

**BLADEN COUNTY
BOARD OF EDUCATION
Elizabethtown, North Carolina**

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

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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Bladen County Board of Education
Elizabethtown, 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 Bladen County Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Bladen 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 Bladen County Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bladen 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 Bladen 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 Bladen 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 Bladen County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liabilities (Assets) and the Schedules of Board Contributions on pages 52 through 57, 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 Bladen County Board of Education's basic financial statements. The accompanying individual fund budgetary and other schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules and schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2024, on our consideration of the Bladen 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 Bladen 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 Bladen County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

October 8, 2024
West End, North Carolina
(910) 603-0508

BLADEN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Financial Highlights

- For the fiscal year ended June 30, 2024, the Board's total government-wide net position increased by \$10.2 million. Governmental activities net position increased by \$9.8 million, and business-type activities net position increased by \$329,000.
- The Board's average daily membership (ADM) for the fiscal year ended June 30, 2024 was 3,844 students, an increase of 38 students from the 2023 ADM of 3,806.
- For the fiscal year ended June 30, 2024, the Board's total governmental fund balance decreased by \$1.5 million.

Overview of the Financial Statements

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

- *Independent Auditors' 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.*
- *Supplemental section that presents budgetary schedules for governmental and enterprise funds.*

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

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

BLADEN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

- Over time, increases or decreases in the Board's net position is 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.

Bladen County Board of Education has three types of funds:

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

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

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

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Bladen County Board of Education has one proprietary fund - an enterprise fund – the School Food Service Fund.

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

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

The fiduciary fund statements are shown as Exhibits 10 and 11.

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows exceeded Liabilities and deferred inflows by \$26.7 million as of June 30, 2024 as compared to assets and deferred outflows exceeding liabilities and deferred inflows by \$16.5 million as of June 30, 2023, an increase of \$10.2 million. The largest component of net position is net investment in capital assets of \$69.7 million.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current assets	\$ 8,300,122	\$ 12,741,634	\$ 1,274,296	\$ 1,276,080	\$ 9,574,418	\$ 14,017,714
Capital assets	68,784,238	57,960,349	893,528	632,471	69,677,766	58,592,820
Total assets	<u>77,084,360</u>	<u>70,701,983</u>	<u>2,167,824</u>	<u>1,908,551</u>	<u>79,252,184</u>	<u>72,610,534</u>
Deferred outflows of resources	32,016,763	19,260,973	1,253,628	772,220	33,270,391	20,033,193
Current liabilities	2,131,425	4,904,614	63,877	57,723	2,195,302	4,962,337
Long-term liabilities	68,241,706	52,126,256	2,676,231	2,097,367	70,917,937	54,223,623
Total liabilities	<u>70,373,131</u>	<u>57,030,870</u>	<u>2,740,108</u>	<u>2,155,090</u>	<u>73,113,239</u>	<u>59,185,960</u>
Deferred inflows of resources	12,245,743	16,294,860	479,486	653,301	12,725,229	16,948,161
Net investment in capital assets	68,757,625	57,834,924	893,528	632,471	69,651,153	58,467,395
Restricted net position	2,807,149	3,638,376	-	-	2,807,149	3,638,376
Unrestricted net position (deficit)	<u>(45,082,525)</u>	<u>(44,836,074)</u>	<u>(691,670)</u>	<u>(760,091)</u>	<u>(45,774,195)</u>	<u>(45,596,165)</u>
Total net position (deficit)	<u>\$ 26,482,249</u>	<u>\$ 16,637,226</u>	<u>\$ 201,858</u>	<u>\$ (127,620)</u>	<u>\$ 26,684,107</u>	<u>\$ 16,509,606</u>

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

The net position of the Board's governmental activities increased \$9.8 million during the year, from \$16.6 million at June 30, 2023 to \$26.5 million at June 30, 2024, indicating an improvement in the financial condition of the Board, the large increase in net position is due to the completion of construction of a new school using Need Based Lottery funds. Unrestricted net position decreased \$246,000 million compared to the prior year. Net investment in capital assets increased \$10.9 million due to an excess of capital additions over depreciation for the year. Restricted net position decreased as a result of the Board spending the remaining of their Hurricane Florence funds on repairs related to damages caused years ago resulting from Hurricane Florence. 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 \$329,000, from \$(128,000) at June 30, 2023 to \$202,000 at June 30, 2024. The increase is the net profit generated by our school food service operations during the 2024 fiscal year.

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

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Revenues:						
Program revenues:						
Charges for services	\$ 1,399,472	\$ 1,293,242	\$ 164,609	\$ 190,461	\$ 1,564,081	\$ 1,483,703
Operating grants and contributions	49,915,810	54,677,388	3,824,869	3,794,207	53,740,679	58,471,595
Capital grants and contributions	98,812	244,871	379,028	-	477,840	244,871
General revenues:						
County appropriations	9,500,941	8,493,337	-	-	9,500,941	8,493,337
State appropriations	17,368,034	27,365,856	-	-	17,368,034	27,365,856
Other revenues	318,219	728,130	-	-	318,219	728,130
Total revenues	<u>78,601,288</u>	<u>92,802,824</u>	<u>4,368,506</u>	<u>3,984,668</u>	<u>82,969,794</u>	<u>96,787,492</u>
Expenses:						
Governmental activities:						
Instructional services	48,127,028	45,204,283	-	-	48,127,028	45,204,283
System-wide support services	19,081,068	12,316,118	-	-	19,081,068	12,316,118
Ancillary services	86,481	120,091	-	-	86,481	120,091
Payments to other governments	1,286,735	1,046,962	-	-	1,286,735	1,046,962
Unallocated depreciation	105,805	106,371	-	-	105,805	106,371
Business-type activities:						
School food service	-	-	4,108,176	3,521,328	4,108,176	3,521,328
Total expenses	<u>68,687,117</u>	<u>58,793,825</u>	<u>4,108,176</u>	<u>3,521,328</u>	<u>72,795,293</u>	<u>62,315,153</u>
Transfers in (out)	<u>(69,148)</u>	<u>(66,029)</u>	<u>69,148</u>	<u>66,029</u>	<u>-</u>	<u>-</u>
Increase in net position	9,845,023	33,942,970	329,478	529,369	10,174,501	34,472,339
Beginning net position (deficit)	<u>16,637,226</u>	<u>(17,305,744)</u>	<u>(127,620)</u>	<u>(656,989)</u>	<u>16,509,606</u>	<u>(17,962,733)</u>
Ending net position (deficit)	<u>\$ 26,482,249</u>	<u>\$ 16,637,226</u>	<u>\$ 201,858</u>	<u>\$ (127,620)</u>	<u>\$ 26,684,107</u>	<u>\$ 16,509,606</u>

Total governmental activities generated revenues of \$78.6 million while expenses in this category totaled \$68.7 million for the year ended June 30, 2024, resulting in an increase in net position of \$9.8 million (including transfers out to business-type activities of \$69,000). Comparatively, revenues were \$92.8 million, expenses totaled \$58.8 million and transfers out were \$66,000 for the year ended June 30, 2023, resulting in an increase in net position of \$33.9 million. In comparing the two years, revenues decreased \$14.2 million, or 15.3%, and expenses increased by \$9.9 million, or 16.8%. The overall decrease in revenues is mostly attributable to the decrease in Capital Outlay funds related to the Needs Based Lottery Funds received for the construction of a new school that was completed in the current year and a decrease in COVID-19 Education Stabilization Funds of \$5.6 million. The increase in expenses is attributable to an increase in pension and OPEB expenses of \$8.2 million.

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

The Board's primary sources of revenue were funding from the State of North Carolina, Bladen County, and the United States Government, which respectively comprised 65.1%, 11.9% and 18.2% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 70.1% of our total expenses during the most recent fiscal year. Of the remaining 29.9% of our total expenses, 27.8% was attributable to system-wide support services.

Our business-type activities generated revenues of \$4.4 million, while expenses in this category totaled \$4.1 million for the year ended June 30, 2024. For the year, net position increased by \$329,000 (including transfers in of \$69,000) as a result of operations. Comparatively, revenues were \$4.0 million, expenses totaled \$3.5 million and transfers in were \$66,000 for the year ended June 30, 2023, resulting in an increase in net position of \$529,000. The increase in revenues and expenses is related to increased participation as well as increases in food costs due to inflation. The increase in expenses was also attributed to increases in salaries and benefits due to increased minimum wages paid by the Board and pension and OPEB expenses.

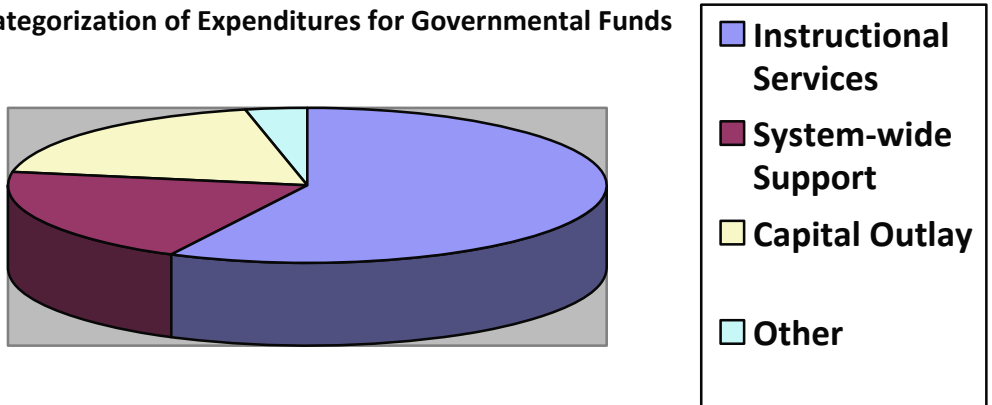
Financial Analysis of the Board's Funds

Governmental Funds: The focus of Bladen 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 \$7.5 million at June 30, 2024, a decrease of \$1.5 million from the \$9.0 million reported at June 30, 2023. The Board's General and Individual Schools funds reported an increase in fund balance of \$81,000 and \$48,000, respectively, for the year ended June 30, 2024. The Board's Capital Outlay and Other Special Revenue funds reported a decrease in fund balance of \$1.1 million and \$467,000, respectively, for the year ended June 30, 2024, due to the spending of hurricane Florence funds still held to help offset the cost of long term repairs needed as a result of Hurricane Florence years ago. In total, governmental fund revenues decreased by \$14.9 million from the prior year while expenditures decreased by \$10.9 million due to decreases in the Capital Outlay Needs Based Lottery funding as the lottery funded new school was completed in the current year. The Board has also experienced a decrease in federal funds related to the expiration of COVID-19 Education Stabilization funds.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2024 to 2023, the State Public School Fund reported a decrease in revenues (and expenditures) of \$31,000 and the Federal Grants Fund also reported a decrease of \$4.6 million, or 24.7%.

Categorization of Expenditures for Governmental Funds



Expenditures presented on modified accrual basis of accounting.

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

Proprietary Fund: The Board’s business-type fund, the School Food Service Fund, reported an increase in net position of \$329,000 for the fiscal year ended June 30, 2024 compared to an increase of \$529,000 for the same 2023 period. The year-over-year decrease in the School Food Service Fund profitability was largely due to increases in food costs and salaries and benefits. The Board recognized an increase in federal reimbursements due to an increase in participation. While the fund recognized an increase in revenues of \$384,000, it also recognized an increase in expenses of \$587,000, of which \$109,000 was related to increased food costs, and \$642,000 was a result of increased salaries and benefits. The increases in food cost and salaries and benefits were offset by miscellaneous decreases in other expenses.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. The Board’s General Fund reported an increase in fund balance for the year ended June 30, 2024 of \$81,000 (including the increase in reserve for inventories), compared to an increase of \$560,000 in 2023. Through effective cost-containment and budget management practices, the Board was able to keep expenditures below budget and not use any of the \$350,000 of fund balance that had been appropriated. Expenditures in the General fund increased by \$696,000 due to increased instructional services expenditures as the Board continues to address the learning loss experienced during the pandemic as well as the result of State mandated salary increases.

Capital Assets

Total primary government capital assets were \$69.7 million at June 30, 2024 compared to \$58.6 million at June 30, 2023, an increase of 18.9%. The increase is attributable to an excess of capital additions over depreciation expense for the year. More detailed information about the Board’s capital assets is contained in Note 2 to the basic financial statements.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Land	\$ 779,469	\$ 779,469	\$ -	\$ -	\$ 779,469	\$ 779,469
Construction in progress	-	28,682,782	-	-	-	28,682,782
Buildings and improvements	66,893,274	26,972,990	-	-	66,893,274	26,972,990
Equipment and furniture	502,558	550,911	893,528	632,471	1,396,086	1,183,382
Vehicles	608,937	974,197	-	-	608,937	974,197
Total	<u>\$ 68,784,238</u>	<u>\$ 57,960,349</u>	<u>\$ 893,528</u>	<u>\$ 632,471</u>	<u>\$ 69,677,766</u>	<u>\$ 58,592,820</u>

Debt Outstanding

During the year, the Board’s long-term debt decreased by \$99,000 from \$125,000 at June 30, 2023 to \$27,000 at June 30, 2024. The Board is limited by North Carolina General Statutes with regards to the

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

types of debt it can issue and for what purpose that debt can be used. More detailed information about the Board's outstanding debt is contained in Note 2 to the basic financial statements.

Economic Factors

County funding is a major source of income for the Board's operational expenses; therefore the County's economic outlook directly affects that of the school district.

One of Bladen County's major strengths is the diversity of the economy – farming, swine production, light manufacturing and tourism being significant contributors. The payroll of manufacturing employees is the lifeline of Bladen County's local businesses.

The County's unemployment rate was 5.1% at June 30, 2024, an increase from the 4.4% rate reported at June 30, 2023. While the unemployment rate was 5.1% at June 30, 2024 that compares to the State and national rates of 4.1% and 3.6%, respectively, inflation has become a significant negative economic factor.

Requests for Information

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

Susan Harrison, Finance Officer
Bladen County Board of Education
PO Box 37
Elizabethtown, NC 28337

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 7,182,971	\$ 1,081,370	\$ 8,264,341
Due from other governments	1,033,966	63,519	1,097,485
Receivables	17,837	-	17,837
Inventories	65,348	129,407	194,755
Capital assets:			
Land	779,469	-	779,469
Other capital assets, net of depreciation	<u>68,004,769</u>	<u>893,528</u>	<u>68,898,297</u>
Total capital assets	<u>68,784,238</u>	<u>893,528</u>	<u>69,677,766</u>
 Total assets	 <u>77,084,360</u>	 <u>2,167,824</u>	 <u>79,252,184</u>
 Deferred Outflows of Resources	 <u>32,016,763</u>	 <u>1,253,628</u>	 <u>33,270,391</u>
Liabilities			
Bank overdraft	248,424	-	248,424
Accounts payable and accrued expenses	176,250	6,589	182,839
Unearned revenue	366,675	4,885	371,560
Long-term liabilities:			
Due within one year	1,340,076	52,403	1,392,479
Due in more than one year	1,479,450	62,130	1,541,580
Net pension liability	27,667,504	1,083,331	28,750,835
Net OPEB liability	<u>39,094,752</u>	<u>1,530,770</u>	<u>40,625,522</u>
 Total liabilities	 <u>70,373,131</u>	 <u>2,740,108</u>	 <u>73,113,239</u>
 Deferred Inflows of Resources	 <u>12,245,743</u>	 <u>479,486</u>	 <u>12,725,229</u>
Net position			
Net investment in capital assets	68,757,625	893,528	69,651,153
Restricted for:			
Stabilization by State statute	17,837	-	17,837
School capital outlay	1,396,945	-	1,396,945
Instructional services	798,271	-	798,271
Individual schools activities	594,096	-	594,096
Unrestricted (deficit)	<u>(45,082,525)</u>	<u>(691,670)</u>	<u>(45,774,195)</u>
 Total net position	 <u>\$ 26,482,249</u>	 <u>\$ 201,858</u>	 <u>\$ 26,684,107</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 25,641,653	\$ -	\$ 23,082,816	\$ -	\$ (2,558,837)	\$ -	\$ (2,558,837)
Special populations	5,915,321	-	5,861,227	-	(54,094)	-	(54,094)
Alternative programs	6,102,296	-	5,005,363	-	(1,096,933)	-	(1,096,933)
School leadership	4,254,710	-	2,727,005	-	(1,527,705)	-	(1,527,705)
Co-curricular	1,522,066	1,365,107	-	-	(156,959)	-	(156,959)
School-based support	4,690,982	-	3,985,211	-	(705,771)	-	(705,771)
System-wide support services:							
Support and development	789,882	-	652,963	-	(136,919)	-	(136,919)
Special population support and development	289,612	-	288,108	-	(1,504)	-	(1,504)
Alternative programs and services support and development	498,356	-	422,751	-	(75,605)	-	(75,605)
Technology support	522,791	-	158,032	-	(364,759)	-	(364,759)
Operational support	14,560,446	-	5,703,512	98,812	(8,758,122)	-	(8,758,122)
Financial and human resource services	1,389,080	34,365	375,484	-	(979,231)	-	(979,231)
Accountability	79,552	-	69,367	-	(10,185)	-	(10,185)
System-wide pupil support	64,804	-	3,104	-	(61,700)	-	(61,700)
Policy, leadership and public relations	886,545	-	409,676	-	(476,869)	-	(476,869)
Ancillary services	86,481	-	5,819	-	(80,662)	-	(80,662)
Payments to other governments	1,286,735	-	1,165,372	-	(121,363)	-	(121,363)
Unallocated depreciation expense**	105,805	-	-	-	(105,805)	-	(105,805)
Total governmental activities	68,687,117	1,399,472	49,915,810	98,812	(17,273,023)	-	(17,273,023)
Business-type activities:							
School food service	4,108,176	164,609	3,824,869	379,028	-	260,330	260,330
Total primary government	\$ 72,795,293	\$ 1,564,081	\$ 53,740,679	\$ 477,840	(17,273,023)	260,330	(17,012,693)
General revenues:							
					8,014,619	-	8,014,619
					1,486,322	-	1,486,322
					2,285,373	-	2,285,373
					15,082,661	-	15,082,661
					318,219	-	318,219
					(69,148)	69,148	-
					27,118,046	69,148	27,187,194
					9,845,023	329,478	10,174,501
					16,637,226	(127,620)	16,509,606
					\$ 26,482,249	\$ 201,858	\$ 26,684,107

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

FUND FINANCIAL STATEMENTS

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

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 1,798,194	\$ -	\$ -	\$ 4,061,027	\$ 729,654	\$ 594,096	\$ 7,182,971
Due from other governments	-	-	-	-	1,033,966	-	1,033,966
Accounts receivable	16,141	-	-	1,696	-	-	17,837
Due from other funds	-	84,446	163,978	-	-	-	248,424
Inventories	65,348	-	-	-	-	-	65,348
Total assets	\$ 1,879,683	\$ 84,446	\$ 163,978	\$ 4,062,723	\$ 1,763,620	\$ 594,096	\$ 8,548,546
Liabilities and fund balances							
Liabilities:							
Bank overdraft	\$ -	\$ 84,446	\$ 163,978	\$ -	\$ -	\$ -	\$ 248,424
Accounts payable and accrued liabilities	159,527	-	-	16,723	-	-	176,250
Due to other funds	248,424	-	-	-	-	-	248,424
Unearned revenue	-	-	-	-	366,675	-	366,675
Total liabilities	407,951	84,446	163,978	16,723	366,675	-	1,039,773
Fund balances:							
Nonspendable:							
Inventories	65,348	-	-	-	-	-	65,348
Restricted:							
Stabilization by State statute	16,141	-	-	1,696	-	-	17,837
School capital outlay	-	-	-	-	1,396,945	-	1,396,945
Instructional services	-	-	-	798,271	-	-	798,271
Individual schools	-	-	-	-	-	594,096	594,096
Assigned:							
Subsequent year's expenditures	350,000	-	-	-	-	-	350,000
Special revenues	-	-	-	3,246,033	-	-	3,246,033
Unassigned:	1,040,243	-	-	-	-	-	1,040,243
Total fund balances	1,471,732	-	-	4,046,000	1,396,945	594,096	7,508,773
Total liabilities and fund balances	\$ 1,879,683	\$ 84,446	\$ 163,978	\$ 4,062,723	\$ 1,763,620	\$ 594,096	\$ 8,548,546

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

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

Exhibit 3 (continued)

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

Total fund balance (All Governmental Funds)	7,508,773
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	68,784,238
Deferred outflows of resources related to pensions	18,500,329
Deferred outflows of resources related to OPEB plans	13,516,434
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.	(2,819,526)
Net pension liability	(27,667,504)
Net OPEB liability	(39,094,752)
Deferred inflows of resources related to pensions	(280,303)
Deferred inflows of resources related to OPEB plans	<u>(11,965,440)</u>
Net position of governmental activities	<u>\$ 26,482,249</u>

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

Exhibit 4

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 35,532,601	\$ -	\$ 1,246,871	\$ 15,181,473	\$ -	\$ 51,960,945
Bladen County							
Local current expense	8,014,619	-	-	-	-	-	8,014,619
Other	-	-	-	-	1,479,906	-	1,479,906
U.S. Government	-	222,446	14,160,779	133,531	-	-	14,516,756
Other	359,083	-	-	2,039,899	30,345	1,365,107	3,794,434
Total revenues	<u>8,373,702</u>	<u>35,755,047</u>	<u>14,160,779</u>	<u>3,420,301</u>	<u>16,691,724</u>	<u>1,365,107</u>	<u>79,766,660</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	1,928,901	18,322,348	3,484,022	142,476	145,855	-	24,023,602
Special populations	122,905	3,578,455	1,660,587	595,246	-	-	5,957,193
Alternative programs	68,309	838,226	4,317,814	912,205	-	-	6,136,554
School leadership	720,908	3,307,186	259,022	-	-	-	4,287,116
Co-curricular	209,072	-	-	-	-	1,317,138	1,526,210
School-based support	305,550	3,713,051	437,365	263,984	-	-	4,719,950
System-wide support services:							
Support and development	108,198	87,341	600,365	-	-	-	795,904
Special population support and development	3,528	215,179	72,929	-	-	-	291,636
Alternative programs and services support and development	5,682	-	422,751	73,737	-	-	502,170
Technology support	304,136	159,806	62,269	-	-	-	526,211
Operational support	2,250,824	4,055,323	1,579,041	1,880,360	2,282,807	-	12,048,355
Financial and human resource services	568,628	764,109	66,831	-	-	-	1,399,568
Accountability	10,233	68,413	1,539	-	-	-	80,185
System-wide pupil support	1,979	56,495	1,990	4,816	-	-	65,280
Policy, leadership and public relations	348,939	519,967	23,063	-	-	-	891,969
Ancillary services	66,500	-	5,819	14,162	-	-	86,481
Non-programmed charges	1,286,735	-	1,165,372	-	-	-	2,452,107
Debt service:							
Principal retirement	-	-	-	-	98,812	-	98,812
Capital outlay	-	-	-	-	15,298,984	-	15,298,984
Total expenditures	<u>8,311,027</u>	<u>35,685,899</u>	<u>14,160,779</u>	<u>3,886,986</u>	<u>17,826,458</u>	<u>1,317,138</u>	<u>81,188,287</u>
Revenues over expenditures	62,675	69,148	-	(466,685)	(1,134,734)	47,969	(1,421,627)
Other financing sources (uses):							
Transfers to other funds	-	(69,148)	-	-	-	-	(69,148)
Net change in fund balance	62,675	-	-	(466,685)	(1,134,734)	47,969	(1,490,775)
Fund balances:							
Beginning of year	1,390,944	-	-	4,512,685	2,531,679	546,127	8,981,435
Increase in reserve for inventories	18,113	-	-	-	-	-	18,113
End of year	<u>\$ 1,471,732</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,046,000</u>	<u>\$ 1,396,945</u>	<u>\$ 594,096</u>	<u>\$ 7,508,773</u>

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

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

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ (1,490,775)
Change in fund balance due to change in reserve for inventory	18,113
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	10,839,650
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,617,194
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	2,309,964
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	51,309
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	98,812
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	(7,832,495)
Net OPEB (expense) benefit	98,936
Compensated absences	150,076
Loss on disposal of capital assets	<u>(15,761)</u>
Total change in net position of governmental activities	<u>\$ 9,845,023</u>

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

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

Exhibit 6

	General Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Bladen County	8,032,619	8,032,619	8,014,619	(18,000)
U.S. Government	-	-	-	-
Other	375,000	375,000	359,083	(15,917)
Total revenues	<u>8,407,619</u>	<u>8,407,619</u>	<u>8,373,702</u>	<u>(33,917)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	1,188,632	1,957,613	1,928,901	28,712
Special populations	-	122,905	122,905	-
Alternative programs	49,433	100,613	68,309	32,304
School leadership	952,710	815,069	720,908	94,161
Co-curricular	202,748	214,010	209,072	4,938
School-based support	101,100	305,550	305,550	-
Total instructional services	<u>2,494,623</u>	<u>3,515,760</u>	<u>3,355,645</u>	<u>160,115</u>
System-wide support services:				
Support and development	260,131	209,198	108,198	101,000
Special population support and development	-	8,268	3,528	4,740
Alternative programs and services support and development	1,007	5,682	5,682	-
Technology support	260,606	304,136	304,136	-
Operational support	3,587,150	2,415,517	2,250,824	164,693
Financial and human resource services	270,700	568,628	568,628	-
Accountability	-	10,233	10,233	-
System-wide pupil support services	2,500	2,500	1,979	521
Policy, leadership and public relations	280,652	364,460	348,939	15,521
Total system-wide support services	<u>4,662,746</u>	<u>3,888,622</u>	<u>3,602,147</u>	<u>286,475</u>
Ancillary services:				
Nutrition	250	66,500	66,500	-
Nonprogrammed charges	1,600,000	1,286,737	1,286,735	2
Total expenditures	<u>8,757,619</u>	<u>8,757,619</u>	<u>8,311,027</u>	<u>446,592</u>
Revenues over (under) expenditures	<u>(350,000)</u>	<u>(350,000)</u>	<u>62,675</u>	<u>412,675</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	350,000	350,000	-	(350,000)
Total other financing sources (uses)	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>62,675</u>	<u>\$ 62,675</u>
Fund balances:				
Beginning of year			1,390,944	
Decrease in reserve for inventories			18,113	
End of year			<u>\$ 1,471,732</u>	

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

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

Exhibit 6 (continued)

	State Public School Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 34,120,244	\$ 36,909,866	\$ 35,532,601	\$ (1,377,265)
Bladen County	-	-	-	-
U.S. Government	-	231,942	222,446	(9,496)
Other	-	-	-	-
Total revenues	<u>34,120,244</u>	<u>37,141,808</u>	<u>35,755,047</u>	<u>(1,386,761)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	18,240,804	19,231,747	18,322,348	909,399
Special populations	3,514,667	3,642,066	3,578,455	63,611
Alternative programs	825,788	843,794	838,226	5,568
School leadership	2,831,351	3,307,186	3,307,186	-
Co-curricular	-	-	-	-
School-based support	3,440,561	4,055,222	3,713,051	342,171
Total instructional services	<u>28,853,171</u>	<u>31,080,015</u>	<u>29,759,266</u>	<u>1,320,749</u>
System-wide support services:				
Support and development	40,685	87,430	87,341	89
Special population support and development	200,059	215,634	215,179	455
Alternative programs and services support and development	-	-	-	-
Technology support	111,364	208,535	159,806	48,729
Operational support	3,465,037	4,055,921	4,055,323	598
Financial and human resource services	723,761	764,111	764,109	2
Accountability	70,264	70,264	68,413	1,851
System-wide pupil support services	55,154	56,499	56,495	4
Policy, leadership and public relations	527,905	530,555	519,967	10,588
Total system-wide support services	<u>5,194,229</u>	<u>5,988,949</u>	<u>5,926,633</u>	<u>62,316</u>
Ancillary services:				
Nutrition	-	-	-	-
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>34,047,400</u>	<u>37,068,964</u>	<u>35,685,899</u>	<u>1,383,065</u>
Revenues over (under) expenditures	<u>72,844</u>	<u>72,844</u>	<u>69,148</u>	<u>(3,696)</u>
Other financing sources (uses):				
Transfers to other funds	(72,844)	(72,844)	(69,148)	3,696
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>(72,844)</u>	<u>(72,844)</u>	<u>(69,148)</u>	<u>3,696</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Increase in reserve for inventories			-	
End of year			<u>\$ -</u>	

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

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

Exhibit 6 (continued)

	Federal Grants Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Bladen County	-	-	-	-
U.S. Government	16,606,952	17,300,201	14,160,779	(3,139,422)
Other	-	-	-	-
Total revenues	<u>16,606,952</u>	<u>17,300,201</u>	<u>14,160,779</u>	<u>(3,139,422)</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	3,727,847	3,529,767	3,484,022	45,745
Special populations	1,187,130	1,660,827	1,660,587	240
Alternative programs	4,646,785	4,880,228	4,317,814	562,414
School leadership	-	337,018	259,022	77,996
Co-curricular	-	-	-	-
School-based support	450,857	437,365	437,365	-
Total instructional services	<u>10,012,619</u>	<u>10,845,205</u>	<u>10,158,810</u>	<u>686,395</u>
System-wide support services:				
Support and development	1,901,098	1,616,505	600,365	1,016,140
Special population support and development	93,885	73,039	72,929	110
Alternative programs and services support and development	334,897	455,321	422,751	32,570
Technology support	1,029,725	1,029,725	62,269	967,456
Operational support	2,846,514	1,849,005	1,579,041	269,964
Financial and human resource services	52,234	91,165	66,831	24,334
Accountability	-	26,268	1,539	24,729
System-wide pupil support services	-	26,268	1,990	24,278
Policy, leadership and public relations	-	65,670	23,063	42,607
Total system-wide support services	<u>6,258,353</u>	<u>5,232,966</u>	<u>2,830,778</u>	<u>2,402,188</u>
Ancillary services:				
Nutrition	-	15,761	5,819	9,942
Nonprogrammed charges	335,980	1,206,269	1,165,372	40,897
Total expenditures	<u>16,606,952</u>	<u>17,300,201</u>	<u>14,160,779</u>	<u>3,139,422</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Increase in reserve for inventories			-	
End of year			<u>\$ -</u>	

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

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

Exhibit 6 (continued)

	Other Special Revenue Fund			Variance with Final Budget
	Original Budget	Final Budget	Actual	
Revenues:				
State of North Carolina	\$ 1,355,324	\$ 1,357,694	\$ 1,246,871	\$ (110,823)
Bladen County	-	-	-	-
U.S. Government	126,657	126,657	133,531	6,874
Other	562,896	560,526	2,039,899	1,479,373
Total revenues	<u>2,044,877</u>	<u>2,044,877</u>	<u>3,420,301</u>	<u>1,375,424</u>
Expenditures:				
Current:				
Instructional services:				
Regular instructional	534,963	534,963	142,476	392,487
Special populations	956,290	956,290	595,246	361,044
Alternative programs	1,327,778	1,327,778	912,205	415,573
School leadership	19,858	19,858	-	19,858
Co-curricular	-	-	-	-
School-based support	353,225	353,225	263,984	89,241
Total instructional services	<u>3,192,114</u>	<u>3,192,114</u>	<u>1,913,911</u>	<u>1,278,203</u>
System-wide support services:				
Support and development	-	-	-	-
Special population support and development	29,000	29,000	-	29,000
Alternative programs and services support and development	83,117	83,116	73,737	9,379
Technology support	-	-	-	-
Operational support	2,714,925	2,714,926	1,880,360	834,566
Financial and human resource services	-	-	-	-
Accountability	-	-	-	-
System-wide pupil support services	20,000	20,000	4,816	15,184
Policy, leadership and public relations	-	-	-	-
Total system-wide support services	<u>2,847,042</u>	<u>2,847,042</u>	<u>1,958,913</u>	<u>888,129</u>
Ancillary services:				
Nutrition	14,162	14,162	14,162	-
Nonprogrammed charges	7,340	7,340	-	7,340
Total expenditures	<u>6,060,658</u>	<u>6,060,658</u>	<u>3,886,986</u>	<u>2,173,672</u>
Revenues over (under) expenditures	<u>(4,015,781)</u>	<u>(4,015,781)</u>	<u>(466,685)</u>	<u>3,549,096</u>
Other financing sources (uses):				
Transfers to other funds	-	-	-	-
Fund balance appropriated	4,015,781	4,015,781	-	(4,015,781)
Total other financing sources (uses)	<u>4,015,781</u>	<u>4,015,781</u>	<u>-</u>	<u>(4,015,781)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(466,685)</u>	<u>\$ (466,685)</u>
Fund balances:				
Beginning of year			4,512,685	
Increase in reserve for inventories			-	
End of year			<u>\$ 4,046,000</u>	

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

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

Exhibit 7

	Enterprise Major Fund School Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,081,370
Due from other governments	63,519
Inventories	129,407
Total current assets	<u>1,274,296</u>
Noncurrent assets:	
Capital assets:	
Furniture, equipment and vehicles, net	<u>893,528</u>
Total assets	<u>2,167,824</u>
Deferred Outflows of Resources	<u>1,253,628</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	6,589
Compensated absences	52,403
Unearned revenue	4,885
Total current liabilities	<u>63,877</u>
Noncurrent liabilities:	
Net pension liability	1,083,331
Net OPEB liability	1,530,770
Compensated absences	62,130
Total noncurrent liabilities	<u>2,676,231</u>
Total liabilities	<u>2,740,108</u>
Deferred Inflows of Resources	<u>479,486</u>
Net position	
Investment in capital assets	893,528
Unrestricted net position	<u>(691,670)</u>
Total net position	<u>\$ 201,858</u>

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

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

Exhibit 8

	Enterprise Major Fund School Food Service
Operating revenues:	
Food sales	\$ 164,609
Operating expenses:	
Food cost:	
Purchase of food	1,656,561
Donated commodities	190,812
Salaries and benefits	2,045,421
Materials and supplies	40,828
Repairs and maintenance	17,682
Depreciation	117,971
Contracted services	8,246
Other	30,655
Total operating expenses	4,108,176
Operating loss	(3,943,567)
Nonoperating revenues:	
Federal reimbursements and grants	3,634,057
Federal commodities	190,812
Total nonoperating revenues	3,824,869
Loss before transfers and contributions	(118,698)
Transfers from other funds	69,148
Capital contributions	379,028
Change in net position	329,478
Net position (deficit), beginning of year	(127,620)
Net position, end of year	\$ 201,858

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

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

Exhibit 9

	Enterprise
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
Cash flows from operating activities:	
Cash received from customers	\$ 163,470
Cash paid for goods and services	(1,749,419)
Cash paid to employees for services	<u>(2,045,676)</u>
Net cash used by operating activities	<u>(3,631,625)</u>
Cash flows from noncapital financing activities:	
Federal reimbursements and grants	<u>3,654,190</u>
Net increase in cash and cash equivalents	22,565
Cash and cash equivalents, beginning of year	<u>1,058,805</u>
Cash and cash equivalents, end of year	<u>\$ 1,081,370</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (3,943,567)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	117,971
Donated commodities	190,812
Salaries paid by special revenue fund	69,148
Changes in assets and liabilities:	
Decrease in inventories	4,216
Increase in accounts payable and accrued liabilities	337
Decrease in unearned revenue	(1,139)
Increase in pension liability	244,254
Increase in OPEB liability	357,116
Increase in deferred outflow	(481,408)
Decrease in deferred inflow	(173,815)
Decrease in compensated absences payable	<u>(15,550)</u>
Total adjustments	<u>311,942</u>
Net cash used by operating activities	<u>\$ (3,631,625)</u>

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

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

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$190,812 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$69,148 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.

School Food Service capital assets with a value of \$379,028 were purchased by the Capital Outlay Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

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

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

Exhibit 10

	<u>Administrative Fund</u>
Assets	
Cash and cash equivalents	\$ <u>43,909</u>
Liabilities	<u>-</u>
Net position	
Assets held in trust for private purpose	\$ <u><u>43,909</u></u>

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

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

Exhibit 11

	Administrative Fund
Additions:	
Contributions and other revenue	\$ -
Deductions:	
Other expenses	-
Change in net position	-
Beginning net position	<u>43,909</u>
Ending net position	<u>\$ 43,909</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Basis of Presentation

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

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

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

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.

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

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

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from reimbursements, including indirect costs, fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, federal and State grants restricted as to use, federal and State appropriations made directly to local school administrative units, funds received for prekindergarten 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 Bladen 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 fund raising activities. The primary expenditures are for athletic teams, club programs, activity buses, and instructional needs.

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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 administrative fiduciary fund and 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 function level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$10,000) from one function to another within a fund. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$10,000. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. The NCCMT Government Portfolio's securities are measured at fair value. The STIF securities (as valued under level 2 of the fair value hierarchy) are reported at cost and maintain a constant \$1 per share value. Investments valued under level 2 of the fair value hierarchy are valued using prices that are either directly or indirectly observable for an asset or liability. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

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

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 July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1995 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 both governmental and business-type 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. The cost of normal repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

	<u>Years</u>
Buildings and improvements	20 - 50
Equipment and furniture	3 - 12
Vehicles	6

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 outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - pension and other post-employment benefit related deferrals and contributions made to the pension plan subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and 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.

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

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, 2024 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

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 four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

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.

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

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

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes. 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 the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges.

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General fund is the only fund that reports a positive unassigned fund balance amount, 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 use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

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

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 \$18,973,476 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 at historical cost on government-wide statement in governmental activities column)	\$ 114,976,400
Less accumulated depreciation	<u>(46,192,162)</u>
Capital assets, net	<u>68,784,238</u>
Deferred outflows of resources related to pensions	18,500,329
Deferred outflows of resources related to OPEB	13,516,434
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	(26,613)
Compensated absences	(2,792,913)
Net pension liability	(27,667,504)
Net OPEB liability	(39,094,752)
Deferred inflows of resources related to pensions	(280,303)
Deferred inflows of resources related to OPEB	<u>(11,965,440)</u>
Total adjustment	<u>\$ 18,973,476</u>

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$11,335,798 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 13,086,835
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	(2,247,185)
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	98,812
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,617,194
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	2,309,964
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	51,309
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(7,832,495)
OPEB (expense) benefit	98,936
Loss on disposal of asset	(15,761)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	150,076
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	<u>18,113</u>
Total adjustment	<u>\$ 11,335,798</u>

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10. Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of \$8,308,250 and with the State Treasurer of \$(248,424). The bank balances with the financial institutions and the State Treasurer were \$8,423,514 and \$872,388, respectively. Of these balances, \$1,691,290 was covered by federal depository insurance and 7,604,612 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2024, the Board had \$-0- invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The Board had \$-0- invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2024. The Board has no policy for managing interest rate risk, concentration 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.

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3. Accounts Receivable

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

	Due (to) from other Funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (248,424)	\$ -	\$ 16,141	\$ (232,283)
Other governmental activities	<u>248,424</u>	<u>1,033,966</u>	<u>1,696</u>	<u>1,284,086</u>
Total governmental activities	<u>\$ -</u>	<u>\$ 1,033,966</u>	<u>\$ 17,837</u>	<u>\$ 1,051,803</u>
Business-type activities:				
School Food Service Fund	<u>\$ -</u>	<u>\$ 63,519</u>	<u>\$ -</u>	<u>\$ 63,519</u>

Due from other governments consists of the following:

Governmental activities:		
Capital Outlay Fund	<u>\$ 1,033,966</u>	Amounts due from County
Business-type activities:		
School Food Service Fund	<u>\$ 63,519</u>	Federal grant funds

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4. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 779,469	\$ -	\$ -	\$ 779,469
Construction in progress	<u>28,682,782</u>	<u>13,029,382</u>	<u>41,712,164</u>	<u>-</u>
Total capital assets not being depreciated	<u>29,462,251</u>	<u>13,029,382</u>	<u>41,712,164</u>	<u>779,469</u>
Capital assets being depreciated:				
Buildings and improvements	60,322,680	41,712,165	-	102,034,845
Equipment and furniture	3,048,046	57,452	-	3,105,498
Vehicles	<u>9,339,614</u>	<u>-</u>	<u>283,026</u>	<u>9,056,588</u>
Total capital assets being depreciated	<u>72,710,340</u>	<u>41,769,617</u>	<u>283,026</u>	<u>114,196,931</u>
Less accumulated depreciation for:				
Buildings and improvements	33,349,690	1,791,881	-	35,141,571
Equipment and furniture	2,497,135	105,805	-	2,602,940
Vehicles	<u>8,365,417</u>	<u>349,499</u>	<u>267,265</u>	<u>8,447,651</u>
Total accumulated depreciation	<u>44,212,242</u>	<u>2,247,185</u>	<u>267,265</u>	<u>46,192,162</u>
Total capital assets being depreciated, net	<u>28,498,098</u>			<u>68,004,769</u>
Governmental activity capital assets, net	<u>\$ 57,960,349</u>			<u>\$ 68,784,238</u>
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	\$ 1,366,096	\$ 379,028	\$ -	\$ 1,745,124
Less accumulated depreciation for:				
Equipment, furniture and vehicles	<u>733,625</u>	<u>117,971</u>	<u>-</u>	<u>851,596</u>
School Food Service capital assets, net	<u>\$ 632,471</u>			<u>\$ 893,528</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 1,791,881
System-wide support services	349,499
Unallocated depreciation	<u>105,805</u>
Total	<u>\$ 2,247,185</u>

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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 year ended June 30, 2024, was 17.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$5,837,137 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of \$28,750,835 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was .17245% and .14666%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$8,132,401. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,343,873	\$ 212,201
Changes of assumptions	1,009,691	-
Net difference between projected and actual earnings on pension plan investments	8,007,105	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,026,910	79,078
Board contributions subsequent to the measurement date	5,837,137	-
Total	<u>\$ 19,224,716</u>	<u>\$ 291,279</u>

\$5,837,137 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 4,283,760
2026	2,643,436
2027	5,827,066
2028	342,038
2029	-
Thereafter	<u>-</u>
Total	<u>\$ 13,096,300</u>

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

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

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

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

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

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

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

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, 2023 and 2022 was 6.50% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that

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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:

	<u>1% Decrease</u> <u>(5.50%)</u>	<u>Discount Rate</u> <u>(6.50%)</u>	<u>1% Increase</u> <u>(7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 49,358,446	\$ 28,750,835	\$ 11,750,224

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

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.

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2024, the Board contributed 7.14% of covered payroll, which amounted to \$2,363,991 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$53,318.

At June 30, 2024, Board reported a liability of \$40,586,274 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was .15231% and .12806%, respectively.

\$2,363,991 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30:

2025	\$ (1,577,112)
2026	(1,535,091)
2027	(26,873)
2028	2,278,330
2029	-
Thereafter	-
Total	\$ (860,746)

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

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

Healthcare cost trend rates:

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

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

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

	1% Decrease	Discount Rate	1% Increase
	(2.65%)	(3.65%)	(4.65%)
Net OPEB liability	\$ 47,879,729	\$ 40,586,274	\$ 34,647,001

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 cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

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	1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 33,507,955	\$ 40,586,274	\$ 49,714,581

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

Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024,

BLADEN COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2024

employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$36,420 for the year ended June 30, 2024.

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

At June 30, 2024, Board reported an OPEB liability of \$39,248 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Board's proportion was .14757% and .12602%, respectively.

\$36,420 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 liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$	21,817
2026		13,896
2027		20,981
2028		9,545
2029		3,479
Thereafter		<u>2,342</u>
Total	\$	<u>72,060</u>

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

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

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

	1% Decrease	Discount Rate	1% Increase
	(2.00%)	(3.00%)	(4.00%)
Net OPEB liability	\$ 47,181	\$ 39,248	\$ 31,170

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

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

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, 2023. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 1.3%.

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, 2024:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (197,944)	\$ 57,648	\$ (140,296)
OPEB liability (asset)	40,586,274	39,248	40,625,522
Proportionate share of the net OPEB liability or asset	0.15231%	0.14757%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 446,934	\$ 34,396	\$ 481,330
Changes of assumptions	4,396,729	2,860	4,399,589
Net difference between projected and actual earnings on plan investments	324,224	51,263	375,487
Changes in proportion and differences between Board contributions and proportionate share of contributions	6,374,500	14,358	6,388,858
Board contributions subsequent to the measurement date	<u>2,363,991</u>	<u>36,420</u>	<u>2,400,411</u>
Total deferred outflows of resources	<u>\$ 13,906,378</u>	<u>\$ 139,297</u>	<u>\$ 14,045,675</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 39,766	\$ 21,739	\$ 61,505
Changes of assumptions	10,828,090	6,700	10,834,790
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>1,535,277</u>	<u>2,378</u>	<u>1,537,655</u>
Total deferred inflows of resources	<u>\$ 12,403,133</u>	<u>\$ 30,817</u>	<u>\$ 12,433,950</u>

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

2. Accounts Payable

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

	Vendors and Other
Governmental activities:	
General Fund	\$ 159,527
Other governmental activities	<u>16,723</u>
Total governmental activities	<u>\$ 176,250</u>
Business-type activities:	
School Food Service Fund	<u>\$ 6,589</u>

3. Unearned Revenues

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

Governmental activities:	
County and SCIF Grant funds (Capital Outlay Fund)	<u>\$ 366,675</u>
Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 4,885</u>

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,825,203	\$ 273,706
Changes of assumptions	5,409,280	10,834,790
Net difference between projected and actual earnings on pension and OPEB plan investments	8,382,592	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,415,768	1,616,733
Board contributions subsequent to the measurement date	<u>8,237,548</u>	<u>-</u>
Total	<u>\$ 33,270,391</u>	<u>\$ 12,725,229</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains

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

general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$2,550,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from Federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

The Board does not carry supplemental flood insurance in case of natural disasters since there is no Board-owned property in flood zones.

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 \$250,000. The remaining employees that have access to funds are bonded under a blanket bond for \$175,000.

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

6. Long-Term Obligations

a. 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 financing arrangements. The Board entered into such direct placement financing contracts for the purchase of school buses during the 2021-2022 fiscal year. The 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.

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

The future minimum payments of the direct placement installment purchases as of June 30, 2024, are as follows:

Year Ending June 30:	<u>Governmental Activities</u> <u>Principal</u>
2025	\$ 26,613
2026	-
2027	-
Total	<u>\$ 26,613</u>

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, 2024:

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
Governmental activities:					
Installment purchases	\$ 125,425	\$ -	\$ 98,812	\$ 26,613	\$ 26,613
Net pension liability	20,928,549	6,738,955	-	27,667,504	-
Net OPEB liability	29,237,665	9,857,087	-	39,094,752	-
Compensated absences	<u>2,942,989</u>	<u>2,329,485</u>	<u>2,479,561</u>	<u>2,792,913</u>	<u>1,313,463</u>
Total	<u>\$ 53,234,628</u>	<u>\$ 18,925,527</u>	<u>\$ 2,578,373</u>	<u>\$ 69,581,782</u>	<u>\$ 1,340,076</u>
Business-type activities:					
Net pension liability	\$ 839,077	\$ 244,254	\$ -	\$ 1,083,331	\$ -
Net OPEB liability	1,173,654	357,116	-	1,530,770	-
Compensated absences	<u>130,083</u>	<u>81,052</u>	<u>96,602</u>	<u>114,533</u>	<u>52,403</u>
Total	<u>\$ 2,142,814</u>	<u>\$ 682,422</u>	<u>\$ 96,602</u>	<u>\$ 2,728,634</u>	<u>\$ 52,403</u>

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

C. Interfund Balances and Activity

1. Interfund balances

The composition of interfund balances as of June 30, 2024 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
State Public School Fund	General Fund	\$ 84,446
Federal Grants Fund	General Fund	\$ 163,978

The amount above represents an interfund balance created in the normal operating cycle of the Board. The amount is expected to be paid prior to June 30, 2025.

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

2. Transfers to/from other Funds

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

From the State Public School Fund to the School Food Service Fund for personnel costs \$ 69,148

D. 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	\$	1,471,732
Less:		
Inventories		(65,348)
Stabilization by State statute		(16,141)
Appropriated fund balance in 2024-2025 budget		<u>(350,000)</u>
Remaining fund balance	\$	<u>1,040,243</u>

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2024 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursement program	\$	642,714
Indirect costs allocated		940,372
Private grants and programs		16,004
Contributions and donations		10,700
Tuition and fees		32,085
Local sales tax refund		148,510
Other reimbursements and refunds		735
Rental of school property		2,280
Contracted services		246,237
Other		<u>262</u>
Total other revenues	\$	<u>2,039,899</u>

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 (Asset)
Retiree Health Benefit Fund

Schedule of Board Contributions
Retiree Health Benefit Fund

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

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	2024	2023	2022	2021	2020
Board's proportion of the net pension liability (asset)	0.17245%	0.14666%	0.15516%	0.15703%	0.15772%
Board's proportionate share of the net pension liability	\$ 28,750,835	\$ 21,767,626	\$ 7,265,524	\$ 18,972,360	\$ 16,350,765
Board's covered payroll	\$ 32,572,033	\$ 27,148,161	\$ 26,144,152	\$ 25,987,397	\$ 25,899,120
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	88.27%	80.18%	27.79%	73.01%	63.13%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%
	2019	2018	2017	2016	2015
Board's proportion of the net pension liability (asset)	0.16498%	0.16905%	0.17328%	0.17661%	0.18424%
Board's proportionate share of the net pension liability	\$ 16,425,556	\$ 13,413,173	\$ 15,926,222	\$ 6,508,428	\$ 2,160,068
Board's covered payroll	\$ 25,543,468	\$ 25,295,958	\$ 24,550,640	\$ 25,741,867	\$ 26,360,368
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	64.30%	53.02%	64.87%	25.28%	8.19%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 5,837,137	\$ 5,661,019	\$ 4,446,869	\$ 3,850,349	\$ 3,389,724
Contributions in relation to the contractually required contribution	<u>5,837,137</u>	<u>5,661,019</u>	<u>4,446,869</u>	<u>3,850,349</u>	<u>3,389,724</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 33,109,703	\$ 32,572,033	\$ 27,148,161	\$ 26,144,152	\$ 25,987,397
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 3,183,002	\$ 2,753,586	\$ 2,524,537	\$ 2,246,384	\$ 2,355,381
Contributions in relation to the contractually required contribution	<u>3,183,002</u>	<u>2,753,586</u>	<u>2,524,537</u>	<u>2,246,384</u>	<u>2,355,381</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 25,899,120	\$ 25,543,468	\$ 25,295,958	\$ 24,550,640	\$ 25,741,867
Contributions as a percentage of covered payroll	12.29%	9.98%	9.98%	9.15%	9.15%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability/asset	0.15231%	0.12806%	0.13256%	0.13293%	0.13471%
Board's proportionate share of the net OPEB liability (asset)	\$ 40,586,274	\$ 30,409,874	\$ 40,982,972	\$ 36,876,190	\$ 42,622,281
Board's covered payroll	\$ 32,572,033	\$ 27,148,161	\$ 26,144,152	\$ 25,987,397	\$ 25,899,120
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	124.60%	112.01%	156.76%	141.90%	164.57%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	6.92%	4.40%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Board's proportion of the net OPEB liability/asset	0.14179%	0.14473%	0.14631%		
Board's proportionate share of the net OPEB liability (asset)	\$ 40,393,513	\$ 47,452,186	\$ 63,649,160		
Board's covered payroll	\$ 25,543,468	\$ 25,295,958	\$ 24,550,640		
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	158.14%	187.59%	259.26%		
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	2.41%		

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,363,991	\$ 2,244,213	\$ 1,707,619	\$ 1,740,212	\$ 1,690,942
Contributions in relation to the contractually required contribution	<u>2,363,991</u>	<u>2,244,213</u>	<u>1,707,619</u>	<u>1,740,212</u>	<u>1,690,942</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 33,109,703	\$ 32,572,033	\$ 27,148,161	\$ 26,144,152	\$ 25,987,397
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,623,875	\$ 1,545,380	\$ 1,465,941	\$ 1,374,165	\$ 1,411,140
Contributions in relation to the contractually required contribution	<u>1,623,875</u>	<u>1,545,380</u>	<u>1,465,941</u>	<u>1,374,165</u>	<u>1,411,140</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 25,899,120	\$ 25,543,468	\$ 25,295,958	\$ 24,550,640	\$ 25,741,867
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability/asset	0.14757%	0.12602%	0.13489%	0.13557%	0.13645%
Board's proportionate share of the net OPEB liability (asset)	\$ 39,248	\$ 37,488	\$ (22,033)	\$ (66,692)	\$ (58,878)
Board's covered payroll	\$ 32,572,033	\$ 27,148,161	\$ 26,144,152	\$ 25,987,397	\$ 25,899,120
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.12%	0.14%	0.08%	0.26%	0.23%
Plan fiduciary net position as a percentage of the total OPEB liability	90.61%	105.18%	105.18%	115.57%	113.00%
	<u>2019</u>	<u>2018</u>	<u>2017</u>		
Board's proportion of the net OPEB liability/asset	0.14386%	0.14660%	0.15181%		
Board's proportionate share of the net OPEB liability (asset)	\$ (43,699)	\$ (89,602)	\$ (94,274)		
Board's covered payroll	\$ 25,543,468	\$ 25,295,958	\$ 24,550,640		
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.17%	0.35%	0.41%		
Plan fiduciary net position as a percentage of the total OPEB liability	108.47%	116.23%	116.06%		

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 36,420	\$ 32,572	\$ 24,433	\$ 23,446	\$ 26,135
Contributions in relation to the contractually required contribution	<u>36,420</u>	<u>32,572</u>	<u>24,433</u>	<u>23,446</u>	<u>26,135</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 33,109,703	\$ 32,572,033	\$ 27,148,161	\$ 26,144,152	\$ 25,987,397
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 36,259	\$ 35,761	\$ 95,879	\$ 100,609	\$ 105,386
Contributions in relation to the contractually required contribution	<u>36,259</u>	<u>35,761</u>	<u>95,879</u>	<u>100,609</u>	<u>105,386</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 25,899,120	\$ 25,543,468	\$ 25,295,958	\$ 24,550,640	\$ 25,741,867
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

INDIVIDUAL FUND SCHEDULES

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

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Bladen County			
County appropriation	\$ 8,032,619	\$ 8,014,619	\$ (18,000)
Other:			
Fines and forfeitures	150,000	134,083	(15,917)
Indirect costs allocated	225,000	225,000	-
Total other	375,000	359,083	(15,917)
Total revenues	8,407,619	8,373,702	(33,917)
Expenditures:			
Current:			
Instructional services:			
Regular instructional	1,957,613	1,928,901	28,712
Special populations	122,905	122,905	-
Alternative programs	100,613	68,309	32,304
School leadership	815,069	720,908	94,161
Co-curricular	214,010	209,072	4,938
School-based support	305,550	305,550	-
Total instructional services	3,515,760	3,355,645	160,115
System-wide support services:			
Support and development	209,198	108,198	101,000
Special population support and development	8,268	3,528	4,740
Alternative programs and services support and development	5,682	5,682	-
Technology support	304,136	304,136	-
Operational support	2,415,517	2,250,824	164,693
Financial and human resource services	568,628	568,628	-
Accountability	10,233	10,233	-
System-wide pupil support	2,500	1,979	521
Policy, leadership and public relations	364,460	348,939	15,521
Total system-wide support services	3,888,622	3,602,147	286,475
Ancillary services:			
Nutrition	66,500	66,500	-
Nonprogrammed charges:			
Payments to other governments	1,286,737	1,286,735	2

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenditures: (Continued)			
Total expenditures	<u>8,757,619</u>	<u>8,311,027</u>	<u>446,592</u>
Revenues over (under) expenditures	(350,000)	62,675	412,675
Fund balance appropriated	<u>350,000</u>	-	<u>(350,000)</u>
Net change in fund balance	<u>\$ -</u>	62,675	<u>\$ 62,675</u>
Fund balance:			
Beginning of year		1,390,944	
Increase (decrease) in reserve for inventories		<u>18,113</u>	
End of year		<u>\$ 1,471,732</u>	

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

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
Public School Capital Fund - Needs Based Lottery	\$ 15,000,000	\$ 14,963,718	\$ (36,282)
Public School Capital Fund - Lottery	300,000	118,943	(181,057)
State appropriations - buses	500,000	98,812	(401,188)
Total State of North Carolina	<u>15,800,000</u>	<u>15,181,473</u>	<u>(618,527)</u>
Bladen County:			
Restricted portion of sales tax	<u>655,000</u>	<u>1,479,906</u>	<u>824,906</u>
Other:			
Local sales tax	5,000	6,416	1,416
Other	<u>113,749</u>	<u>23,929</u>	<u>(89,820)</u>
Total other	<u>118,749</u>	<u>30,345</u>	<u>(88,404)</u>
Total revenues	<u>16,573,749</u>	<u>16,691,724</u>	<u>117,975</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	<u>204,000</u>	<u>145,855</u>	<u>58,145</u>
System-wide support services:			
Operational support:			
Various painting	-	527,271	-
Other operational support	-	1,755,536	-
Total operational support	<u>2,427,152</u>	<u>2,282,807</u>	<u>144,345</u>
Debt service:			
Principal retirement	<u>500,000</u>	<u>98,812</u>	<u>401,188</u>
Capital outlay			
Real property and buildings	15,000,000	14,963,718	36,282
Furnishings and equipment	412,502	335,266	77,236
Vehicles	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Total capital outlay	<u>16,112,502</u>	<u>15,298,984</u>	<u>813,518</u>
Total expenditures	<u>19,243,654</u>	<u>17,826,458</u>	<u>1,417,196</u>
Revenues over (under) expenditures	(2,669,905)	(1,134,734)	1,535,171
Other financing sources:			
Installment purchase obligations issued	700,000	-	(700,000)
Fund balance appropriated	<u>1,969,905</u>	<u>-</u>	<u>(1,969,905)</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,134,734)</u>	<u>\$ (1,134,734)</u>
Fund balance:			
Beginning of year		<u>2,531,679</u>	
End of year		<u>\$ 1,396,945</u>	

BLADEN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2024

	Revenues	Expenditures	Net change in fund balance	Fund balances June 30, 2023	Fund balances June 30, 2024
West Bladen High School	\$ 297,924	\$ 278,562	\$ 19,362	\$ 177,465	\$ 196,827
East Bladen High School	354,636	345,391	9,245	108,801	118,046
Tar Heel Middle	94,450	80,123	14,327	29,238	43,565
Elizabethtown Middle	87,008	82,249	4,759	17,578	22,337
Clarkton School of Discovery	143,347	135,190	8,157	50,213	58,370
Bladenboro Middle	147,787	150,287	(2,500)	38,800	36,300
Plain View Elementary	21,063	23,024	(1,961)	15,714	13,753
Bladenboro Primary	75,555	81,356	(5,801)	29,709	23,908
Bladen Lakes Primary	49,543	53,031	(3,488)	11,428	7,940
Bladen Early College	31,010	28,684	2,326	7,498	9,824
Dublin Elementary	19,732	27,256	(7,524)	20,575	13,051
East Arcadia	6,546	6,129	417	2,319	2,736
Elizabethtown Primary	<u>36,506</u>	<u>25,856</u>	<u>10,650</u>	<u>36,789</u>	<u>47,439</u>
Totals	<u>\$ 1,365,107</u>	<u>\$ 1,317,138</u>	<u>\$ 47,969</u>	<u>\$ 546,127</u>	<u>\$ 594,096</u>

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

	Final Budget	Actual	Variance with Final Budget
Operating revenues - food sales	\$ 185,000	\$ 164,609	\$ (20,391)
Operating expenditures:			
Business support services:			
Purchase of food	-	1,652,345	-
Donated commodities	-	190,812	-
Salaries and benefits	-	2,114,824	-
Materials and supplies	-	40,828	-
Repairs and maintenance	-	17,682	-
Contracted services	-	8,246	-
Other	-	30,655	-
Total operating expenditures	<u>4,260,306</u>	<u>4,055,392</u>	<u>204,914</u>
Operating loss	<u>(4,075,306)</u>	<u>(3,890,783)</u>	<u>184,523</u>
Nonoperating revenues:			
Federal reimbursements and grants	3,300,050	3,634,057	334,007
Federal commodities	<u>207,048</u>	<u>190,812</u>	<u>(16,236)</u>
Total nonoperating revenues	<u>3,507,098</u>	<u>3,824,869</u>	<u>317,771</u>
Excess (deficiency) of revenues over expenditures before other financing sources and fund balance appropriated	(568,208)	(65,914)	502,294
Other financing sources:			
Transfers from other funds	-	69,148	69,148
Fund balance appropriated	<u>568,208</u>	<u>-</u>	<u>(568,208)</u>
Net change in fund balance	<u>\$ -</u>	3,234	<u>\$ 3,234</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(117,971)	
Capital contributions		379,028	
Net pension liability		(244,254)	
Net OPEB liability		(357,116)	
Deferred outflows		481,408	
Deferred inflows		173,815	
Decrease in compensated absences payable		15,550	
Decrease in inventories		<u>(4,216)</u>	
Change in net position (full accrual)		<u>\$ 329,478</u>	

COMPLIANCE SECTION



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

To the Bladen County Board of Education
Elizabethtown, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Bladen County Board of Education, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises the Bladen County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated October 8, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bladen County Board of Education's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bladen County Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Anderson Smith & Wike PLLC

*October 8, 2024
West End, North Carolina*



INDEPENDENT AUDITORS' REPORT

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

To the Bladen County Board of Education
Elizabethtown, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bladen County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Bladen County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bladen County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Bladen County Board of Education's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Bladen County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a

substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bladen County Board of Education's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bladen County Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Bladen County Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Bladen County Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Anderson Smith & Wike PLLC

October 8, 2024
West End, North Carolina



INDEPENDENT AUDITORS' REPORT

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

To the Bladen County Board of Education
Elizabethtown, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Bladen County Board of Education, North Carolina's compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2024. The Bladen County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Bladen County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Bladen County Board of Education's State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Bladen County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Bladen County Board of Education's compliance with the requirements of each major State program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Bladen County Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Bladen County Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of Bladen County Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Anderson Smith & Wike PLLC

October 8, 2024
West End, North Carolina

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	<i>No</i>
• Significant deficiency(ies) identified that are not considered to be material weaknesses	<i>None Identified for Reporting</i>
Noncompliance material to financial statements noted	<i>No</i>

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	<i>No</i>
• Significant deficiency(ies) identified that are not considered to be material weaknesses	<i>None Identified for Reporting</i>
Type of auditors' report issued on compliance for major federal programs	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<i>No</i>

Identification of major federal programs:

AL Numbers	Names of Federal Program or Cluster
	Child Nutrition Cluster:
10.555	National School Lunch Program (Commodities)
10.555	Supply Chain Assistance Funds
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children
84.010	Title I – Grants to Local Educational Agencies
84.425	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B Programs	<u><i>\$ 750,000</i></u>
Auditee qualified as low-risk auditee?	<i>Yes</i>

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

State Awards

Internal control over major State programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

Type of auditors' report issued on compliance for major State programs

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

No

Identification of major State programs:

Program Name

State Public School Fund
Career and Technical Education – State Months of Employment
N.C. Pre-Kindergarten Program

Dollar threshold used to distinguish between Major State Programs

\$ 500,000

Auditee qualified as low-risk auditee?

Yes

Section II - Financial Statement Findings

None reported.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

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

There were no audit findings reported in the prior year.

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

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 190,812
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	1,082,754
National School Lunch Program	10.555	PRC 035	2,230,849
After School Snack Program	10.556	PRC 036	2,216
Supply Chain Assistance Funds	10.555	PRC 035	98,165
Summer Food Service Program for Children	10.559	PRC 035	82,016
Cash Assistance Subtotal			<u>3,496,000</u>
Fresh Fruit and Vegetable Grant	10.582	PRC 035	82,003
Total School Nutrition Cluster			<u>3,768,815</u>
Passed-through the N.C. Department of Health and Human Services:			
Child and Adult Care Food Program	10.558	PRC 035	56,054
Total U.S. Department of Agriculture			<u>3,824,869</u>
<u>U.S. Department of the Treasury</u>			
Passed-through the N.C. Office of State Management and Budget:			
N.C. Pandemic Recovery Office:			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			
School Bus Safety Pilot Program	21.027	PRC 140	222,446
Total U.S Department of Treasury			<u>222,446</u>

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

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
<u>U.S. Department of Education</u>			
Office of Elementary and Secondary Education:			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050 & 105	3,682,567
Migrant Education	84.011	PRC 051	617,520
Supporting Effective Instruction	84.367	PRC 103	284,789
Language Acquisition Grant	84.365	PRC 104	42,315
Language Acquisition Grant - Significant Increase	84.365	PRC 111	1,718
Rural and Low Income Schools	84.358	PRC 109	144,906
Student Support and Academic Enrichment	84.424	PRC 108	328,731
Education Stabilization Fund:			
CARES Act:			
COVID-19 - Rethink Education Stipends Grant	84.425B	PRC 146	12,936
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	396
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	7,490,402
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	875
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	34,217
COVID-19 - ESSER III - National Board for Professional Teaching Standards (NBPTS) Certification Fee Reimbursement	84.425U	PRC 198	3,800
COVID-19 - ARP - ESSER III - Principal Retention	84.425U	PRC 206	16,685
Total COVID-19 - Education Stabilization Fund	84.425		<u>7,559,311</u>
Office of Special Education and Rehabilitative Services:			
Passed-through the N.C. Department of Public Instruction:			
Individuals with Disabilities Education Act			
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	1,223,713
COVID-19 - ARP - Grants to States - IDEA, part B (611)	84.027	PRC 185	113,724
Special Needs Targeted Assistance	84.027	PRC 118	6,612
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	10,746
COVID-19 - ARP - Preschool Grants - IDEA, Part B (619)	84.173	PRC 186	1,950
Preschool Targeted Assistance	84.173	PRC 119	592
Total Special Education Cluster			<u>1,357,337</u>
Title VI-B, Education of the Handicapped	84.323	PRC 082	233

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

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	103,083
Total U.S. Department of Education			<u>14,122,510</u>
<u>U.S. Department of Health and Human Services</u>			
Health Resources and Services Administration Passed-through the N.C. Department of Public Instruction: Abstinence Education	93.235	PRC 101	38,269
<u>U.S. Department of Defense</u>			
Direct Program: ROTC	None		133,531
Total Federal Assistance			<u>18,341,625</u>
State Grants:			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	33,559,671
Career and Technical Education:			
State Months of Employment		PRC 013	1,677,657
Program Support Funds		PRC 014	146,468
Driver Training		PRC 012	84,518
School Technology Fund		PRC 015	64,287
Passed-through Bladen County:			
Public School Capital Fund - Lottery Needs Based		PRC 075	14,963,718
Public School Capital Fund - Lottery		PRC 076	118,943
Cash assistance subtotal			50,615,262
Non-Cash Assistance:			
State Buses Appropriations		PRC 120	98,812
Total NC Department of Public Instruction			<u>50,714,074</u>

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

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
NC Pre-Kindergarten Program		PRC 413	991,147
Passed-through Bladen County:			
State School Nurse Initiative		PRC 615	250,000
Division of Vocational Rehabilitation Services:			
Vocational Rehabilitation Students			<u>5,724</u>
Total NC Department of Health and Human Services			<u>1,246,871</u>
Total State Assistance			<u>51,960,945</u>
Total Federal and State Assistance			<u>\$ 70,302,570</u>

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

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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