contributions and proportionate share of contributions	412,905	8,427,404
Board contributions subsequent to the measurement date	5,309,178	-
Total	$ 11,459,116	$ 25,256,897

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of $1,000,000 each claim made / $3,150,000 coverage period aggregate. The Trust is reinsured through commercial companies for losses in excess of $150,000 per claim for errors and omissions and general liability coverage.

Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds.

Business property insurance is purchased through a private insurer. The policy coverage insures the tangible property assets of the Board. Buildings and contents are insured on an agreed value basis. A limit of $5 million per occurrence is provided on flood and earthquake expense and a limit of $1 million per occurrence is provided on business interruption and extra expense.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the State administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits. The Board pays most of the cost of coverage for employees enrolled in the Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for $50,000. The remaining employees that have access to funds are bonded under a blanket bond for $100,000.

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

6. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third-party direct placement financing arrangements. The Board has entered into one such financing contract for the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The original amount of the installment purchase contracts totaled $280,737. The financing contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates. The future minimum payments of the installment purchase as of June 30, 2022 are as follows:

Year Ending June 30:	Governmental Activities Principal
2023	$ 70,184
2024	70,185
Totals	$ 140,369

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, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022	Current Portion
Governmental activities:					
Direct placement installment purchases	$ 22,179	$ 280,737	$ 162,547	$ 140,369	$ 70,184
Net pension liability	16,788,002	-	10,909,395	5,878,607	-
Net OPEB liability	32,656,020	845,824	-	33,501,844	-
Compensated absences	2,453,022	1,472,071	1,662,916	2,262,177	958,400
Total	$ 51,919,223	$ 2,598,632	$ 12,734,858	$ 41,782,997	$ 1,028,584
Business-type activities:					
Net pension liability	$ 624,572	$ -	$ 398,472	$ 226,100	$ -
Net OPEB liability	1,214,917	73,614	-	1,288,531	-
Compensated absences	87,705	81,839	67,341	102,203	40,594
Total	$ 1,927,194	$ 155,453	$ 465,813	$ 1,616,834	$ 40,594

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

C. Interfund Balances and Activity

1. Interfund Balances

The composition of interfund balances as of June 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	State Public School Fund	$ 49,708

The balance above represents an interfund balance created in the normal operating cycle of the Board. This amount is expected to be paid prior to June 30, 2023.

2. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2022 consisted of the following:

From the State Public School Fund to the School Food Service Fund for child nutrition personnel costs	$ 101,045

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	$	36,870,543
Less:		
Installment purchase obligations for school buses		(140,369)
Net investment in capital assets, governmental activities	$	36,730,174

2. Fund Balance

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

Total fund balance - General Fund	$	4,360,110
Less:		
Inventories		(147,074)
Stabilization by State statute		(84,065)
Appropriated fund balance in 2022-2023 budget		(983,016)
Unassigned fund balance	$	3,145,955

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2022 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursement program	$	343,097
Tuition and fees		229,939
Indirect costs allocated		753,951
Contributions and donations		406,122
Private grants and programs		451,960
Other		22,700
Total other revenues	$	2,207,769

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Schedule of Board Contributions
Retiree Health Benefit Fund

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

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	2022	2021	2020	2019	2018
Board's proportion of the net pension liability (asset)	0.130%	0.144%	0.147%	0.159%	0.159%
Board's proportionate share of the net pension liability (asset)	$ 6,104,707	$ 17,412,574	$ 15,241,500	$ 15,797,326	$ 12,639,565
Board's covered payroll	$ 22,387,882	$ 23,094,603	$ 23,421,391	$ 23,594,889	$ 22,926,271
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	27.27%	75.40%	65.08%	66.95%	55.13%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%

	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.163%	0.159%	0.160%	0.162%
Board's proportionate share of the net pension liability (asset)	$ 14,999,766	$ 5,848,041	$ 1,875,170	$ 9,853,264
Board's covered payroll	$ 22,728,656	$ 23,293,136	$ 22,136,594	$ 22,658,461
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	65.99%	25.11%	8.47%	43.49%
Plan fiduciary net position as a percentage of the total pension liability	87.32%	94.64%	98.24%	90.60%

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

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only nine years of data presented.

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

	2022	2021	2020	2019	2018
Contractually required contribution	$ 3,820,929	$ 3,308,929	$ 2,995,370	$ 2,878,489	$ 2,543,529
Contributions in relation to the contractually required contribution	3,820,929	3,308,929	2,995,370	2,878,489	2,543,529
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 23,326,795	$ 22,387,882	$ 23,094,603	$ 23,421,391	$ 23,594,889
Contributions as a percentage of covered payroll	16.38%	14.78%	12.97%	12.29%	10.78%

	2017	2016	2015	2014	2013
Contractually required contribution	$ 2,288,042	$ 2,079,672	$ 2,131,322	$ 1,923,670	$ 1,872,769
Contributions in relation to the contractually required contribution	2,288,042	2,079,672	2,131,322	1,923,670	1,872,769
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 22,926,273	$ 22,728,656	$ 23,293,136	$ 22,136,594	$ 22,482,226
Contributions as a percentage of covered payroll	9.98%	9.15%	9.15%	8.69%	8.33%

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

	2022	2021	2020	2019	2018
Board's proportion of the net OPEB liability (asset)	0.113%	0.122%	0.127%	0.137%	0.144%
Board's proportionate share of the net OPEB liability (asset)	$ 34,790,375	$ 33,870,937	$ 40,269,251	$ 39,051,580	$ 47,077,718
Board's covered payroll	$ 22,387,882	$ 23,094,603	$ 23,421,391	$ 23,594,889	$ 22,926,271
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	155.40%	146.66%	171.93%	165.51%	205.34%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%

	2017
Board's proportion of the net OPEB liability (asset)	0.138%
Board's proportionate share of the net OPEB liability (asset)	$ 60,089,721
Board's covered payroll	$ 22,728,656
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	264.38%
Plan fiduciary net position as a percentage of the total OPEB liability	2.41%

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

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

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

	2022	2021	2020	2019	2018
Contractually required contribution	$ 1,467,255	$ 1,495,511	$ 1,494,221	$ 1,468,521	$ 1,427,491
Contributions in relation to the contractually required contribution	1,467,255	1,495,511	1,494,221	1,468,521	1,427,491
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 23,326,795	$ 22,387,882	$ 23,094,603	$ 23,421,391	$ 23,594,889
Contributions as a percentage of covered payroll	6.29%	6.68%	6.47%	6.27%	6.05%

	2017	2016	2015	2014	2013
Contractually required contribution	$ 1,341,024	$ 1,278,416	$ 1,277,373	$ 1,194,447	$ 1,191,558
Contributions in relation to the contractually required contribution	1,341,024	1,278,416	1,277,373	1,194,447	1,191,558
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 22,926,273	$ 22,728,656	$ 23,293,136	$ 22,136,594	$ 22,482,226
Contributions as a percentage of covered payroll	5.81%	5.60%	5.49%	5.40%	5.30%

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST SIX FISCAL YEARS*

	2022	2021	2020	2019	2018
Board's proportion of the net OPEB asset	0.115%	0.124%	0.129%	0.138%	0.139%
Board's proportionate share of the net OPEB asset	$ 18,771	$ 61,084	$ 55,435	$ 41,983	$ 85,183
Board's covered payroll	$ 22,387,882	$ 23,094,603	$ 23,421,391	$ 23,594,889	$ 22,926,271
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.08%	0.26%	0.24%	0.18%	0.37%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%

	2017
Board's proportion of the net OPEB asset	0.144%
Board's proportionate share of the net OPEB asset	$ 89,548
Board's covered payroll	$ 22,728,656
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.39%
Plan fiduciary net position as a percentage of the total OPEB asset	116.06%

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

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

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

	2022	2021	2020	2019	2018
Contractually required contribution	$ 20,994	$ 20,149	$ 23,095	$ 32,790	$ 33,033
Contributions in relation to the contractually required contribution	20,994	20,149	23,095	32,790	33,033
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 23,326,795	$ 22,387,882	$ 23,094,603	$ 23,421,391	$ 23,595,000
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	0.14%	0.14%

	2017	2016	2015	2014	2013
Contractually required contribution	$ 87,709	$ 93,598	$ 95,396	$ 97,325	$ 98,922
Contributions in relation to the contractually required contribution	87,709	93,598	95,396	97,325	98,922
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 23,081,316	$ 22,828,780	$ 23,267,317	$ 22,119,318	$ 22,482,226
Contributions as a percentage of covered payroll	0.38%	0.41%	0.41%	0.44%	0.44%

INDIVIDUAL FUND SCHEDULES

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

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Montgomery County:			
County appropriation	$ 5,199,000	$ 5,199,000	$ -
Teacher supplements	50,000	50,000	-
CIS reimbursement	25,000	25,000	-
Timber receipts	69,000	63,648	(5,352)
Total Montgomery County	5,343,000	5,337,648	(5,352)
Other:			
Fines and forfeitures	290,000	219,696	(70,304)
Interest earned on investment	25,000	2,679	(22,321)
Refunds and reimbursements	5,000	-	(5,000)
Miscellaneous	-	1,050	1,050
Total other	320,000	223,425	(96,575)
Total revenues	5,663,000	5,561,073	(101,927)
Expenditures:			
Current:			
Instructional services:			
Regular instructional		1,818,054	
Special populations		(9,486)	
Alternative programs		75,689	
School leadership		263,081	
Co-curricular		245,908	
School-based support		23,840	
Total instructional services	3,088,627	2,417,086	671,541
System-wide support services:			
Support and development		27,580	
Special population support and development		2,279	
Alternative programs and services support and development		2,044	
Operational support		2,190,125	
Financial and human resource services		396,059	
Accountability		881	
Policy, leadership and public relations		292,094	
Total system-wide support services	3,555,389	2,911,062	644,327
Ancillary services:			
Nutrition	2,000	-	2,000
Total expenditures	6,646,016	5,328,148	1,317,868
Revenues over (under) expenditures	(983,016)	232,925	1,215,941
Fund balance appropriated	983,016	-	(983,016)
Net change in fund balance	$ -	232,925	$ 232,925
Fund balance:			
Beginning of year		4,067,170	
Change in reserve for inventories		60,015	
End of year		$ 4,360,110	

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2022

	Revenues and Transfers in	Expenditures and Transfers out	Net change in fund balance	Fund balances June 30, 2021	Fund balances June 30, 2022
West Montgomery High	$ -	$ -	$ -	$ 581	$ 581
Montgomery Central High	453,522	352,371	101,151	218,360	319,511
West Middle	77,370	62,712	14,658	14,800	29,458
East Middle	79,935	80,397	(462)	70,898	70,436
Candor Elementary	55,376	40,540	14,836	15,700	30,536
Green Ridge Elementary	52,461	49,532	2,929	16,251	19,180
Mt. Gilead Elementary	41,506	31,812	9,694	4,900	14,594
Page Street Elementary	79,681	80,632	(951)	12,025	11,074
Star-Biscoe Elementary	68,416	71,912	(3,496)	43,626	40,130
Troy Elementary	53,031	46,336	6,695	12,329	19,024
Montgomery Early College	42,799	34,188	8,611	20,479	29,090
Totals	$ 1,004,097	$ 850,432	$ 153,665	$ 429,949	$ 583,614

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

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	$ 162,547	$ 162,547	$ -
K-12 Athletic Facilities Grant	108,160	108,160	-
Total State of North Carolina	270,707	270,707	-
Montgomery County:			
County appropriations	2,812,704	2,181,552	(631,152)
Other:			
Interest earned on investments	-	465	465
Insurance proceeds	57,066	57,066	-
Donations	400,000	400,000	-
Miscellaneous	-	9,124	9,124
Total other	457,066	466,655	9,589
Total revenues	3,540,477	2,918,914	(621,563)
Expenditures:			
Current:			
System-wide support services:			
Operational support	280,737	280,737	-
Debt service:			
Principal retirement	162,547	162,547	-
Capital outlay	3,817,774	2,583,569	1,234,205
Total expenditures	4,261,058	3,026,853	1,234,205
Revenues over (under) expenditures	(720,581)	(107,939)	612,642
Other financing sources:			
Installment purchase obligations issued	280,737	280,737	-
Fund balance appropriated	439,844	-	(439,844)
Net change in fund balance	$ -	172,798	$ 172,798
Fund balance:			
Beginning of year		895,708	
End of year		$ 1,068,506	

MONTGOMERY COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2022

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	$ 221,000	$ 191,329	$ (29,671)
Other	2,000	1,589	(411)
Total operating revenues	223,000	192,918	(30,082)
Operating expenditures:			
Business support services:			
Purchase of food		882,673	
Donated commodities		254,374	
Salaries and benefits		1,579,943	
Indirect costs		127,469	
Materials and supplies		118,062	
Repairs and maintenance		26,631	
Non-capitalized equipment		17,462	
Contracted services		22,715	
Other		18,955	
Capital outlay		15,403	
Total operating expenditures	3,246,560	3,063,687	182,873
Operating loss	(3,023,560)	(2,870,769)	152,791
Nonoperating revenues:			
Federal reimbursements and grants	2,304,000	3,057,704	753,704
Federal commodities	187,000	254,374	67,374
Indirect costs not paid	210,000	18,957	(191,043)
Interest earned	100	127	27
Total nonoperating revenues	2,701,100	3,331,162	630,062
Excess (deficiency) of revenues over expenditures before other financing sources and fund balance appropriated	(322,460)	460,393	782,853
Other financing sources:			
Transfers from other funds	98,000	101,045	3,045
Fund balance appropriated	224,460	-	(224,460)
Net change in fund balance	$ -	561,438	$ 561,438
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(7,315)	
Net OPEB asset		(1,496)	
Net pension liability		398,472	
Net OPEB liability		(73,614)	
Deferred outflows - pension and OPEB		39,325	
Deferred inflows - pension and OPEB		(166,621)	
Equipment purchases		15,403	
Increase in compensated absences payable		(14,498)	
Increase in inventories		44,738	
Change in net position (full accrual)		$ 795,832	



Statistical Section

STATISTICAL SECTION
(Unaudited)

The Statistical Section of the District's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

Sections

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

Debt Capacity

Since the District has no tax-levying or debt-issuing authority, the County of Montgomery provides significant funding to the school system. Selected fiscal data from the County of Montgomery has been included to help the reader better understand the school system and its financial operations.

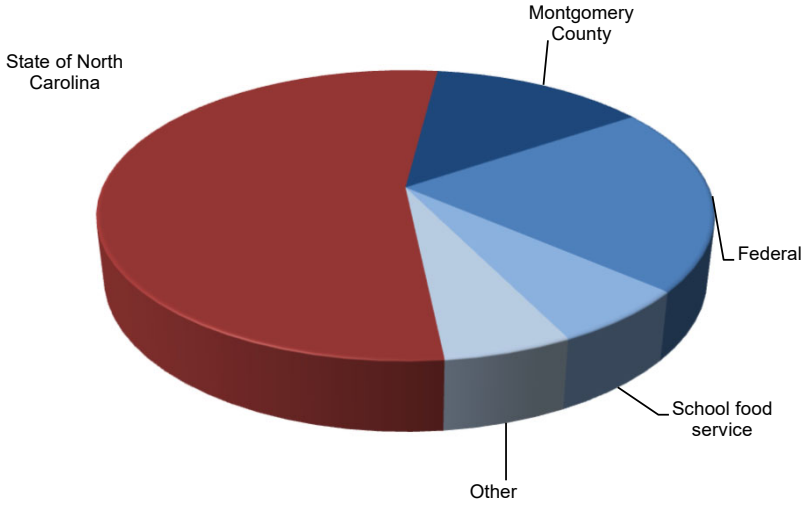
Revenue Capacity

Since the District's local revenues are primarily provided by Montgomery County, these schedules on the county's revenue sources are relevant to an understanding of Montgomery County's most significant local revenue source, the property tax.

MONTGOMERY COUNTY BOARD OF EDUCATION

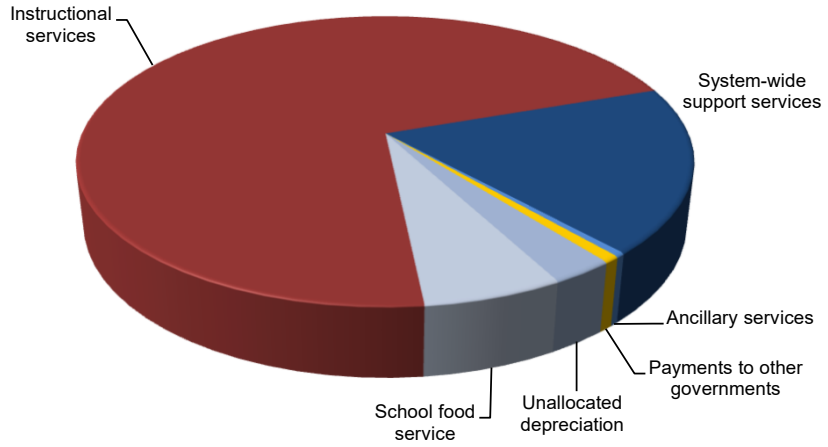
Financial Perspective for
Governmental and Business-type Activities
For Year Ended June 30, 2022

Revenue Sources



State of North Carolina	$	29,827,740
Montgomery County		7,519,200
Federal		11,552,669
School food service		3,505,123
Other		3,153,963
Total revenue sources	$	55,558,695

Expenses



Instructional services	$	32,346,046
System-wide support services		8,375,709
Ancillary services		195,196
Payments to other governments		327,084
Unallocated depreciation		1,274,830
School food service		2,810,336
Total expenses	$	45,329,201

MONTGOMERY COUNTY BOARD OF EDUCATION

Net Position by Component
Last Ten Fiscal Years

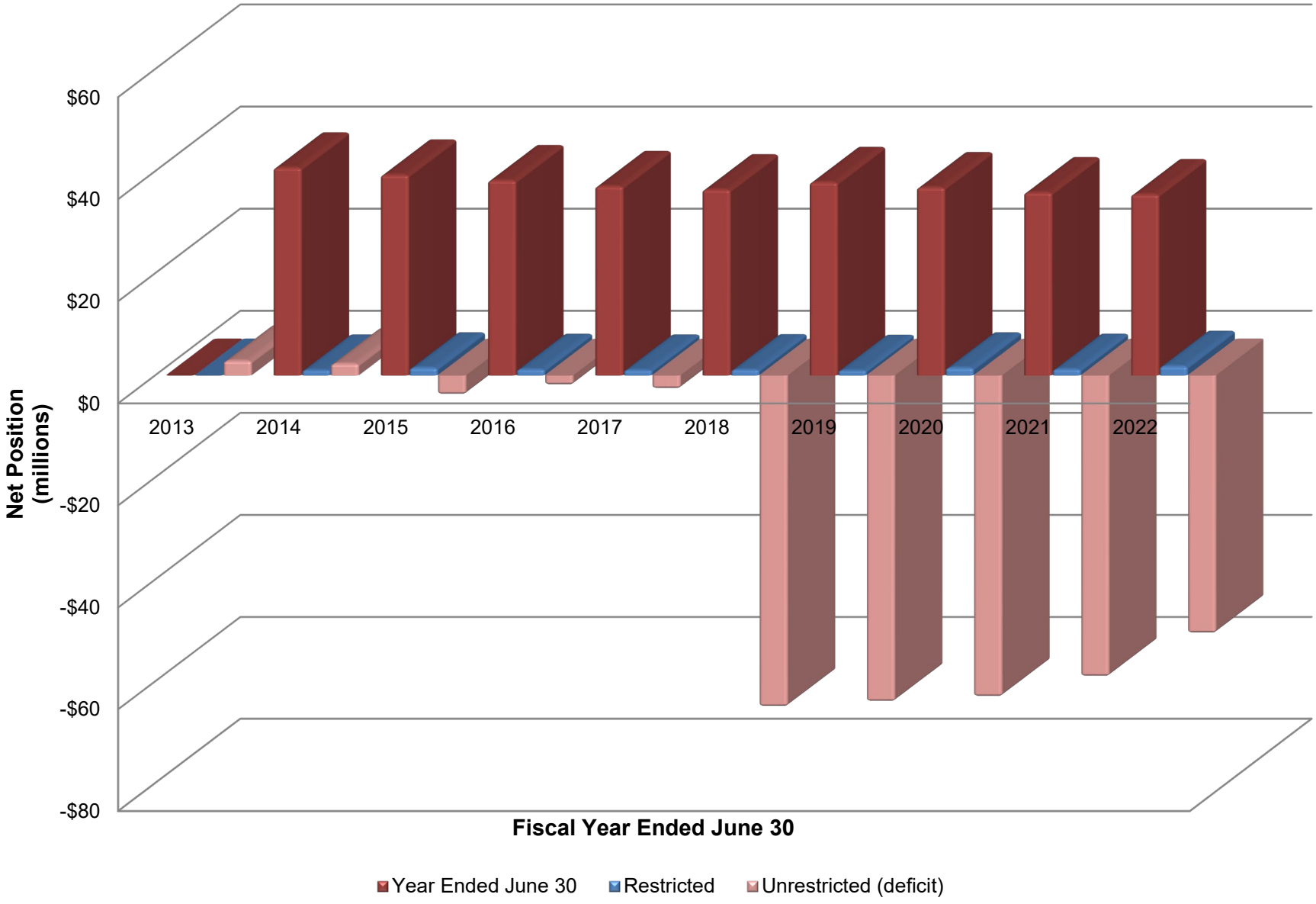
Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	$ 40,482,359	$ 39,130,800	$ 38,073,586	$ 36,932,521	$ 36,317,120	$ 37,788,564	$ 36,802,989	$ 35,838,485	$ 35,451,338	$ 36,730,174
Restricted	1,088,083	1,548,969	1,250,895	1,095,880	1,168,412	1,014,022	1,542,270	1,263,135	1,856,413	2,292,144
Unrestricted (deficit)	2,280,196	1,570,076	(4,543,390)	(2,721,067)	(3,423,455)	(63,350,793)	(62,447,364)	(61,566,764)	(57,904,686)	(50,185,591)
	$ 43,850,638	$ 42,249,845	$ 34,781,091	$ 35,307,334	$ 34,062,077	$ (24,548,207)	$ (24,102,105)	$ (24,465,144)	$ (20,596,935)	$ (11,163,273)
Business-type activities:										
Invested in capital assets	$ 252,891	$ 210,990	$ 174,611	$ 165,583	$ 134,991	$ 99,779	$ 72,001	$ 40,366	$ 59,338	$ 67,426
Restricted	-	-	-	-	-	6,199	7,015	5,596	4,671	3,949
Unrestricted (deficit)	643,456	784,214	684,896	719,904	700,778	(1,727,402)	(1,633,262)	(1,535,844)	(1,244,327)	(455,861)
	$ 896,347	$ 995,204	$ 859,507	$ 885,487	$ 835,769	$ (1,621,424)	$ (1,554,246)	$ (1,489,882)	$ (1,180,318)	$ (384,486)
District-wide:										
Net investment in capital assets	$ 40,735,250	$ 39,341,790	$ 38,248,197	$ 37,098,104	$ 36,452,111	$ 37,888,343	$ 36,874,990	$ 35,878,851	$ 35,510,676	$ 36,797,600
Restricted	1,088,083	1,548,969	1,250,895	1,095,880	1,168,412	1,020,221	1,549,285	1,268,731	1,861,084	2,296,093
Unrestricted (deficit)	2,923,652	2,354,290	(3,858,494)	(2,001,163)	(2,722,677)	(65,078,195)	(64,080,626)	(63,102,608)	(59,149,013)	(50,641,452)
	$ 44,746,985	$ 43,245,049	$ 35,640,598	$ 36,192,821	$ 34,897,846	$ (26,169,631)	$ (25,656,351)	$ (25,955,026)	$ (21,777,253)	$ (11,547,759)

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Net position for 2014 and before are not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

Note: Net position for 2017 and before are not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its proportionate share of the net OPEB liability and net OPEB asset associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

Net Position by Component
District-wide



MONTGOMERY COUNTY BOARD OF EDUCATION

Changes in Net Position
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Instructional services	$ 29,375,963	$ 29,426,851	$ 29,283,560	$ 28,785,650	$ 31,454,012	$ 33,147,107	$ 31,489,321	$ 32,304,140	$ 30,626,922	$ 32,346,046
System-wide support services	7,433,360	7,607,257	9,260,014	8,419,380	8,677,782	8,614,814	8,490,415	8,352,086	7,824,709	8,375,709
Ancillary services	7,748	2,870	3,635	4,445	38,651	30,600	17,265	120,898	121,750	195,196
Payments to other governments	-	-	-	-	-	-	96,012	183,516	322,084	327,084
Unallocated depreciation expense	1,242,733	1,277,587	1,223,201	1,225,975	1,220,021	1,219,115	1,227,344	1,260,086	1,255,023	1,274,830
Total governmental activities expenses	38,059,804	38,314,565	39,770,410	38,435,450	41,390,466	43,011,636	41,320,357	42,220,726	40,150,488	42,518,865
Business-type activities:										
School food service	2,919,924	2,864,248	2,779,102	2,943,595	3,070,911	3,197,783	2,782,692	2,659,969	2,100,748	2,810,336
Total district-wide expenses	$ 40,979,728	$ 41,178,813	$ 42,549,512	$ 41,379,045	$ 44,461,377	$ 46,209,419	$ 44,103,049	$ 44,880,695	$ 42,251,236	$ 45,329,201
Program Revenues										
Governmental activities:										
Charges for services:										
Co-curricular services	$ 1,030,069	$ 1,195,171	$ 998,930	$ 1,086,741	$ 1,132,352	$ 992,684	$ 1,117,362	$ 896,308	$ 434,405	$ 1,004,097
Other	16,579	18,344	7,501	7,500	5,344	9,375	1,250	-	186,348	229,939
Operating grants and contributions	27,933,014	28,273,834	31,863,423	30,794,571	31,334,553	31,332,828	33,087,650	33,636,634	35,135,229	41,345,316
Capital grants and contributions	165,428	82,714	82,714	186,183	297,486	427,702	366,147	347,429	152,394	162,547
Total governmental activities program revenues	29,145,090	29,570,063	32,952,568	32,074,995	32,769,735	32,762,589	34,572,409	34,880,371	35,908,376	42,741,899
Business-type activities:										
Charges for services:										
Student meal services	603,287	579,848	573,499	498,798	496,413	461,704	471,053	321,706	3,423	192,918
Operating grants and contributions	2,285,063	2,298,081	2,268,502	2,384,496	2,436,409	2,317,967	2,292,597	2,289,759	2,270,523	3,312,078
Total business-type activities program revenues	2,888,350	2,877,929	2,842,001	2,883,294	2,932,822	2,779,671	2,763,650	2,611,465	2,273,946	3,504,996
Total district-wide program revenues	$ 32,033,440	$ 32,447,992	$ 35,794,569	$ 34,958,289	$ 35,702,557	$ 35,542,260	$ 37,336,059	$ 37,491,836	$ 38,182,322	$ 46,246,895
Net (Expense) Revenue										
Governmental activities	$ (8,914,714)	$ (8,744,502)	$ (6,817,842)	$ (6,360,455)	$ (8,620,731)	$ (10,249,047)	$ (6,747,948)	$ (7,340,355)	$ (4,242,112)	$ 223,034
Business-type activities	(31,574)	13,681	62,899	(60,301)	(138,089)	(418,112)	(19,042)	(48,504)	173,198	694,660
Total district-wide net (expense) revenue	$ (8,946,288)	$ (8,730,821)	$ (6,754,943)	$ (6,420,756)	$ (8,758,820)	$ (10,667,159)	$ (6,766,990)	$ (7,388,859)	$ (4,068,914)	$ 917,694

MONTGOMERY COUNTY BOARD OF EDUCATION
Changes in Net Position (continued)
Last Ten Fiscal Years

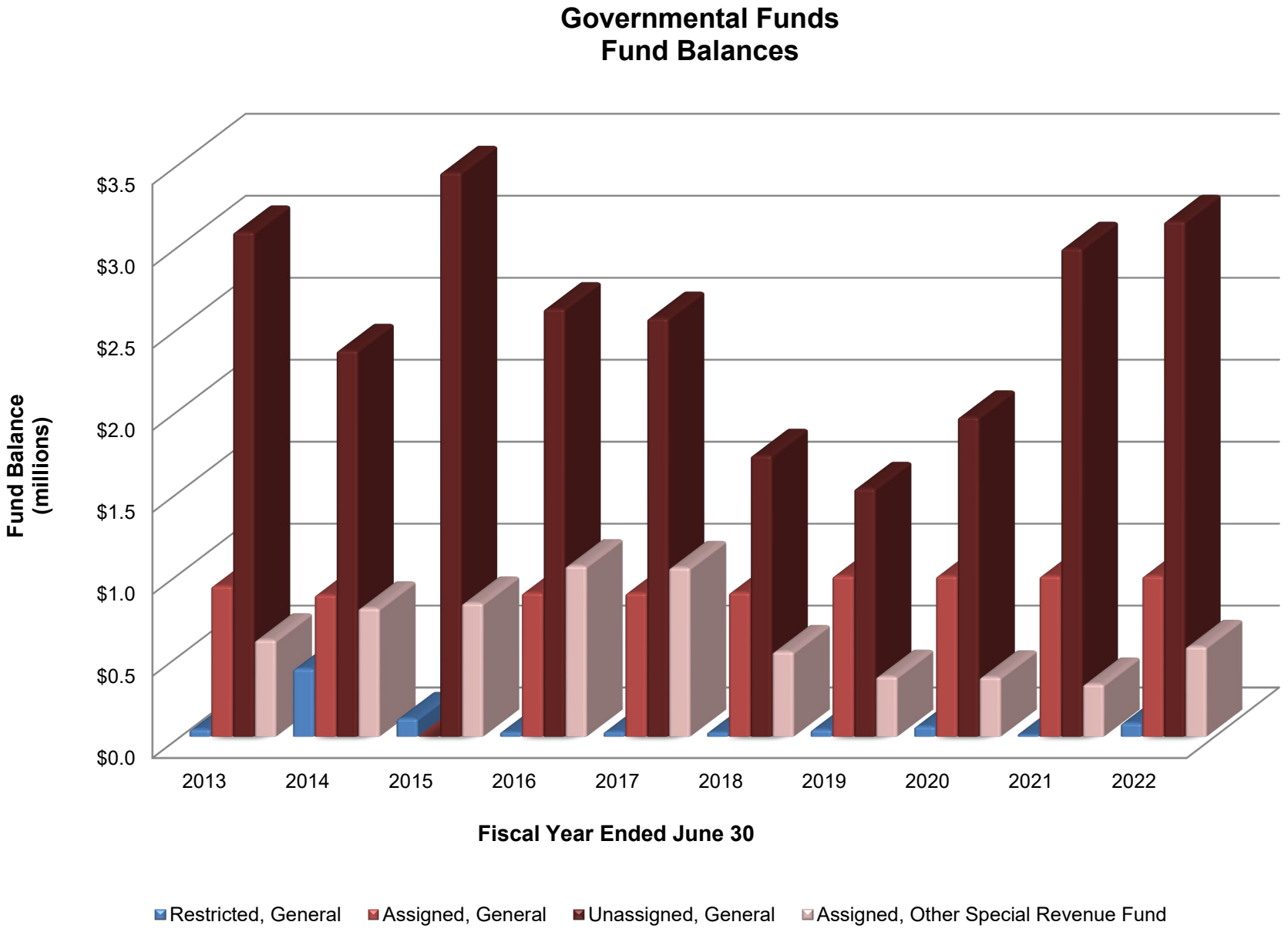
Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	$ 5,953,731	$ 5,072,365	$ 5,046,769	$ 5,145,804	$ 5,344,283	$ 5,283,849	$ 5,263,210	$ 5,329,824	$ 5,556,387	$ 5,337,648
Unrestricted county appropriations - capital	-	-	167,813	-	388,692	1,283,693	423,482	408,537	1,446,173	2,181,552
Unrestricted State appropriations - operating	1,855,381	1,593,835	1,257,331	1,267,043	1,092,628	927,331	810,805	710,840	802,728	965,565
Unrestricted State appropriations - capital	-	-	-	-	-	-	-	-	-	108,160
Unrestricted Federal appropriations - capital	-	-	-	-	-	-	25,887	-	-	-
Investment earnings, unrestricted	12,052	16,360	18,989	28,330	39,429	46,852	42,531	28,799	6,963	3,144
Miscellaneous, unrestricted	533,280	545,680	589,090	531,705	598,715	628,828	714,260	612,091	434,347	715,604
Transfers	(82,169)	(84,531)	(86,015)	(86,184)	(88,273)	(83,782)	(86,125)	(112,775)	(136,277)	(101,045)
Total governmental activities	8,272,275	7,143,709	6,993,977	6,886,698	7,375,474	8,086,771	7,194,050	6,977,316	8,110,321	9,210,628
Business-type activities:										
Investment earnings, unrestricted	194	117	92	97	98	95	95	93	89	127
Miscellaneous, unrestricted	702	528	-	-	-	-	-	-	-	-
Transfers	82,169	84,531	86,015	86,184	88,273	83,782	86,125	112,775	136,277	101,045
Total business-type activities	83,065	85,176	86,107	86,281	88,371	83,877	86,220	112,868	136,366	101,172
Total district-wide	$ 8,355,340	$ 7,228,885	$ 7,080,084	$ 6,972,979	$ 7,463,845	$ 8,170,648	$ 7,280,270	$ 7,090,184	$ 8,246,687	$ 9,311,800
Change in Net Position										
Governmental activities	$ (642,439)	$ (1,600,793)	$ 176,135	$ 526,243	$ (1,245,257)	$ (2,162,276)	$ 446,102	$ (363,039)	$ 3,868,209	$ 9,433,662
Business-type activities	51,491	98,857	149,006	25,980	(49,718)	(334,235)	67,178	64,364	309,564	795,832
Total district-wide change in net position	$ (590,948)	$ (1,501,936)	$ 325,141	$ 552,223	$ (1,294,975)	$ (2,496,511)	$ 513,280	$ (298,675)	$ 4,177,773	$ 10,229,494

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

MONTGOMERY COUNTY BOARD OF EDUCATION
Governmental Funds
Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nonspendable	$ 169,839	$ 127,376	$ 102,601	$ 102,863	$ 141,367	$ 154,955	$ 131,447	$ 113,397	$ 87,059	$ 147,074
Restricted	46,345	416,041	112,147	29,535	31,313	28,503	44,792	64,394	15,919	84,065
Assigned	922,013	868,301	-	879,878	879,000	882,382	983,016	983,016	983,016	983,016
Unassigned	3,080,841	2,358,696	3,444,439	2,612,814	2,554,862	1,718,599	1,516,788	1,952,555	2,981,176	3,145,955
Total General Fund	$ 4,219,038	$ 3,770,414	$ 3,659,187	$ 3,625,090	$ 3,606,542	$ 2,784,439	$ 2,676,043	$ 3,113,362	$ 4,067,170	$ 4,360,110
All other governmental funds:										
Restricted	$ 1,041,738	$ 1,132,928	$ 1,138,748	$ 1,066,345	$ 1,137,099	$ 827,900	$ 1,311,954	$ 1,044,733	$ 1,714,914	$ 2,105,438
Assigned, reported in:										
Other Special Revenue Fund	592,299	786,411	817,165	1,044,542	1,033,759	520,797	369,401	365,458	322,157	552,311
Total all other governmental funds	$ 1,634,037	$ 1,919,339	$ 1,955,913	$ 2,110,887	$ 2,170,858	$ 1,348,697	$ 1,681,355	$ 1,410,191	$ 2,037,071	$ 2,657,749

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.


Governmental Funds
Fund Balances
Fund Balance (millions)
$3.5
$3.0
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Fiscal Year Ended June 30
Restricted, General
Assigned, General
Unassigned, General
Assigned, Other Special Revenue Fund

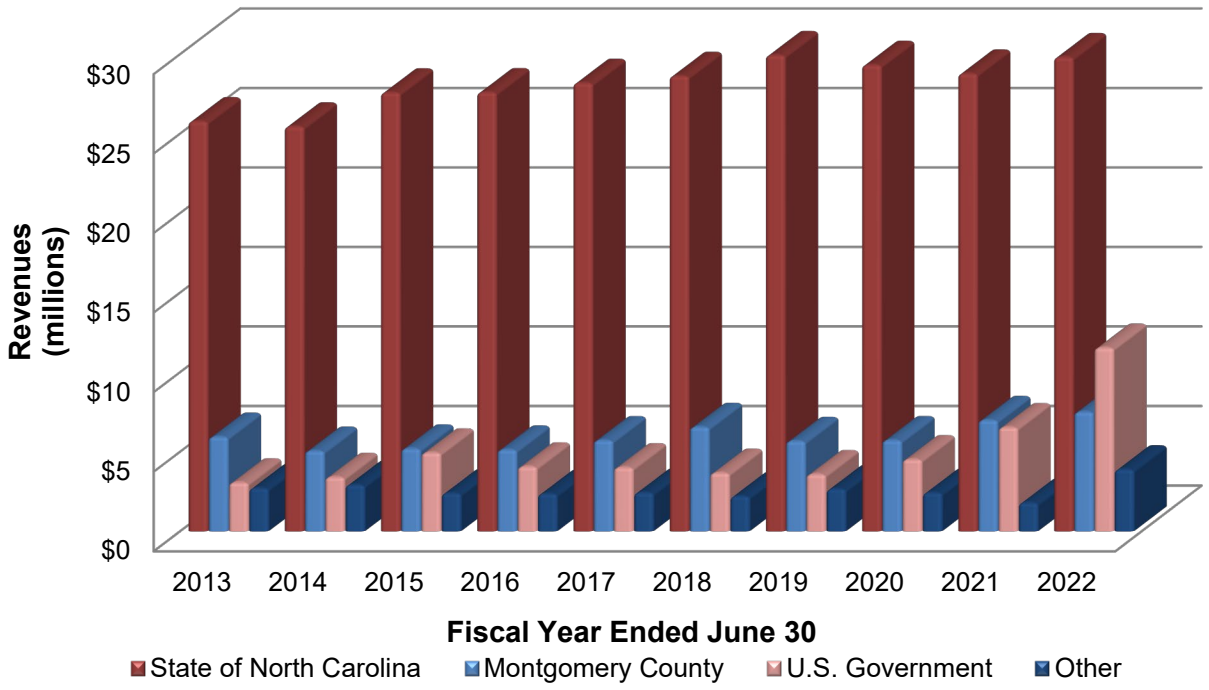
MONTGOMERY COUNTY BOARD OF EDUCATION
Governmental Funds
Changes in Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017
Revenues					
State of North Carolina	$ 25,793,077	$ 25,464,671	$ 27,603,279	$ 27,617,355	$ 28,206,363
Montgomery County	5,953,731	5,072,365	5,214,582	5,145,804	5,732,975
U.S. Government	3,081,531	3,424,465	4,960,122	4,082,428	4,030,054
Other	2,726,986	2,930,835	2,408,934	2,372,299	2,442,218
Total revenues	37,555,325	36,892,336	40,186,917	39,217,886	40,411,610
Expenditures					
Instructional services	29,181,309	29,358,226	30,398,622	30,097,681	30,887,570
System-wide support services	7,196,406	7,394,497	9,348,842	9,083,077	9,283,995
Ancillary services	7,748	2,870	3,635	4,445	38,651
Non-programmed charges	55,286	90,357	149,156	119,808	75,930
Debt service:					
Principal retirement	165,428	82,714	82,712	186,183	297,486
Capital outlay	354,062	-	167,813	18,409	428,215
Total expenditures	36,960,239	36,928,664	40,150,780	39,509,603	41,011,847
Revenues over (under) expenditures	595,086	(36,328)	36,137	(291,717)	(600,237)
Other financing sources (uses)					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(82,169)	(84,531)	(86,015)	(86,184)	(88,273)
Installment purchase obligations	330,854	-	-	498,516	691,429
Total other financing sources (uses)	248,685	(84,531)	(86,015)	412,332	603,156
Net change in fund balances	$ 843,771	$ (120,859)	$ (49,878)	$ 120,615	$ 2,919
Ratio of debt service expenditures to total non-capital expenditures	-	0.22%	0.21%	0.48%	0.75%

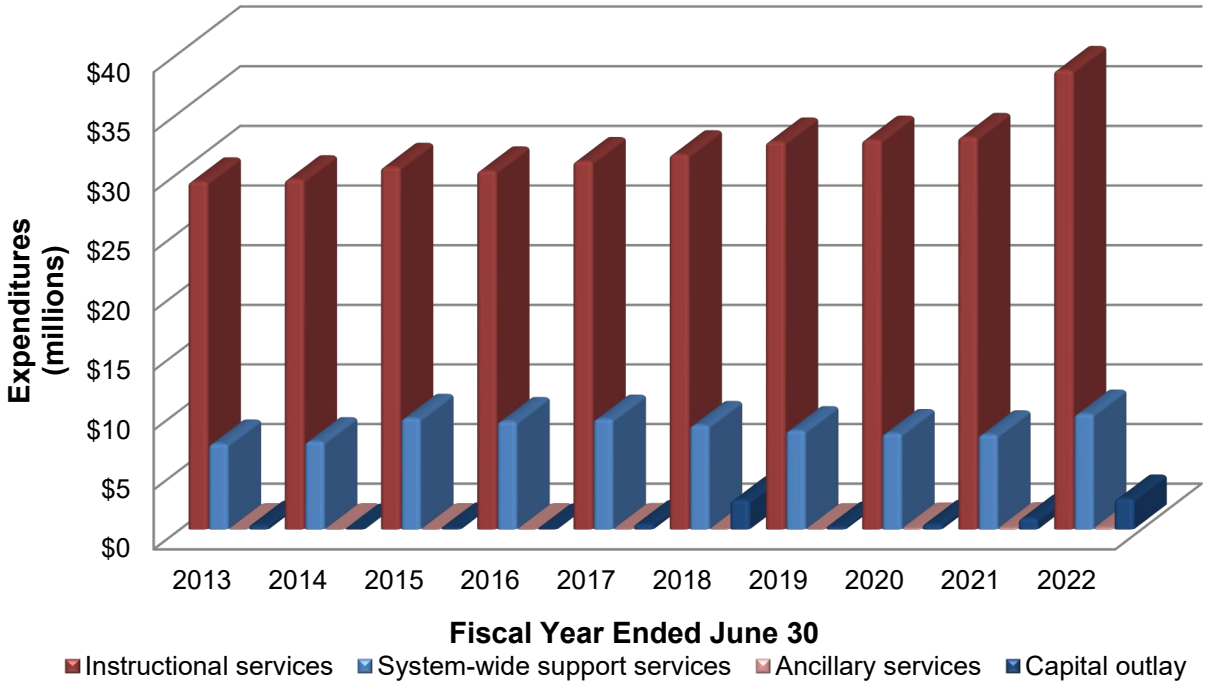
Year Ended June 30	2018	2019	2020	2021	2022
Revenues					
State of North Carolina	$ 28,644,872	$ 29,952,608	$ 29,336,470	$ 28,793,398	$ 29,827,740
Montgomery County	6,567,542	5,686,692	5,738,361	7,002,560	7,519,200
U.S. Government	3,687,977	3,598,774	4,537,927	6,553,222	11,552,669
Other	2,218,166	2,664,742	2,432,971	1,807,541	3,901,946
Total revenues	41,118,557	41,902,816	42,045,729	44,156,721	52,801,555
Expenditures					
Instructional services	31,450,728	32,520,511	32,673,218	32,904,893	38,513,652
System-wide support services	8,753,566	8,316,367	8,075,618	7,964,350	9,706,125
Ancillary services	30,600	17,265	120,898	160,466	195,196
Non-programmed charges	85,223	96,012	183,516	322,084	966,555
Debt service:					
Principal retirement	427,702	366,147	347,429	152,394	162,547
Capital outlay	2,465,671	252,619	436,782	947,947	2,583,569
Total expenditures	43,213,490	41,568,921	41,837,461	42,452,134	52,127,644
Revenues over (under) expenditures	(2,094,933)	333,895	208,268	1,704,587	673,911
Other financing sources (uses)					
Transfers from other funds	906,101	-	358,537	-	-
Transfers to other funds	(989,883)	(86,125)	(471,312)	(97,561)	(101,045)
Installment purchase obligations	520,863	-	88,712	-	280,737
Total other financing sources (uses)	437,081	(86,125)	(24,063)	(97,561)	179,692
Net change in fund balances	$ (1,657,852)	$ 247,770	$ 184,205	$ 1,607,026	$ 853,603
Ratio of debt service expenditures to total non-capital expenditures	1.07%	0.89%	0.84%	0.37%	0.33%

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Governmental Funds
Revenues by Source



Governmental Funds
Expenditures by Function



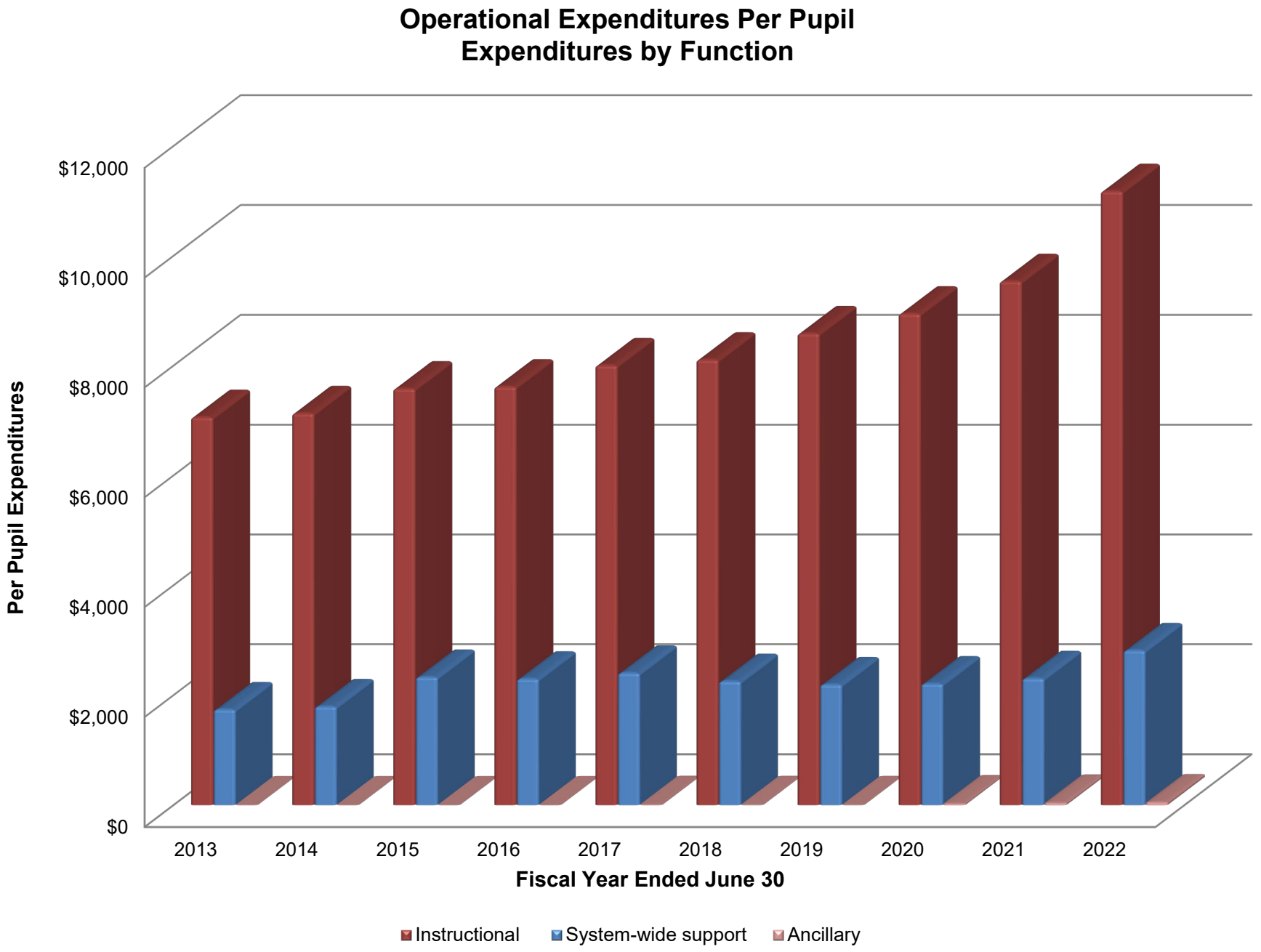
MONTGOMERY COUNTY BOARD OF EDUCATION

Operational Expenditures Per Pupil
Expenditures by Function
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Average Daily Membership	4,131	4,115	4,008	3,950	3,857	3,878	3,786	3,651	3,449	3,445
Instructional	$ 7,064	$ 7,134	$ 7,584	$ 7,620	$ 8,008	$ 8,110	$ 8,590	$ 8,949	$ 9,540	$ 11,180
System-wide support	1,742	1,797	2,333	2,300	2,407	2,257	2,197	2,212	2,309	2,817
Ancillary	2	1	1	1	10	8	5	33	47	57
Total expenditures per pupil	$ 8,808	$ 8,932	$ 9,918	$ 9,921	$ 10,425	$ 10,375	$ 10,792	$ 11,194	$ 11,896	$ 14,054

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: The above operational expenditures per pupil include all governmental funds.


Operational Expenditures Per Pupil
Expenditures by Function
Per Pupil Expenditures
$12,000
$10,000
$8,000
$6,000
$4,000
$2,000
$0
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
Fiscal Year Ended June 30
Instructional
System-wide support
Ancillary

MONTGOMERY COUNTY BOARD OF EDUCATION

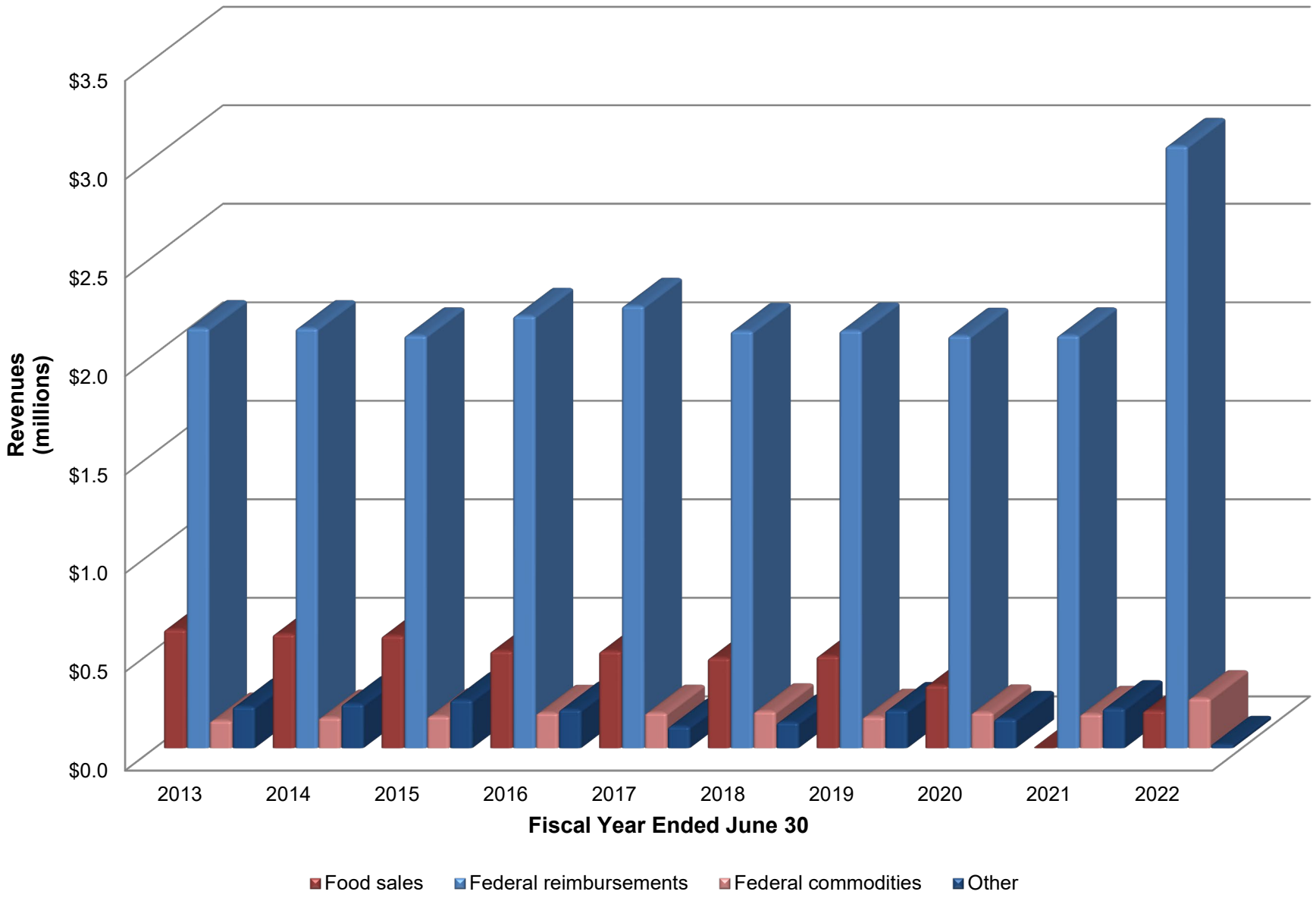
Proprietary Fund - Food Services Operations
Revenues by Source
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Food sales	$ 603,287	$ 579,848	$ 571,488	$ 494,412	$ 493,073	$ 458,723	$ 468,819	$ 319,428	$ 1,506	$ 191,329
Federal reimbursements	2,132,682	2,132,265	2,095,871	2,195,007	2,245,852	2,118,279	2,120,813	2,093,806	2,095,770	3,057,704
Federal commodities	141,056	156,187	163,167	180,183	180,798	187,886	160,298	182,433	174,753	254,374
Other	212,479	225,257	245,798	197,680	111,816	132,649	194,287	149,737	203,813	20,673
Total revenues	$ 3,089,504	$ 3,093,557	$ 3,076,324	$ 3,067,282	$ 3,031,539	$ 2,897,537	$ 2,944,217	$ 2,745,404	$ 2,475,842	$ 3,524,080

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Other revenue includes interest earned, State reimbursements, indirect costs not paid, and other revenues.

Proprietary Fund - Food Service Operations
Revenues by Source



MONTGOMERY COUNTY BOARD OF EDUCATION

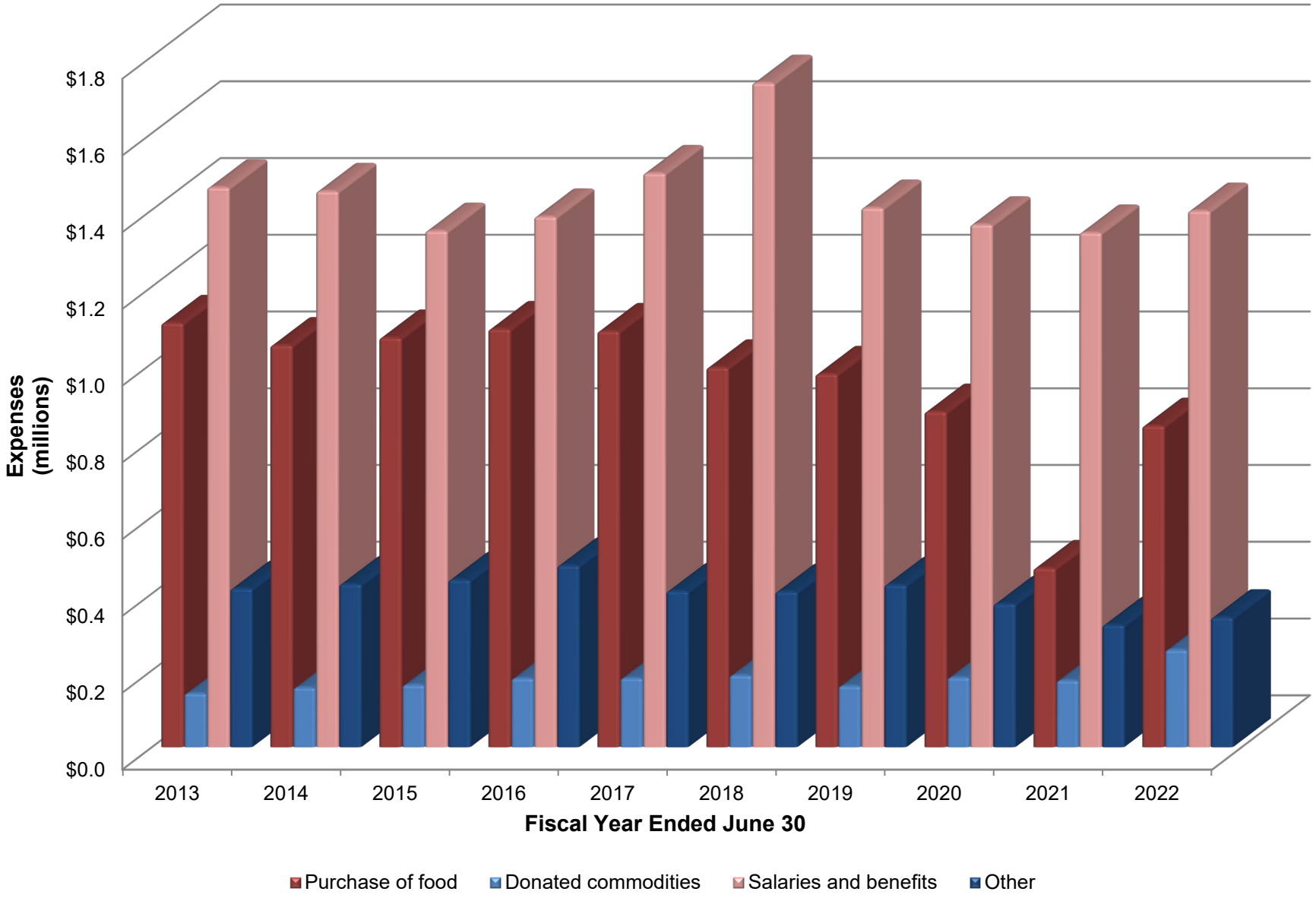
Proprietary Fund - Food Services Operations
Expenses by Category
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Purchase of food	$ 1,105,871	$ 1,047,932	$ 1,067,629	$ 1,090,008	$ 1,084,781	$ 989,912	$ 972,939	$ 874,571	$ 467,053	$ 837,935
Donated commodities	141,056	156,187	163,167	180,183	180,798	187,886	160,298	182,433	174,753	254,374
Salaries and benefits	1,459,415	1,449,578	1,346,093	1,383,172	1,496,598	1,731,843	1,406,247	1,362,744	1,341,506	1,398,375
Other	413,840	425,534	436,444	474,123	407,353	405,913	423,680	374,067	319,243	338,609
Total expenses	$ 3,120,182	$ 3,079,231	$ 3,013,333	$ 3,127,486	$ 3,169,530	$ 3,315,554	$ 2,963,164	$ 2,793,815	$ 2,302,555	$ 2,829,293

Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Other expense includes indirect costs, materials and supplies, repairs and maintenance, depreciation, and other expenses.

Proprietary Fund - Food Services Operations
Expenses by Category



MONTGOMERY COUNTY BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2022	$ 140,369	$ 140,369	N/A	N/A
2021	22,179	22,179	N/A	$ 1
2020	174,573	174,573	0.016%	6
2019	433,290	433,290	0.044%	16
2018	799,437	799,437	0.082%	29
2017	706,276	706,276	0.076%	26
2016	312,333	312,333	0.034%	11
2015	-	-	-	-
2014	82,712	82,712	0.009%	3
2013	165,426	165,426	0.019%	6

N/A = Not available

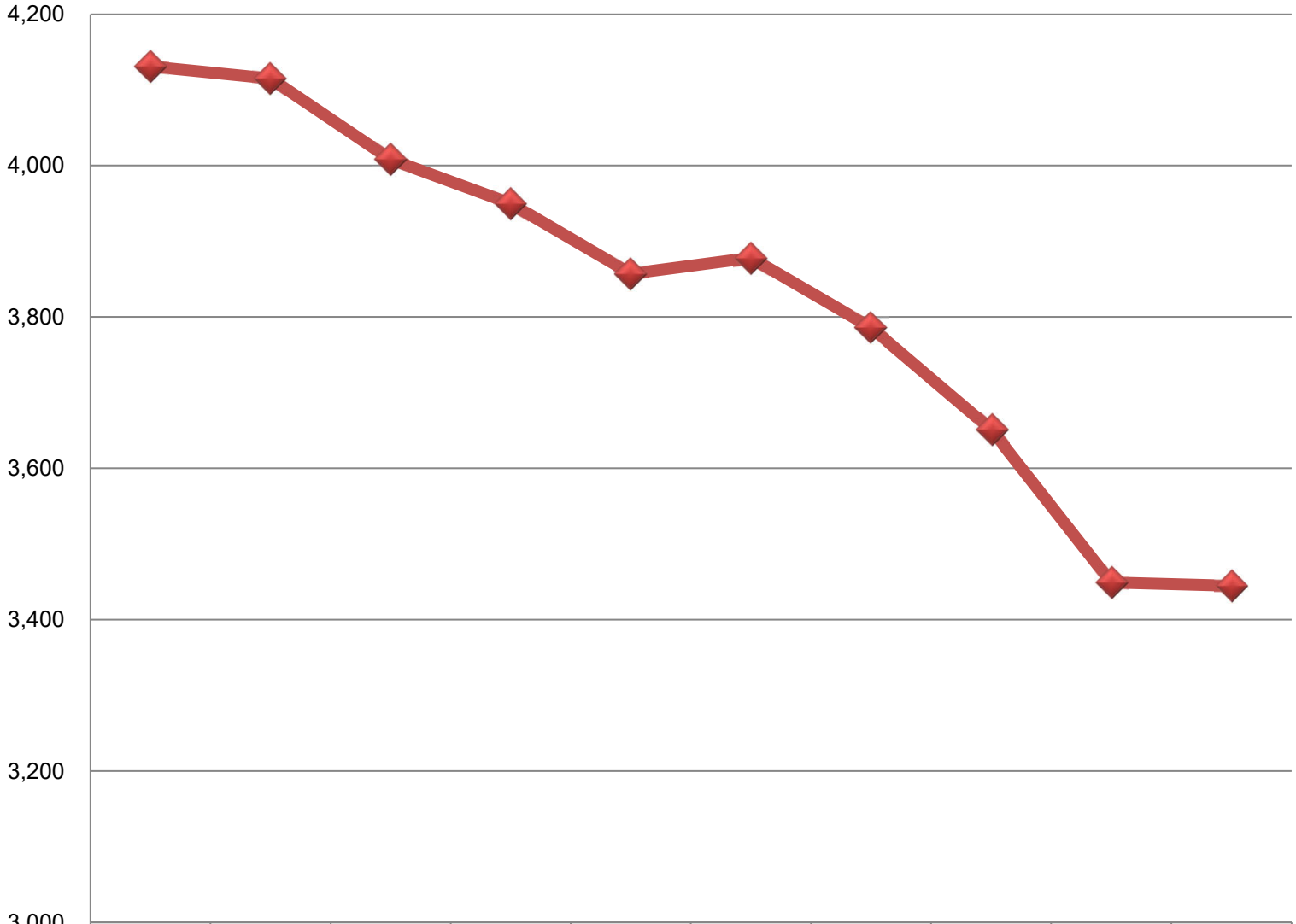
Source: Montgomery County Board of Education, North Carolina, Annual Financial Reports.

Note: Montgomery County School System cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2022 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2022 income based information will be shown above as "N/A", and the June 30, 2021 information will be reported for the year ended June 30, 2023, if applicable.

MONTGOMERY COUNTY BOARD OF EDUCATION
Average Daily Membership
Last Ten Fiscal Years



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Avg Daily Membership	4,131	4,115	4,008	3,950	3,857	3,878	3,786	3,651	3,449	3,445

MONTGOMERY COUNTY BOARD OF EDUCATION

Student Statistics

Last Ten Fiscal Years

Year Ended June 30	Teaching Staff	Students	Teacher/ Pupil Ratio	Student Attendance Percentage[1]	Percentage of Students Receiving Free/Reduced Lunch[2]
2022	258	3,445	1/13	91.47%	72.98%
2021	253	3,449	1/14	96.60%	72.98%
2020	243	3,651	1/15	94.88%	74.00%
2019	272	3,786	1/14	94.69%	73.96%
2018	270	3,878	1/14	94.87%	79.15%
2017	251	3,857	1/15	95.47%	75.36%
2016	274	3,950	1/14	95.68%	74.13%
2015	278	4,008	1/15	96.01%	75.00%
2014	269	4,115	1/15	95.18%	74.00%
2013	287	4,131	1/14	95.55%	74.00%

MONTGOMERY COUNTY BOARD OF EDUCATION

Student Statistics (continued)

Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage[3]					Graduates[3]	Percentage of Graduates Continuing Education[3]
	White	Black	Asian	Hispanic	Other		
2022	37%	19%	2%	37%	5%	227	58%
2021	37%	20%	2%	37%	4%	259	58%
2020	39%	20%	2%	35%	4%	286	71%
2019	39%	20%	2%	35%	4%	314	72%
2018	41%	19%	2%	34%	4%	279	61%
2017	41%	20%	2%	34%	3%	315	76%
2016	42%	20%	2%	33%	3%	290	70%
2015	43%	20%	2%	32%	3%	262	76%
2014	44%	20%	2%	32%	2%	285	73%
2013	45%	20%	2%	31%	2%	270	75%

Sources:

(1) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports.

(2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2022 obtained from Richmond County Board of Education Student Data.

(3) North Carolina Public Schools Statistical Profile (2013-2022 Editions).

MONTGOMERY COUNTY BOARD OF EDUCATION

Full-time Equivalent Governmental Employees by Function/Program
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Officials, admins, mgrs	9	9	9	9	7	12	13	11	11	14
Principals	11	11	11	11	13	12	12	12	11	11
Asst. Principals, non-teaching	4	5	6	6	5	7	6	7	7	7
Total administrators	24	25	26	26	25	31	31	30	29	32
Elementary teachers	132	184	190	186	144	137	103	138	150	84
Secondary teachers	155	85	88	88	74	74	112	57	55	31
Other teachers	-	-	-	-	33	59	57	48	48	143
Total teachers	287	269	278	274	251	270	272	243	253	258
Guidance	13	11	12	12	13	13	9	11	11	11
Psychological	1	1	1	1	1	2	1	1	1	1
Librarian, audiovisual	10	9	5	3	2	2	2	3	3	7
Consultant, supervisor	4	16	18	28	17	11	2	12	9	8
Other professionals	18	17	18	14	13	21	27	16	22	0
Total professionals	357	348	358	358	322	350	344	316	328	317
Teacher Assistants	92	87	80	72	62	62	54	69	54	56
Technicians	3	2	2	4	17	10	5	6	5	5
Clerical, secretarial	39	40	40	40	40	39	43	41	38	38
Service workers	72	63	56	56	72	89	52	64	56	165
Skilled crafts	16	14	15	15	-	11	14	12	14	9
Laborers, Unskilled	-	-	-	-	2	3	-	-	-	11
Total employees	579	554	551	545	515	564	512	508	495	601

Source: North Carolina Public Schools Statistical Profile (2013-2022 Editions)

MONTGOMERY COUNTY BOARD OF EDUCATION

Instructional Personnel

Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries[1] Minimum	Maximum	Average	Bachelors Degree[2]	Masters Degree[2]	Advanced Degree[2]	Doctorate Degree[2]
2022	$ 39,400	$ 74,480	$ 51,655	203	42	1	-
2021	35,000	67,948	47,400	199	41	9	-
2020	35,000	64,700	47,670	199	54	4	-
2019	35,945	64,700	47,940	206	62	5	-
2018	35,000	63,440	47,000	203	59	2	-
2017	35,000	63,480	44,950	227	73	3	-
2016	35,000	62,260	43,130	214	83	6	-
2015	35,000	62,260	42,820	218	83	4	-
2014	30,800	63,780	47,290	213	66	2	1
2013	30,800	74,646	41,083	210	82	2	-

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

(a) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.
(b) Payments of varying amounts for performing extra duties.
(c) Bonus payments

Sources:
(1) Montgomery County Board of Education Payroll Data
(2) North Carolina Public Schools Statistical Profile (2013-2018 Editions). Information for 2019-2022 obtained from Montgomery County Board of Education Personnel Data.

MONTGOMERY COUNTY BOARD OF EDUCATION
School Building Data
June 30, 2022

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
Candor Elementary	1979	553	332	-40%	Good
Green Ridge Elementary	2008	700	269	-62%	Excellent
Mount Gilead Elementary	1979	476	195	-59%	Good
Page Street Elementary	2002	401	230	-43%	Good
Star Elementary	1983	444	247	-44%	Good
Troy Elementary	1979	419	223	-47%	Good
East Middle	1990	598	469	-22%	Good
West Middle	1990	644	352	-45%	Good
Montgomery Learning Academy	1965	100	69	-31%	Fair
Montgomery Central High	2020	1,300	794	-39%	Excellent
Montgomery County Early College[(1)]	N/A	N/A	265	N/A	N/A

N/A = Not Applicable

Source: Montgomery County Board of Education N. C. Public Schools Facility Needs Report; 2022.

Note:
(1) Early College is located at Montgomery Community College

MONTGOMERY COUNTY, NORTH CAROLINA
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017
Population estimate (1)	27,571	27,395	27,548	27,418	27,435
Personal income (2)	$853,763,000	$885,777,000	$914,550,000	$941,269,000	$923,506,000
Per capita income (2)	$30,966	$32,334	$33,198	$34,330	$33,662
Median age (3)	39.16	39.27	39.42	41.66	41.72
School enrollment (4)	4,131	4,115	4,008	3,950	3,857
Unemployment rate (5)	10.2%	6.8%	6.2%	5.2%	4.3%
Year Ended June 30	**2018**	**2019**	**2020**	**2021**	**2022**
Population estimate (1)	27,271	27,173	25,720	25,798	N/A
Personal income (2)	$971,143,000	$983,153,000	$1,071,885,000	N/A	N/A
Per capita income (2)	$35,611	$36,181	$41,675	N/A	N/A
Median age (3)	41.85	42.01	42.15	42.16	42.29
School enrollment (4)	3,878	3,786	3,651	3,449	3,445
Unemployment rate (5)	4.2%	4.7%	6.6%	4.8%	4.0%

N/A = Not Available

Sources:
(1) Based upon estimates issued by the U.S. Census Bureau as of July 1
(2) Bureau of Economic Analysis
(3) Office of State Budget and Management
(4) North Carolina Department of Public Instruction
(5) North Carolina Employment Security Commission

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2022 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2022 income based information will be shown above as "N/A", and the June 30, 2021 information will be reported for the year ended June 30, 2023, if applicable.

MONTGOMERY COUNTY, NORTH CAROLINA
Principal Employers
For Years Ended June 30, 2022 and 2013

	2022			2013		
Employer	Employees [1]	Rank	Approximate Percentage of Total County Employment	Employees [1]	Rank	Approximate Percentage of Total County Employment
Montgomery County Bd Education	500 - 999	1	7%	500 - 999	1	7%
Nipcam Services Of North Carolina	250 - 499	2	3%	-		-
Jordan Lumber & Supply, Inc.	250 - 499	3	3%	250 - 499	4	4%
Grede II LLC	250 - 499	4	3%	250 - 499	2	4%
Mcrae Industries Inc	250 - 499	5	3%	250 - 499	7	4%
County of Montgomery	250 - 499	6	3%	250 - 499	8	4%
Saputo Cheese Usa Inc	100 - 249	7	2%	-		-
Klaussner Furniture Industries	100 - 249	8	2%	250 - 499	5	4%
Dept Of Public Safety	100 - 249	9	2%	250 - 499	3	4%
Firsthealth Of The Carolinas Inc	100 - 249	10	2%	100 - 249	10	2%
First Bank	-		-	250 - 499	6	4%
Family First Home Care Llc	-		-	100 - 249	9	2%
			30%			39%
Total County Employment [2]	11,056			10,095		

Sources:
(1) North Carolina Chamber of Commerce - current year data is as of March 31st
(2) North Carolina Employment Security Commission

MONTGOMERY COUNTY, NORTH CAROLINA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30	Governmental Activities			Business -Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Capitalized Leases	Installment Purchases	General Obligation Bonds	Installment Purchases	General Obligation Bonds			
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	$ -	$ 1,299,807	$ 69,139,852	$ 4,219,160	$ -	$ 74,658,819	N/A	$ 2,894
2020	-	1,670,688	75,699,997	9,006,312	-	86,376,997	2.57%	3,171
2019	257,500	1,879,523	77,343,669	9,265,690	-	88,746,382	9.03%	3,266
2018	335,292	2,141,038	78,997,459	9,951,909	-	91,425,698	9.41%	3,352
2017	409,379	2,449,607	12,990,012	10,795,073	-	26,644,071	2.89%	971
2016	-	2,775,281	14,647,740	11,622,076	-	29,045,097	3.09%	1,059
2015	-	3,147,234	16,195,882	12,540,565	-	31,883,681	3.49%	1,157
2014	12,521	3,662,527	19,840,000	10,941,883	-	34,456,931	3.89%	1,258
2013	37,429	735,202	20,920,000	11,673,348	-	33,365,979	3.91%	1,210

N/A = Not Available

Source: Montgomery County, North Carolina, Annual Financial Reports.

Note: This table is a ten year schedule. However, the annual financial report for the year ended June 30, 2022 could not be obtained from Montgomery County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2022 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2022 income based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if available.

MONTGOMERY COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2021 and December 31, 2012

		2021			2012		
Taxpayer	Type of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Cube Yadkin Generation Inc.	Utility	$ 131,603,581	1	4.00%	$ 92,018,500	1	3.18%
Jordan Lumber & Supply Inc	Manufacturing	81,245,515	2	2.47%	37,782,034	2	1.31%
Duke Energy Progress Inc.	Utility	75,018,089	3	2.28%	-		-
Unilin North America LLC	Manufacturing	64,552,774	4	1.96%	-		0.00%
Troy Lumber Co.	Manufacturing	40,169,891	5	1.22%	11,679,590	7	0.40%
Ameri Qual Aseptic	Utility	29,521,688	6	0.90%	-		-
Mountaire Farms, Inc.	Manufacturing	21,024,803	7	0.64%	13,142,838	5	0.45%
Wright Food Groups	Manufacturing	18,912,263	8	0.57%			
Carolina Dairy LLC	Manufacturing	17,500,318	9	0.53%	-		-
Grede II LLC	Manufacturing	11,600,111	10	0.35%			-
Unilin W.S. MDF/Mohawk Indust	Manufacturing	-		-	34,560,191	3	1.19%
Redus NC Land, LLC	Real Estate Dev.	-		-	13,156,700	4	0.45%
Tillery Tradition, Inc.	Real Estate Dev.	-		-	11,708,770	6	0.40%
Grede Machining, LLC	Manufacturing	-		-	11,264,344	8	0.39%
Suddekor LLC	Manufacturing	-		-	9,392,558	9	0.32%
Old North State Acquisition	Real Estate Dev.	-		-	8,428,100	10	0.29%
		$ 491,149,033		14.92%	$ 243,133,625		8.38%
Total Assessed Valuation		$ 3,291,201,140			$ 2,892,310,766		

Source: Montgomery County Tax Administrator

MONTGOMERY COUNTY, NORTH CAROLINA

Property Tax Levies and Current Collections
Last Ten Fiscal Years

Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2022	$ 20,234,433	$ 19,734,997	97.53%
2021	19,943,685	19,436,715	97.46%
2020	18,644,624	18,071,030	96.92%
2019	18,365,199	17,857,407	97.24%
2018	18,056,887	17,427,534	96.51%
2017	17,601,921	17,215,292	97.80%
2016	17,327,186	16,891,868	97.49%
2015	15,649,679	15,180,161	97.00%
2014	16,287,804	15,811,601	97.08%
2013	16,566,009	15,926,108	96.14%

Source: Montgomery County Tax Administrator

"21st Century Learning and Teaching"

