

# Annual Comprehensive Financial Report

Year Ended June 30, 2024



Onslow County Board Of Education

Jacksonville, North Carolina

# **Annual Comprehensive Financial Report**

## **For the Fiscal Year Ended June 30, 2024**

**Onslow County Board Of Education**  
Jacksonville, North Carolina

Prepared by the Onslow County Schools' Finance Office



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# Introductory Section

OCS

ONSLOW  
COUNTY  
SCHOOLS







Board of Education  
Ken Reddic, Chairman • Bradley Williams, Vice-Chairman  
Elbert Garvey • Bill Lanier • Melissa Oakley • Louis Rogers • Angie Todd

Superintendent  
Barry D. Collins, Ed.D.

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October 25, 2024

**To the Members of the Onslow County Board of Education  
and the Citizens of Onslow County, North Carolina**

The Annual Comprehensive Financial Report of the Onslow County Board of Education (Board) for the fiscal year ended June 30, 2024 is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with management. The Finance Office, in accordance with generally accepted accounting principles, has prepared this report. We believe the data presented is accurate in all material respects and that it is presented in a manner which fairly reflects the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity have been included.

**Reporting Entity**

The Onslow County Board of Education is an organized governmental entity providing public elementary and secondary education to the students of Onslow County, North Carolina. Programs span from pre-kindergarten through 12<sup>th</sup> grade and provide instruction through general education, special education, and vocational education classes. Onslow County Schools served 27,357 students in average daily membership during the second month of the 2023-2024 school year. Although membership decreased from the previous year, Onslow County Schools experienced an average growth of more than two hundred students per year over the last ten years. Consistent with past growth, student enrollment is projected to continue to increase. Students are served on forty-one campuses throughout the county. These sites include one early college high school, seven high schools, eight middle schools, twenty-two elementary schools, one pre-kindergarten center, one alternative learning center, and one career technical education center plus a virtual school for grades K-12. Original construction on these campuses ranges from 1 year old to 84 years old with an average of 42 years. (Charter schools are legally separate entities that are not components of the Onslow County Board of Education. Public charter schools are funded by State and local funds on an equivalent per pupil basis as the district's schools. As required by State statute, local funds from county appropriations flow through the school district to charter schools.)

Based upon N.C. General Statute 115C-40 and in accordance with generally accepted accounting principles, the Onslow County Board of Education is not included in any other reporting entity. The statute empowers the Board with general control and supervision of all matters pertaining to public education in Onslow County. Thus, the Board has sufficient discretion in management of its affairs to distinguish it as separate from the administrative structure of any governmental unit.

**Management's Discussion and Analysis**

A narrative overview accompanies the basic financial statements in the management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A which should be

read in conjunction with the financial statements. The MD&A can be found immediately following the independent auditor's report.

## **Economic Condition and Outlook**

Onslow County is located in southeastern North Carolina and is bordered by the Atlantic Ocean to the east. The County is approximately 120 miles east of Raleigh and 50 miles north of Wilmington, NC.

Onslow County has a flat, gently rolling terrain which slopes from an altitude of 63 feet at the town of Richlands to sea level and covers a total of 767 square miles. Of this total, about 246 square miles make up U.S. Marine Corps Base Camp Lejeune and U.S. Marine Corps Air Station New River. The city of Jacksonville is the County seat. Jacksonville and the areas surrounding Jacksonville comprise the major population center in the County. The County is home to about 210,000 people and includes the towns of North Topsail Beach, Holly Ridge, Richlands, Swansboro, and parts of Surf City.

Onslow County also offers a natural playground for the ultimate in outdoor coastal recreation and sports with over 30 miles of beautiful beaches sprinkled with shells, waters teeming with an abundance of marine life, forests filled with sporting wildlife, and farmland rich with harvests.

Construction activity continues in Onslow County as evidenced by 948 new units of residential construction in fiscal year 2024.

Agriculture remains a major economic factor in Onslow County but less so as the County population grows. The total of agricultural products sold for 2022 was reported at \$251 million. Livestock (hogs), poultry, and their products account for much of the money being brought into the County. Crops grown in the County include corn, soybeans, cotton, tobacco, wheat, and nursery and greenhouse crops. From 2017 to 2022, there has been a 12.3% increase in the number of smaller acreage farms (1 to 9 acres). The Onslow County Farmers' Market is an essential part of connecting local growers and producers to the community. Timber sales within the County are also a significant industry with the County's many acres of woodlands. According to a 2020 report from the NC Cooperative Extension, Onslow County has approximately 154,856 acres of privately owned timberland. Landowners received an estimated stumpage harvest value of \$11.2 million. The forest sector in Onslow County supported 296 jobs with a payroll of approximately \$9.0 million. In addition to acres of farmland and woodlands, Onslow County is home to a variety of coastal waterways where, in 2022, commercial fisheries sold nearly 1.5 million pounds of products worth \$3.6 million.

Camp Lejeune, the largest Marine Corps installation on the East Coast, makes its home in the County. Marine Corps Air Station New River continues to support the Lejeune based units. Marine Corps Installations East, which serves as the regional command for Marine bases located on the East Coast, is located at Camp Lejeune. This command includes air stations and logistics bases. The bases also house a full component of Navy and Coast Guard personnel associated with port security. For 2021, the Marine Corps estimated that Camp Lejeune and New River Air Station contributed over \$3.7 billion to the local economy of the County and surrounding areas in the form of payroll to military, civilian employees and retirees, material supply and service contracts, healthcare for service members and families and on base construction.

Several programs to support military dependents have successfully encouraged more dependents to remain in the community during deployments of family members. Changes in troop rotation schedules and practices have also had the effect of reducing the negative effects of deployments of the County.

Tourism continues to be a growing industry for the County. It is estimated that the local tourism industry generates more than \$87.3 million in wages for approximately 2,332 full-time employees. Visitors to Onslow County spent an estimated \$379.82 million in 2022.

The unemployment rate for Onslow County as of June 2024 was 4.7%. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, communications equipment, inbound logistics centers, assembly/light manufacturing industries, industries that are suppliers to the military, and marine trades such as boat building. With a large military dependent population, these industries are well suited for the existing work force.

The County is marketing its 730-acre Industrial Park located on U.S. Highway 258 and within a 10-minute drive of Albert J. Ellis Airport, which serves the County. The N. A. Burton Industrial Park is a Certified Industrial Site with the North Carolina Department of Commerce. It will play a critical role in the economic development of the County as the County works to encourage businesses to locate in eastern North Carolina.

### **Major Initiatives**

The safety, security, and well-being of our students and staff has been a top priority for the school district. In furtherance of ongoing measures, the district has increased the number of personnel dedicated to these areas including nurses, social workers, student monitors, safety officers, and at least one full-time School Resource Officer at each school. Other enhancements include additional security cameras, threat monitoring systems, pertinent training for school staff, and the adoption of the Standard Response Protocol in coordination with law enforcement. Weapons detection systems are also being implemented at each high school.

Faced with great uncertainties surrounding the reopening of schools in August of 2020 due to the ongoing Covid-19 pandemic, Onslow County Schools accelerated long envisioned aspirations of standing up a fully virtual school. Students were enrolled and staff placed within weeks prior to the start of the 2020-2021 school year at the Onslow Virtual School serving students in grades K-12. Demand for the fully virtual school exceeded 4600 students. Students were provided with necessary resources including laptops and learning management system as well as digital and other resources. Although most students returned to traditional school campuses for the 2021-2022 school year, the fully virtual school choice remains an ongoing option for students who are best served in a virtual school environment.

To increase the educational opportunities available to students, the Onslow County Board of Education has implemented other new major programs. The Onslow County Early College High School is located on the campus of Coastal Carolina Community College. This school empowers students to earn their high school diploma and an Associate Degree simultaneously during their four-year high school experience. In addition, the State provided a grant to construct and outfit the Eastern North Carolina Regional Career Center located in Burton Industrial Park on land donated by the Onslow County Board of Commissioners. The center provides advanced career skills to high school juniors and seniors. Offerings include automotive/collision repair, welding, culinary arts, and cyber security/technology. The center is also available to high school students of other counties in the region as well as high school students from the Department of Defense Education Activity schools located on local military installations.

The Onslow County Board of Commissioners and the Onslow County Board of Education adopted a Joint Educational Funding Policy in fiscal year 2014 with implementation beginning in fiscal year 2015 which provided a comprehensive foundational framework for determining funding in the three areas that

the school district relies upon the County for funding - operational, annual capital outlay, and major construction projects. In 2020, a mutual agreement between the boards was adopted for a new formula for operational expense funding that was based on a percentage of property and sales tax revenues collected by the County with implementation first occurring in fiscal year 2021. Likewise, a mutual agreement was adopted to provide specified successive increases for annual capital outlay funding beginning with fiscal year 2021. These ongoing agreements demonstrate a strong commitment from the Board of County Commissioners and provide the basis for consistent long-range planning.

To meet the demands the school system faces in the future, the Onslow County Board of Education developed a ten-year “Long Range Facility Needs Assessment”. The study outlines future student population projections and matches these trends to existing plant configurations in order to determine facility requirements. The Board has secured funding for these major construction projects through agreements with the County.

The Public Schools Capital Improvement Program established with the County provides for major construction projects necessary to serve the district’s student population with annual reviews and adjustments to be made on an ongoing basis. The initial plan provided for five new schools and one campus expansion being started during the first ten years. Construction of the first new school in this agreement, Dixon Middle School, started in fiscal year 2015 and opened in August 2017. The construction project for the second new school in this plan, Richlands Elementary School, began in fiscal year 2016 and opened in August 2018. Construction of the third new school in this agreement, Coastal Elementary School, started in fiscal year 2020 and opened in August 2021. The fourth school project in this agreement, Clear View Elementary School, started in fiscal year 2020 and opened in August 2022. Construction projects started in fiscal year 2023 include an additional elementary school scheduled to open in August 2025 and a middle school expansion project scheduled to open during the 2025-2026 school year. Ongoing discussions are scheduled in order to continue planning for the ten-year construction horizon.

The Onslow County Board of Education, with efforts of the staff, principals, and citizens, has adopted a Strategic Plan. This plan specifies goals, strategies, and outcomes. In the coming school year, Onslow County Schools will continue its implementation of a process designed to achieve quality through a continuous improvement model. The program will continue to increase the standard of excellence in the Onslow County Schools. The district has been recognized for being the first school system in North Carolina and the seventh nationally to achieve district-wide accreditation from the Southern Association of Colleges and Schools/Council on Accreditation and School Improvement. The Onslow County Board of Education also became the first district in North Carolina to achieve district-wide reaccreditation.

For over a decade, Onslow County Schools has consistently outperformed the State in its “Four Year Graduation Rate,” demonstrating a commitment to strong student achievement. For the year 2023-2024, Onslow County Schools’ graduation rate was 88.9%, surpassing the State average by nearly two percentage points, and continuing this long-standing tradition of excellence.

The system continues implementation of a long-range technology plan through significant ongoing upgrades to the network infrastructure and the technology support delivery model. The technology implementation strategy is based on a three-tiered approach. Tier 1 supports teacher productivity through a one-to-one sustainable laptop deployment for certified instructional staff while Tier 2 supports classroom productivity through devices such as smart boards. Tiers 1 & 2 were the first phases to have been implemented and maintained. Tier 3 supports student productivity through a one-to-one laptop approach for students. Implementation of the first phase of Tier 3 was implemented in fiscal year 2015 in grades 7, 8, and 9. Grades 5 and 10 were added in fiscal year 2016. Grades 4, 6, and 11 were added

in fiscal year 2017. With the addition of Grades 3 and 12 in fiscal year 2018, full implementation of the initial Tier 3 plan to cover grades 3 through 12 was achieved. The district has maintained a four-year rolling replacement cycle for Tier 3 devices. During the spring of 2020, additional laptops were issued to students in grades 1 and 2 while tablet computers were issued to Kindergarten students in order to continue instruction remotely at all grade levels due to the COVID-19 pandemic restrictions on in-person learning. The Tier 3 plan now includes one-to-one technology for grades K-12 in order to support ongoing instructional needs.

### **Internal Control**

The internal control structure is designed to provide reasonable assurance that the assets of the Board are protected from loss, theft, or misuse and to ensure the reliability of financial records for preparing financial statements in accordance with generally accepted accounting principles. This structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived.

### **Budgetary Control**

North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1<sup>st</sup> of each year. The Board's annual budget resolution authorizes expenditures at the purpose level within each fund on a modified accrual basis. Financial activities are governed by the School Budget and Fiscal Control Act which requires a pre-audit procedure to ensure that funds are available for expenditure.

### **Independent Audit**

North Carolina General Statutes require an annual independent audit by independent certified public accountants. Anderson Smith & Wike, P.L.L.C., a firm of independent certified public accountants, has audited the financial statements and their opinion is included in the financial section of this report. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. The auditor's reports related specifically to the single audit are included in that supplemental report.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Onslow County Board of Education for its annual comprehensive financial report for the fiscal year ended June 30, 2023. Also, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence for Financial Reporting to the Onslow County Board of Education for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the twenty-first consecutive year that the Onslow County Board of Education has received these prestigious awards. In order to be awarded a Certificate, the Board must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate Programs' requirements, and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

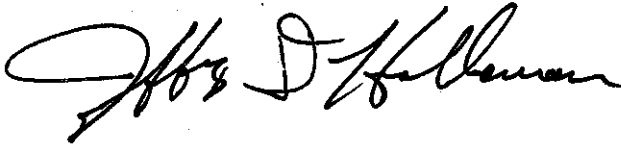
## Acknowledgements

This report could not have been prepared without the efficient and dedicated services of the staff in the Finance Office. We would like to express our appreciation to all of these people for their assistance and contributions in developing the final report. Also, we would like to thank the members of the Onslow County Board of Education for their interest and support in planning and conducting the financial operations of the school system in a dedicated and responsible manner.

Respectfully submitted,



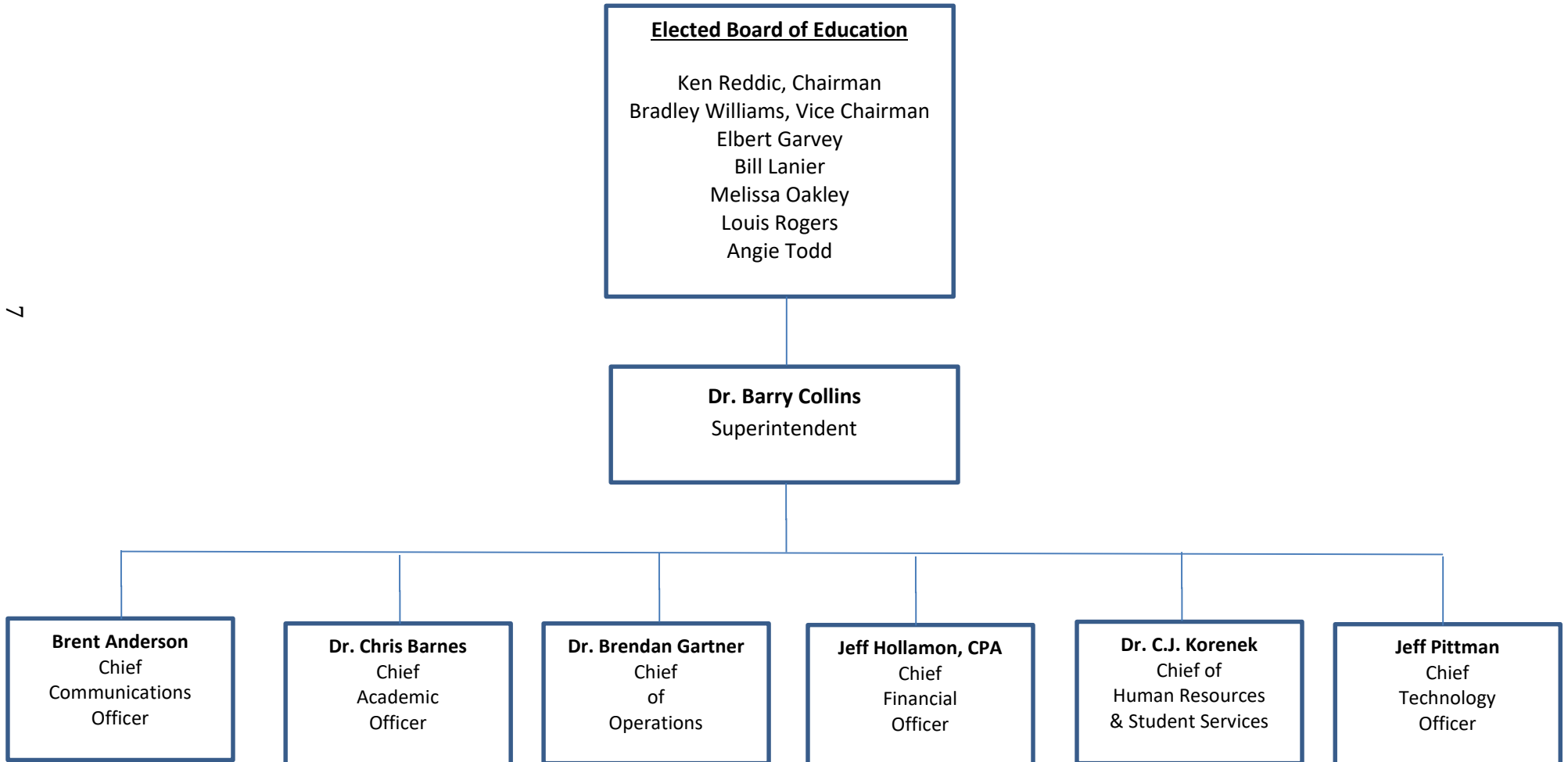
Dr. Barry D. Collins, Superintendent



Jeffrey D. Hollamon, CPA  
Chief Financial Officer

# List of Principal Officials & Organization Chart

As of June 30, 2024





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Onslow County Board of Education  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Onslow County Board of Education**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2023.**

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



A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
**President**

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
**CEO/Executive Director**



# Financial Section





# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Onslow County Board of Education  
Jacksonville, 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 Onslow 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 Onslow 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 Onslow 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, the Other Special Revenue and the Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

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

### ***Required Supplementary Information***

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

### **Supplementary Information**

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the Onslow 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 Onslow 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 Onslow County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

October 25, 2024  
Rockingham, North Carolina

## **ONSTLOW COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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This section of the Onslow 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 \$48.1 million. Governmental activities net position increased by \$47.8 million and business-type activities net position increased by \$339 thousand.
- The district experienced a reduction in average daily membership of 430 students compared to the previous year. This abnormal reduction is not consistent with the steady growth pattern observed in the past.
- Two major construction projects were underway to address ongoing demands for instructional facilities that will provide another elementary school and will expand an existing middle school.

### ***Overview of the Financial Statements***

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

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary schedules for the General Fund, the Capital Outlay Fund and for the School Food Service Fund.*

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.

### ***Government-wide Statements***

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the

## **ONslow COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

Onslow County Board of Education has three types of funds:

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

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

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



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

*Fiduciary Fund:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Onslow 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 of this report.

***Financial Analysis of the Board as a Whole***

Net position is an indicator of the fiscal health of the Board. Total assets and deferred outflows exceeded total liabilities and deferred inflows by \$126.7 million as of June 30, 2024 as compared to \$78.6 million as of June 30, 2023, an increase of \$48.1 million. The largest component of net position is net investment in capital assets, of \$301.0 million. Following is a summary of the Statement of Net Position at June 30, 2024 and 2023:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current and other assets	\$ 134,089,823	\$ 114,849,636	\$ 11,722,188	\$ 12,110,439	\$ 145,812,011	\$ 126,960,075
Capital assets	<u>300,328,801</u>	<u>279,737,264</u>	<u>1,380,246</u>	<u>1,082,893</u>	<u>301,709,047</u>	<u>280,820,157</u>
Total assets	<u>434,418,624</u>	<u>394,586,900</u>	<u>13,102,434</u>	<u>13,193,332</u>	<u>447,521,058</u>	<u>407,780,232</u>
Deferred outflows of resources	<u>132,733,981</u>	<u>113,403,416</u>	<u>2,327,514</u>	<u>2,074,090</u>	<u>135,061,495</u>	<u>115,477,506</u>
Current and other liabilities	10,331,609	7,137,162	359,316	345,308	10,690,925	7,482,470
Long-term liabilities	<u>365,867,777</u>	<u>323,153,012</u>	<u>6,408,922</u>	<u>5,914,346</u>	<u>372,276,699</u>	<u>329,067,358</u>
Total liabilities	<u>376,199,386</u>	<u>330,290,174</u>	<u>6,768,238</u>	<u>6,259,654</u>	<u>382,967,624</u>	<u>336,549,828</u>
Deferred inflows of resources	<u>71,616,788</u>	<u>106,137,101</u>	<u>1,255,815</u>	<u>1,941,194</u>	<u>72,872,603</u>	<u>108,078,295</u>
Net investment in capital assets	299,577,404	279,215,076	1,380,246	1,082,893	300,957,650	280,297,969
Restricted net position	28,701,203	31,415,487	-	-	28,701,203	31,415,487
Unrestricted net position (deficit)	<u>(208,942,176)</u>	<u>(239,067,522)</u>	<u>6,025,649</u>	<u>5,983,681</u>	<u>(202,916,527)</u>	<u>(233,083,841)</u>
Total net position	<u>\$ 119,336,431</u>	<u>\$ 71,563,041</u>	<u>\$ 7,405,895</u>	<u>\$ 7,066,574</u>	<u>\$ 126,742,326</u>	<u>\$ 78,629,615</u>

The net position of the Board's governmental activities increased \$47.8 million during the year, to a balance of \$119.3 million at June 30, 2024, indicating an improvement in the financial condition of the Board. Restricted net position decreased \$2.7 million from the prior year, and net investment in capital assets increased \$20.4 million due to an excess of capital additions over depreciation expense for the year. Note that the Board carries capital assets for which Onslow County carries the offsetting debt.

Net position reported in the Board's business-type activities was \$7.4 million at June 30, 2024, an increase of \$339 thousand over the amount reported at June 30, 2023. This increase is the amount of net profit generated by our school food service operations during the 2024 fiscal year.

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

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

**Table 2**  
**Condensed Statement of Revenues, Expenses, and Changes in Net Position**  
**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	\$ 6,152,407	\$ 6,193,483	\$ 2,929,444	\$ 2,669,014	\$ 9,081,851	\$ 8,862,497
Operating grants and contributions	239,121,376	234,013,696	11,298,360	11,000,482	250,419,736	245,014,178
Capital grants and contributions	855,417	911,990	-	-	855,417	911,990
General revenues:						
County appropriations	102,388,048	68,135,385	-	-	102,388,048	68,135,385
State appropriations	12,396,825	11,889,842	-	-	12,396,825	11,889,842
Federal appropriations	10,665,259	7,468,701	-	-	10,665,259	7,468,701
Other revenues	8,006,685	5,494,823	417,526	179,618	8,424,211	5,674,441
Total revenues	<u>379,586,017</u>	<u>334,107,920</u>	<u>14,645,330</u>	<u>13,849,114</u>	<u>394,231,347</u>	<u>347,957,034</u>
Expenses:						
Governmental activities:						
Instructional services	257,637,963	217,520,657	-	-	257,637,963	217,520,657
System-wide support services	58,799,527	50,599,677	-	-	58,799,527	50,599,677
Ancillary services	520,959	459,344	-	-	520,959	459,344
Non-programmed charges	1,963,338	468,922	-	-	1,963,338	468,922
Unallocated depreciation	12,845,840	12,528,580	-	-	12,845,840	12,528,580
Business-type activities:	-	-				
School food service	-	-	14,351,009	13,464,766	14,351,009	13,464,766
Total expenses	<u>331,767,627</u>	<u>281,577,180</u>	<u>14,351,009</u>	<u>13,464,766</u>	<u>346,118,636</u>	<u>295,041,946</u>
Excess before transfers	47,818,390	52,530,740	294,321	384,348	48,112,711	52,915,088
Transfers in (out)	(45,000)	(417,888)	45,000	417,888	-	-
Increase in net position	47,773,390	52,112,852	339,321	802,236	48,112,711	52,915,088
Beginning net position	71,563,041	19,450,189	7,066,574	6,264,338	78,629,615	25,714,527
Ending net position	<u>\$ 119,336,431</u>	<u>\$ 71,563,041</u>	<u>\$ 7,405,895</u>	<u>\$ 7,066,574</u>	<u>\$ 126,742,326</u>	<u>\$ 78,629,615</u>

Total governmental activities generated revenues of \$379.6 million while expenses, including transfers, in this category totaled \$331.8 million for the year ended June 30, 2024, resulting in the aforementioned increase in net position of \$47.8 million. Comparatively, revenues were \$334.1 million and expenses and transfers totaled \$282.0 million for the year ended June 30, 2023, resulting in an increase in net position of \$52.1 million. In comparing the two years, there was an increase in revenues of \$45.5 million, or 13.6%, while expenses, including transfers, increased by \$49.8 million, or 17.7%. The changes in both revenues and expenses are largely attributable to an increase of \$34.3 million in County appropriations received and expended through the General and Capital Outlay funds. This increased funding was primarily used for instructional and system-wide support services expenses, as well as for capital improvements throughout the district. Expenses were also significantly impacted by a \$25.1 million year-over-year increase in pension and OPEB plan expenses due to changes in actuarial valuations and allocation percentages.

To encourage excellence in education, fiscal sustainability, and create more consistent long-range budget planning, the Board of Education and the Board of County Commissioners jointly adopted an Annual

## **ONslow COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS**

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Current Expense Funding Agreement and a Capital Outlay Funding Agreement in 2020 with implementation beginning in fiscal year 2022. The base funding amount for the local current expense General Fund is 36.1% of the sum of property tax and sales tax received by the County for the calendar year immediately preceding the fiscal year funded. To address sudden wide variations in school population, an additional provision was included. The funding amount is adjusted upward by 0.5% to 36.6% for the fiscal year funded when the immediately preceding school year's second month average daily membership shows a growth of more than 375 students over that figure in the prior year. Likewise, the funding amount is adjusted downward by 0.5% to 35.6% for the fiscal year funded when the immediately preceding school year's second month average daily membership shows a decline of more than 375 students under that figure in the prior year. The initial term of this agreement was for funding through fiscal year 2024 with automatic renewals each year thereafter unless appropriate notice is provided. In accordance with the agreement, the automatic one-year renewal for funding of fiscal year 2026 became effective February 1, 2024. The agreement for Capital Outlay funding provides successive increases to address deferred and ongoing capital needs. Funding levels were established at the following amounts shown in millions: FY2021 - \$3.3, FY2022 - \$3.7, FY2023 - \$4.2, FY2024 - \$4.8, and FY2025 - \$5.5.

The Board's primary sources of revenues were funding from the State of North Carolina, Onslow County, and the United States Government, which respectively comprised 54.4%, 26.8% and 13.6% of our total governmental activities revenues. As would be expected, the major component of our expenses was instructional services which accounted for 77.7% of our total governmental activities expenses during the most recent fiscal year. Of the remaining 22.3% of our total expenses, 17.7% was attributable to system-wide support services.

Total business-type activities generated revenues of \$14.6 million while expenses in this category totaled \$14.4 million for the year ended June 30, 2024. Including \$45 thousand of transfers in from governmental activities, net position increased by \$339 thousand for the year ended June 30, 2024. Comparatively, revenues were \$13.8 million, expenses totaled \$13.5 million and transfers in were \$418 thousand for the year ended June 30, 2023, resulting in an increase in net position of \$802 thousand. In comparing the two periods, revenues increased \$796 thousand while expenses increased \$886 thousand. Revenues rose due largely to increases in food sales and interest income. The change in expenses was primarily due to inflationary increases related to food costs, as well as increased equipment repairs and maintenance expenses.

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

*Governmental Funds:* The focus of Onslow 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 \$129.9 million at June 30, 2024, an increase of \$16.6 million over the \$113.3 million reported at June 30, 2023. Revenues were \$382.0 million for the year ended June 30, 2024, compared to \$338.0 million in the prior year, resulting in an increase of \$43.9 million, or 13.0%. Expenditures were \$366.5 million for the current year, compared to \$318.5 million in the prior year, for an increase of \$47.9 million, or 15.0%. As previously discussed, the changes in both revenues and expenditures are largely attributable to an increase in funding received from the County through the General and Capital Outlay funds. This increased funding was primarily used for instructional services, system-wide support services and capital outlay expenditures.

The unassigned fund balance in the General Fund at June 30, 2024 stood at \$9.5 million, or 2.6%, of total governmental fund expenditures as compared to a balance of \$11.4 million at June 30, 2023. Total fund balance in the General Fund increased \$5.1 million for the year ended June 30, 2024 compared to an increase of \$4.2 million for the 2023 year. This resulted primarily due to increased revenues from County appropriations through the local funding agreement previously discussed. The increase in total fund balance in the General Fund enabled the district to maintain unassigned fund balance at a sufficient amount while increasing the level of fund balance assigned in order to budget for one-time expenditures approved by the Board.

## ONslow COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues are expended in the year received. Combined revenues in these funds increased \$5.7 million over the prior year, primarily due to increased State funding received and expended through the State Public School Fund for instructional and system-wide support services costs.

The Other Special Revenue Fund reported an increase in fund balance for the year ended June 30, 2024 of \$11.3 million compared to an increase of \$16.3 million in 2023. Revenues rose by \$3.0 million over the previous year, primarily due to an increase in federal Impact Aid grant funding received.

The Capital Outlay Fund reported fund balance of \$14.8 million at June 30, 2024, a slight increase of \$23 thousand over the prior year. The most significant revenue reported in the Capital Outlay Fund was \$27.4 million from Onslow County expended for new school construction and renovations.

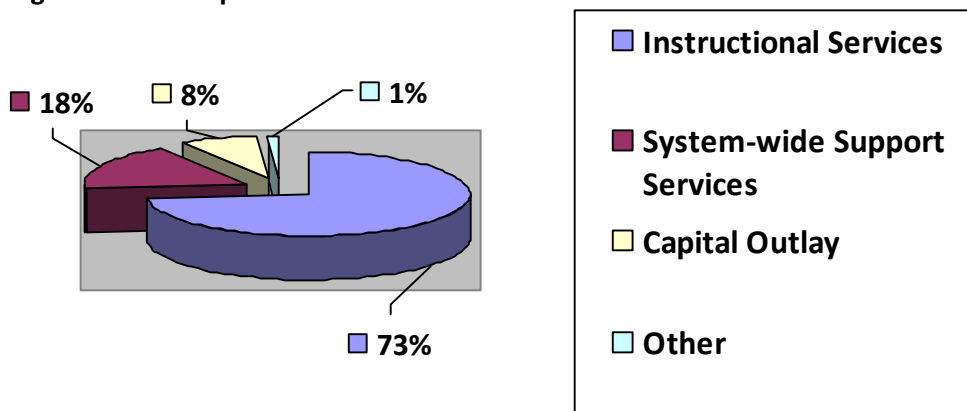
*Proprietary Funds:* The Board's business-type fund, the School Food Service Fund, reported an increase in net position in the past year of \$339 thousand compared to an increase of \$802 thousand in the 2023 year. See the discussion above under "*Financial Analysis of the Board as a Whole*" for further details regarding the year-over-year changes in operating results for the School Food Service Fund.

### **General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in program allocations and expenditure expectations. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

The following chart summarizes governmental fund expenditures:

**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

### **Capital Assets**

Capital assets increased by \$20.9 million, or 7.4%, compared to the previous year. The increase was 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.A.4 to the financial statements.

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

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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	\$ 10,387,688	\$ 10,387,688	\$ -	\$ -	\$ 10,387,688	\$ 10,387,688
Construction in progress	28,193,801	3,885,821	-	-	28,193,801	3,885,821
Buildings and improvements	250,954,787	255,711,755	-	-	250,954,787	255,711,755
Equipment and furniture	5,389,162	4,790,603	1,192,571	1,018,927	6,581,733	5,809,530
Vehicles	5,403,363	4,961,397	187,675	63,966	5,591,038	5,025,363
Total	<u>\$ 300,328,801</u>	<u>\$ 279,737,264</u>	<u>\$ 1,380,246</u>	<u>\$ 1,082,893</u>	<u>\$ 301,709,047</u>	<u>\$ 280,820,157</u>

***Debt Outstanding***

During the year, the Board's long-term debt increased from \$522 thousand at June 30, 2023 to \$751 thousand at June 30, 2024. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. Onslow County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2.B.6 to the financial statements.

***Requests for Information***

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

Jeffrey D. Hollamon, Chief Financial Officer  
Onslow County Board of Education  
200 Broadhurst Road  
Jacksonville, NC 28540

## **Basic Financial Statements**

**ONslow COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 131,022,831	\$ 11,145,316	\$ 142,168,147
Due from other governments	2,021,047	342,342	2,363,389
Receivables	12,780	-	12,780
Internal balances	5,167	(5,167)	-
Inventories	1,027,998	239,697	1,267,695
Capital assets:			
Land and construction in progress	38,581,489	-	38,581,489
Other capital assets, net of depreciation	261,747,312	1,380,246	263,127,558
Total capital assets	300,328,801	1,380,246	301,709,047
Total assets	434,418,624	13,102,434	447,521,058
<b>Deferred Outflows of Resources</b>			
Pension and OPEB plans	132,733,981	2,327,514	135,061,495
<b>Liabilities</b>			
Accounts payable and accrued expenses	3,538,173	25,873	3,564,046
Accrued salaries and wages payable	636,751	-	636,751
Unearned revenue	-	209,404	209,404
Long-term liabilities:			
Due within one year	6,156,685	124,039	6,280,724
Due in more than one year	365,867,777	6,408,922	372,276,699
Total liabilities	376,199,386	6,768,238	382,967,624
<b>Deferred Inflows of Resources</b>			
Pension and OPEB plans	71,616,788	1,255,815	72,872,603
<b>Net position</b>			
Net investment in capital assets	299,577,404	1,380,246	300,957,650
Restricted for:			
Stabilization by State statute	175,644	-	175,644
School capital outlay	2,772,895	-	2,772,895
Hurricane relief	19,734,152	-	19,734,152
Programs	1,873,355	-	1,873,355
Individual schools activities	4,145,157	-	4,145,157
Unrestricted (deficit)	(208,942,176)	6,025,649	(202,916,527)
Total net position	\$ 119,336,431	\$ 7,405,895	\$ 126,742,326

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

**ONSLOW 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	\$ 146,307,618	\$ -	\$ 129,896,042	\$ -	\$ (16,411,576)	\$ -	\$ (16,411,576)
Special populations	44,972,150	-	41,938,662	-	(3,033,488)	-	(3,033,488)
Alternative programs	15,641,538	-	15,536,382	-	(105,156)	-	(105,156)
School leadership	15,171,803	-	8,555,076	-	(6,616,727)	-	(6,616,727)
Co-curricular	12,023,676	6,098,141	8,074	-	(5,917,461)	-	(5,917,461)
School-based support	23,521,178	-	16,501,265	-	(7,019,913)	-	(7,019,913)
System-wide support services:							
Support and development	1,643,652	-	90,825	-	(1,552,827)	-	(1,552,827)
Special population support and development	210,591	-	219,800	-	9,209	-	9,209
Alternative programs and services support and development	641,764	-	336,612	-	(305,152)	-	(305,152)
Technology support	2,442,511	-	745,950	-	(1,696,561)	-	(1,696,561)
Operational support	44,042,973	54,266	21,489,900	855,417	(21,643,390)	-	(21,643,390)
Financial and human resource services	6,343,941	-	235,912	-	(6,108,029)	-	(6,108,029)
Accountability	309,305	-	17,342	-	(291,963)	-	(291,963)
System-wide pupil support	746,495	-	11,303	-	(735,192)	-	(735,192)
Policy, leadership and public relations	2,418,295	-	900,228	-	(1,518,067)	-	(1,518,067)
Ancillary services	520,959	-	311,811	-	(209,148)	-	(209,148)
Non-programmed charges	1,963,338	-	2,326,192	-	362,854	-	362,854
Unallocated depreciation expense**	12,845,840	-	-	-	(12,845,840)	-	(12,845,840)
Total governmental activities	331,767,627	6,152,407	239,121,376	855,417	(85,638,427)	-	(85,638,427)
Business-type activities:							
School food service	14,351,009	2,929,444	11,298,360	-	-	(123,205)	(123,205)
Total primary government	\$ 346,118,636	\$ 9,081,851	\$ 250,419,736	\$ 855,417	(85,638,427)	(123,205)	(85,761,632)
General revenues:							
Unrestricted county appropriations - operating					74,890,226	-	74,890,226
Unrestricted county appropriations - capital					27,497,822	-	27,497,822
Unrestricted State appropriations - operating					11,596,825	-	11,596,825
Unrestricted Federal appropriations - operating					10,665,259	-	10,665,259
Unrestricted State appropriation - capital					800,000	-	800,000
Investment earnings, unrestricted					4,236,361	404,197	4,640,558
Miscellaneous, unrestricted					3,770,324	13,329	3,783,653
Total general revenues					133,456,817	417,526	133,874,343
Transfers					(45,000)	45,000	-
Total general revenues and transfers					133,411,817	462,526	133,874,343
Change in net position					47,773,390	339,321	48,112,711
Net position - beginning					71,563,041	7,066,574	78,629,615
Net position - ending					\$ 119,336,431	\$ 7,405,895	\$ 126,742,326

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



**ONSLOW 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	
<b>Assets</b>							
Cash and cash equivalents	\$ 38,676,740	\$ -	\$ -	\$ 73,001,394	\$ 15,197,598	\$ 4,147,099	\$ 131,022,831
Due from other governments	812	-	-	154,421	1,865,814	-	2,021,047
Accounts receivable	2,504	-	-	10,276	-	-	12,780
Due from other funds	5,689	-	-	1,942	-	-	7,631
Inventories	1,027,998	-	-	-	-	-	1,027,998
Total assets	<u>\$ 39,713,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,168,033</u>	<u>\$ 17,063,412</u>	<u>\$ 4,147,099</u>	<u>\$ 134,092,287</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 1,125,492	\$ -	\$ -	\$ 105,871	\$ 2,306,810	\$ -	\$ 3,538,173
Accrued salaries and wages payable	636,751	-	-	-	-	-	636,751
Due to other funds	-	-	-	522	-	1,942	2,464
Total liabilities	<u>1,762,243</u>	<u>-</u>	<u>-</u>	<u>106,393</u>	<u>2,306,810</u>	<u>1,942</u>	<u>4,177,388</u>
Fund balances:							
Nonspendable:							
Inventories	1,027,998	-	-	-	-	-	1,027,998
Restricted:							
Stabilization by State statute	9,005	-	-	166,639	-	-	175,644
School capital outlay	-	-	-	-	2,772,895	-	2,772,895
Hurricane relief	-	-	-	7,750,445	11,983,707	-	19,734,152
Programs	-	-	-	1,873,355	-	-	1,873,355
Individual schools	-	-	-	-	-	4,145,157	4,145,157
Committed:							
Disaster recovery	14,000,000	-	-	-	-	-	14,000,000
Assigned:							
Subsequent year's expenditures	13,387,065	-	-	-	-	-	13,387,065
Special revenues	-	-	-	63,271,201	-	-	63,271,201
Unassigned	9,527,432	-	-	-	-	-	9,527,432
Total fund balances	<u>37,951,500</u>	<u>-</u>	<u>-</u>	<u>73,061,640</u>	<u>14,756,602</u>	<u>4,145,157</u>	<u>129,914,899</u>
Total liabilities and fund balances	<u>\$ 39,713,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,168,033</u>	<u>\$ 17,063,412</u>	<u>\$ 4,147,099</u>	<u>\$ 134,092,287</u>

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

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

**Exhibit 3 (continued)**

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

Total fund balances of governmental funds	\$ 129,914,899
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	300,328,801
Deferred outflows of resources related to pensions	94,003,411
Deferred outflows of resources related to OPEB	38,730,570
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.	(12,936,271)
Net pension liability	(157,214,231)
Net OPEB liability	(201,873,960)
Deferred inflows of resources related to pensions	(2,938,075)
Deferred inflows of resources related to OPEB	<u>(68,678,713)</u>
Net position of governmental activities	<u>\$ 119,336,431</u>

**ONslow 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	\$ -	\$ 205,800,866	\$ -	\$ 158,472	\$ 1,655,417	\$ -	\$ 207,614,755
Onslow County:							
Local current expense	74,890,226	-	-	-	-	-	74,890,226
Other	-	-	-	-	27,439,830	-	27,439,830
U.S. Government	-	-	38,553,850	13,556,778	-	-	52,110,628
Other	649,979	-	-	12,557,172	602,290	6,098,141	19,907,582
Total revenues	<u>75,540,205</u>	<u>205,800,866</u>	<u>38,553,850</u>	<u>26,272,422</u>	<u>29,697,537</u>	<u>6,098,141</u>	<u>381,963,021</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	16,254,309	118,078,277	13,612,866	4,131,812	-	-	152,077,264
Special populations	807,057	35,079,626	7,339,908	3,315,361	-	-	46,541,952
Alternative programs	276,807	3,327,430	9,679,988	2,912,256	-	-	16,196,481
School leadership	3,485,384	11,879,177	378,091	97,863	-	-	15,840,515
Co-curricular	5,697,301	-	8,074	456,700	-	5,950,748	12,112,823
School-based support	5,633,870	15,433,606	2,851,798	416,484	-	-	24,335,758
System-wide support services:							
Support and development	1,447,224	69,833	20,992	173,442	-	-	1,711,491
Special population support and development	-	32,397	187,403	-	-	-	219,800
Alternative programs and services support and development	-	-	336,612	334,710	-	-	671,322
Technology support	1,715,896	739,491	6,459	-	-	-	2,461,846
Operational support	25,020,453	20,046,328	1,398,572	1,097,675	1,084,626	-	48,647,654
Financial and human resource services	6,299,562	174,551	61,361	-	-	-	6,535,474
Accountability	303,129	12,498	4,844	-	-	-	320,471
System-wide pupil support	755,602	-	11,303	-	-	-	766,905
Policy, leadership and public relations	1,591,564	882,652	17,576	4,177	-	-	2,495,969
Ancillary services	209,148	-	311,811	-	-	-	520,959
Non-programmed charges	901,016	-	2,326,192	1,113,134	-	-	4,340,342
Debt service:							
Principal retirement	-	-	-	-	855,417	-	855,417
Capital outlay	-	-	-	922,709	28,898,895	-	29,821,604
Total expenditures	<u>70,398,322</u>	<u>205,755,866</u>	<u>38,553,850</u>	<u>14,976,323</u>	<u>30,838,938</u>	<u>5,950,748</u>	<u>366,474,047</u>
Revenues over (under) expenditures	<u>5,141,883</u>	<u>45,000</u>	<u>-</u>	<u>11,296,099</u>	<u>(1,141,401)</u>	<u>147,393</u>	<u>15,488,974</u>
Other financing sources (uses):							
Transfers to other funds	-	(45,000)	-	-	-	-	(45,000)
Proceeds from sale of capital assets	-	-	-	-	80,260	-	80,260
Installment purchase obligations issued	-	-	-	-	1,084,626	-	1,084,626
Total other financing sources (uses)	<u>-</u>	<u>(45,000)</u>	<u>-</u>	<u>-</u>	<u>1,164,886</u>	<u>-</u>	<u>1,119,886</u>
Net change in fund balance	5,141,883	-	-	11,296,099	23,485	147,393	16,608,860
Fund balances:							
Beginning of year	32,824,197	-	-	61,765,541	14,733,117	3,997,764	113,320,619
Change in reserve for inventories	(14,580)	-	-	-	-	-	(14,580)
End of year	<u>\$ 37,951,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,061,640</u>	<u>\$ 14,756,602</u>	<u>\$ 4,145,157</u>	<u>\$ 129,914,899</u>

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

**ON SLOW COUNTY BOARD OF EDUCATION****Exhibit 5****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**

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

Net changes in fund balances - total governmental funds	\$ 16,608,860
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(14,580)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	20,596,105
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	30,132,904
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	12,391,580
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(80,260)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	264,910
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(229,209)
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	(39,548,769)
OPEB (expense) benefit	7,620,498
Compensated absences	(44,341)
Gain on disposal of capital assets	<u>75,692</u>
Total changes in net position of governmental activities	<u>\$ 47,773,390</u>

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

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

**Exhibit 6**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Onslow County	\$ 74,890,226	\$ 74,890,226	\$ 74,890,226	\$ -
Other	685,000	685,000	649,979	(35,021)
Total revenues	<u>75,575,226</u>	<u>75,575,226</u>	<u>75,540,205</u>	<u>(35,021)</u>
Expenditures:				
Current:				
Instructional services	45,294,019	43,088,591	32,154,728	10,933,863
System-wide support services	49,547,183	58,331,969	37,133,430	21,198,539
Ancillary services	250,000	250,000	209,148	40,852
Non-programmed charges	<u>741,925</u>	<u>953,595</u>	<u>901,016</u>	<u>52,579</u>
Total expenditures	<u>95,833,127</u>	<u>102,624,155</u>	<u>70,398,322</u>	<u>32,225,833</u>
Revenues over (under) expenditures	(20,257,901)	(27,048,929)	5,141,883	32,190,812
Fund balance appropriated	<u>20,257,901</u>	<u>27,048,929</u>	-	<u>(27,048,929)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,141,883	<u>\$ 5,141,883</u>
Fund balances:				
Beginning of year			32,824,197	
Change in reserve for inventories			<u>(14,580)</u>	
End of year			<u>\$ 37,951,500</u>	

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

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

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 208,568,224	\$ 217,207,617	\$ 205,800,866	\$ (11,406,751)
Expenditures:				
Current:				
Instructional services	188,086,006	194,600,796	183,798,116	10,802,680
System-wide support services	20,437,218	22,561,821	21,957,750	604,071
Total expenditures	208,523,224	217,162,617	205,755,866	11,406,751
Revenues over expenditures	45,000	45,000	45,000	-
Other financing uses:				
Transfers to other funds	(45,000)	(45,000)	(45,000)	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
End of year			\$ -	

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

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

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 56,995,583	\$ 58,458,525	\$ 38,553,850	\$ (19,904,675)
Expenditures:				
Current:				
Instructional services	42,308,167	52,003,484	33,870,725	18,132,759
System-wide support services	11,597,915	2,432,965	2,045,122	387,843
Ancillary services	43,924	374,507	311,811	62,696
Non-programmed charges	3,045,577	3,647,569	2,326,192	1,321,377
Total expenditures	56,995,583	58,458,525	38,553,850	19,904,675
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
End of year			\$ -	

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

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

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 100,000	\$ 158,472	\$ 158,472	\$ -
U.S. Government	10,088,130	10,324,718	13,556,778	3,232,060
Other	8,121,090	9,809,391	12,557,172	2,747,781
Total revenues	18,309,220	20,292,581	26,272,422	5,979,841
Expenditures:				
Current:				
Instructional services	21,023,757	25,075,834	11,330,476	13,745,358
System-wide support services	2,702,277	2,738,339	1,610,004	1,128,335
Non-programmed charges	103,823	1,122,199	1,113,134	9,065
Capital outlay	33,356,123	32,288,994	922,709	31,366,285
Total expenditures	57,185,980	61,225,366	14,976,323	46,249,043
Revenues over (under) expenditures	(38,876,760)	(40,932,785)	11,296,099	52,228,884
Fund balance appropriated	38,876,760	40,932,785	-	(40,932,785)
Net change in fund balance	\$ -	\$ -	11,296,099	\$ 11,296,099
Fund balances:				
Beginning of year			61,765,541	
End of year			\$ 73,061,640	

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



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

**Exhibit 7**

	Enterprise Major Fund School Food Service
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 11,145,316
Due from other governments	342,342
Due from other funds	522
Inventories	239,697
Total current assets	<u>11,727,877</u>
Noncurrent assets:	
Capital assets:	
Furniture and equipment, net	<u>1,380,246</u>
Total assets	<u>13,108,123</u>
<b>Deferred Outflows of Resources</b>	
Pension and OPEB plans	<u>2,327,514</u>
<b>Liabilities</b>	
Current liabilities:	
Accounts payable and accrued liabilities	25,873
Due to other funds	5,689
Compensated absences	124,039
Unearned revenue	209,404
Total current liabilities	<u>365,005</u>
Noncurrent liabilities:	
Net pension liability	2,756,780
Net OPEB liability	3,539,897
Compensated absences	112,245
Total noncurrent liabilities	<u>6,408,922</u>
Total liabilities	<u>6,773,927</u>
<b>Deferred Inflows of Resources</b>	
Pension and OPEB plans	<u>1,255,815</u>
<b>Net position</b>	
Investment in capital assets	1,380,246
Unrestricted	6,025,649
Total net position	<u>\$ 7,405,895</u>

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

**ONSLOW COUNTY BOARD OF EDUCATION** **Exhibit 8**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2024**

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	Enterprise Major Fund School Food Service
Operating revenues:	
Food sales	\$ 2,929,444
Other	<u>227</u>
Total operating revenues	<u>2,929,671</u>
Operating expenses:	
Food processing costs:	
Purchase of food	6,242,686
Donated commodities	1,021,564
Food processing supplies	532,849
Salaries and benefits	5,247,795
Indirect costs	457,130
Materials and supplies	10,453
Repairs and maintenance	298,489
Depreciation	195,288
Non-capitalized equipment	105,575
Contracted services	175,134
Other	<u>64,046</u>
Total operating expenses	<u>14,351,009</u>
Operating loss	<u>(11,421,338)</u>
Nonoperating revenues:	
Federal reimbursements	10,199,678
Federal commodities	1,021,564
State reimbursements	77,118
Gain on disposal of equipment	13,102
Interest earned	<u>404,197</u>
Total nonoperating revenues	<u>11,715,659</u>
Income before transfers	294,321
Transfers from other funds	<u>45,000</u>
Change in net position	339,321
Net position, beginning of year	<u>7,066,574</u>
Net position, end of year	<u>\$ 7,405,895</u>

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

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

**Exhibit 9**

	Enterprise Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 2,914,400
Cash paid for goods and services	(7,735,635)
Cash paid to employees for services	(5,639,255)
Other	227
Net cash used by operating activities	<u>(10,460,263)</u>
Cash flows from noncapital financing activities:	
Due to other funds	4,725
Due from other funds	(522)
Federal reimbursements	10,321,975
Net cash provided by noncapital financing activities	<u>10,326,178</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(497,532)
Proceeds from disposal of equipment	17,993
Net cash used by capital and related financing activities	<u>(479,539)</u>
Cash flows from investing activities:	
Interest earned on investments	404,197
Net decrease in cash and cash equivalents	(209,427)
Cash and cash equivalents, beginning of year	11,354,743
Cash and cash equivalents, end of year	<u>\$ 11,145,316</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (11,421,338)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	195,288
Donated commodities	1,021,564
Salaries paid by State Public School Fund	45,000
Changes in assets, liabilities, deferred outflows and deferred inflows:	
Decrease in inventories	129,442
Increase in accounts payable and accrued liabilities	21,285
Decrease in unearned revenue	(15,044)
Increase in net pension liability	290,369
Increase in net OPEB liability	225,027
Increase in deferred outflows	(253,424)
Decrease in deferred inflows	(685,379)
Decrease in compensated absences payable	(13,053)
Total adjustments	<u>961,075</u>
Net cash used by operating activities	<u>\$ (10,460,263)</u>

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

**ONslow COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS (continued)**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2024**

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**Exhibit 9 (continued)**

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$1,021,564 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

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

The School Service Fund reported a gain on disposal of capital assets of \$13,102.

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

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

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**Exhibit 10**

	<u>Administrative Fund</u>
<b>Assets</b>	
Cash	<u>\$    484,945</u>
<b>Net Position</b>	
Assets held in trust for private purpose	<u>\$    484,945</u>

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

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

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**Exhibit 11**

	<u>Administrative Fund</u>
Additions:	
Contributions and other revenue	\$ 24,765
Deductions:	
Instructional costs	<u>1,400</u>
Change in net position	23,365
Beginning net position	<u>461,580</u>
Ending net position	<u>\$ 484,945</u>

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



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

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

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

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

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

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

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 allowed 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.



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*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 Onslow County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, lottery proceeds, as well as certain State assistance.

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

*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.

The Board reports the following nonmajor governmental fund:

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

The Board reports the following major enterprise fund:

*School Food Service Fund.* The School Food Service Fund is a major fund and 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 financial resources related to scholarships and awards under the control of the Board.

**C. Measurement Focus and Basis of Accounting**

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

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

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

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both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

**D. Budgetary Data**

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds and the fiduciary fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level, which is the legal level of budgetary control, for all annually budgeted funds. The Board has authorized the Superintendent to move moneys from one purpose to another within a fund with a report of such transfers being required at the next Board meeting. The budgetary purpose levels include instructional services, system-wide support services, ancillary services, non-programmed charges and capital outlay. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**E. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balances**

**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 consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

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

**2. Cash and Cash Equivalents**

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

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3. Inventories

The inventories of the Board are valued at cost, and the Board uses the average cost assumption in determining the 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 reserved.

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

4. Capital Assets

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

For capital assets utilized in 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 and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

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

	<u>Years</u>
Buildings and improvements	20 - 50
Equipment and furniture	5 - 12
Vehicles	8

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

5. Deferred outflows and inflows of resources

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

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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 in the government-wide and proprietary fund financial statements are 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 five 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 Capital Outlay – portion of fund balance that can only be used for capital outlay. [G.S. 159-18 through 22]

Restricted for hurricane relief – portion of fund balance restricted for hurricane relief expenditures in accordance with State grantor guidelines.

Restricted for Programs – portion of fund balance that has externally enforceable limitations on use from grantors or other governments.

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

*Committed fund balance* – portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Board of Education's governing body (highest level of decision-making authority) and in certain instances approval by the County's governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action.

Disaster recovery – portion of fund balance that is for hurricane or other disaster recovery expenditures.

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

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

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

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that may report a positive unassigned fund balance. 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. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by assigned fund balance and lastly unassigned fund balance. Flexibility in implementation of this policy may be utilized if it is in the best interest of the Board of Education.

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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 \$(10,578,468) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 546,238,192
Less accumulated depreciation	(245,909,391)
Net capital assets	300,328,801
Deferred outflows of resources related to pensions	94,003,411
Deferred outflows of resources related to OPEB	38,730,570
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	(751,397)
Compensated absences	(12,184,874)
Net pension liability	(157,214,231)
Net OPEB liability	(201,873,960)
Deferred inflows of resources related to pensions	(2,938,075)
Deferred inflows of resources related to OPEB	(68,678,713)
Total adjustment	<u>\$ (10,578,468)</u>

**ONSLOW COUNTY BOARD OF EDUCATION**  
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b. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$31,164,530 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 34,771,951
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	(14,175,846)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(1,084,626)
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	855,417
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	30,132,904
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	12,391,580
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities	(80,260)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
OPEB nonemployer contributions	264,910
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the funds	
Pension (expense) benefit	(39,548,769)
OPEB (expense) benefit	7,620,498
Gain on disposal of asset	75,692
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(44,341)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	(14,580)
Total adjustment	<u>\$ 31,164,530</u>

10. Defined Benefit Pension Plans

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

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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 \$117,394,291 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$124,831,005 and \$17,712,085, respectively. Of these balances, \$4,058,373 was covered by federal depository insurance and \$138,484,717 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 \$3,621,978 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and is classified in Level 1 of the fair value hierarchy. Additionally, at June 30 2024, the Board had \$21,636,823 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 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, were as follows

	Due from other funds (Internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ 5,689	\$ 812	\$ 2,504	\$ 9,005
Other government activities	(522)	2,020,235	10,276	2,029,989
Total	<u>\$ 5,167</u>	<u>\$ 2,021,047</u>	<u>\$ 12,780</u>	<u>\$ 2,038,994</u>
Business-type activities:				
School Food Service Fund	<u>\$ (5,167)</u>	<u>\$ 342,342</u>	<u>\$ -</u>	<u>\$ 337,175</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 812	Amounts due from County
Other Special Revenue Fund	154,421	State and federal funds
Capital Outlay Fund	<u>1,865,814</u>	County - school construction projects
Total	<u>\$ 2,021,047</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 342,342</u>	Federal funds

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4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 10,387,688	\$ -	\$ -	\$ 10,387,688
Construction in progress	3,885,821	30,343,170	6,035,190	28,193,801
Total capital assets not being depreciated	14,273,509	30,343,170	6,035,190	38,581,489
Capital assets being depreciated:				
Buildings and improvements	455,156,255	7,320,638	131,020	462,345,873
Equipment and furniture	16,777,782	1,371,361	813,432	17,335,711
Vehicles	27,139,552	1,771,972	936,405	27,975,119
Total capital assets being depreciated	499,073,589	10,463,971	1,880,857	507,656,703
Less accumulated depreciation for:				
Buildings and improvements	199,444,500	12,077,606	131,020	211,391,086
Equipment and furniture	11,987,179	768,234	808,864	11,946,549
Vehicles	22,178,155	1,330,006	936,405	22,571,756
Total accumulated depreciation	233,609,834	14,175,846	1,876,289	245,909,391
Total capital assets being depreciated, net	265,463,755			261,747,312
Governmental activity capital assets, net	\$ 279,737,264			\$ 300,328,801
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 4,154,884	\$ 334,601	\$ 42,601	\$ 4,446,884
Vehicles	174,349	162,931	30,339	306,941
Total capital assets being depreciated	4,329,233	497,532	72,940	4,753,825
Less accumulated depreciation for:				
Furniture and office equipment	3,135,957	160,957	42,601	3,254,313
Vehicles	110,383	34,331	25,448	119,266
Total accumulated depreciation	3,246,340	195,288	68,049	3,373,579
School Food Service capital assets, net	\$ 1,082,893			\$ 1,380,246

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Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 12,845,840
Operational support services	<u>1,330,006</u>
Total	<u>\$ 14,175,846</u>

5. Construction and Other Significant Commitments

As of June 30, 2024, the Board had several projects in progress, including construction of a new elementary school. At year-end, the Board's commitments with contractors for the remaining portion of contracts related to these projects totaled approximately \$32.1 million.

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](http://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

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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 \$30,661,290 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of \$159,971,011 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 0.9595% and 0.9252%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$40,199,472. 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	\$ 13,041,422	\$ 1,180,699
Changes of assumptions	5,617,970	-
Net difference between projected and actual earnings on pension plan investments	44,551,914	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,779,182	1,808,896
Board contributions subsequent to the measurement date	30,661,290	-
Total	<u>\$ 95,651,778</u>	<u>\$ 2,989,595</u>

\$30,661,290 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2025	\$ 19,433,227
2026	11,398,801
2027	29,265,744
2028	<u>1,903,121</u>
Total	<u>\$ 62,000,893</u>

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

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

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

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

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

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

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

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

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	\$ 274,632,739	\$ 159,971,011	\$ 65,378,805

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

b. Other Post-employment Benefits

1. Healthcare Benefits

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

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

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

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

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

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

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2024, the Board contributed 7.14% of covered payroll, which amounted to \$12,417,562 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 \$269,555.

At June 30, 2024, the Board reported a liability of \$205,187,916 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially

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determined. At June 30, 2023 and 2022, the Board's proportion was 0.7700% and 0.7762%, respectively.

\$12,417,562 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:

Year ended June 30:

2025	\$ (16,398,676)
2026	(18,625,319)
2027	(11,580,999)
2028	3,203,064
Total	<u>\$ (43,401,930)</u>

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

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

Healthcare cost trend rates:

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

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

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

	1% decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability	\$ 242,058,108	\$ 205,187,916	\$ 175,159,462

*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



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

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00-7.50%, Pharmacy - 6.00-11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 169,400,962	\$ 205,187,916	\$ 251,334,282

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

## 2. Disability Benefits

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

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

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

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

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

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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 \$191,307 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, the Board reported a liability of \$225,941 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.8495% and 0.8209%, respectively.

\$191,307 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	\$	97,077
2026		60,693
2027		99,076
2028		33,270
2029		16,546
Thereafter		<u>13,108</u>
Total	\$	<u>319,770</u>

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	\$ 271,612	\$ 225,941	\$ 179,438

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

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

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

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

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

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (8,246,002)	\$ 301,717	\$ (7,944,285)
OPEB liability (asset)	205,187,916	225,941	205,413,857
Proportionate share of the net OPEB liability / asset	0.7700%	0.8495%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 2,259,521	\$ 198,008	\$ 2,457,529
Changes of assumptions	22,228,097	16,464	22,244,561
Net difference between projected and actual earnings on plan investments	1,639,146	295,110	1,934,256
Changes in proportion and differences between Board contributions and proportionate share of contributions	158,383	6,119	164,502
Board contributions subsequent to the measurement date	12,417,562	191,307	12,608,869
Total deferred outflows of resources	<u>\$ 38,702,709</u>	<u>\$ 707,008</u>	<u>\$ 39,409,717</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 201,043	\$ 125,144	\$ 326,187
Changes of assumptions	54,742,480	38,569	54,781,049
Changes in proportion and differences between Board contributions and proportionate share of contributions	14,743,554	32,218	14,775,772
Total deferred inflows of resources	<u>\$ 69,687,077</u>	<u>\$ 195,931</u>	<u>\$ 69,883,008</u>

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2. Accounts Payable

Payables at the government-wide level at June 30, 2024 were as follows:

	Vendors and Other	Salaries and Benefits	Total
Governmental activities:			
General	\$ 1,125,492	\$ 636,751	\$ 1,762,243
Other Governmental	2,412,681	-	2,412,681
Total governmental activities	<u>\$ 3,538,173</u>	<u>\$ 636,751</u>	<u>\$ 4,174,924</u>
Business-type activities:			
School Food Service	<u>\$ 25,873</u>	<u>\$ -</u>	<u>\$ 25,873</u>

3. Unearned Revenues

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

Prepayment of meals (School Food Service Fund)	<u>\$ 209,404</u>
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4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,498,951	\$ 1,506,886
Changes of assumptions	27,862,531	54,781,049
Net difference between projected and actual earnings on pension and OPEB plan investments	46,486,170	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,943,684	16,584,668
Board contributions subsequent to the measurement date	43,270,159	-
Total	<u>\$ 135,061,495</u>	<u>\$ 72,872,603</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1,000,000 each claim made/\$3,150,000 coverage period aggregate. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage.

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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, insuring 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.

In accordance with G.S. 115C-442, the Board's employees who are required to have an individual performance bond are bonded through a commercial surety bond and the remaining employees that have access to funds are bonded under a blanket bond. The finance officer is bonded for \$200,000.

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.

The Board carries commercial coverage for 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. Contingent Liabilities**

As of the date of our report, the Board was a defendant to various legal claims. The Board's management and the Board's attorney have been unable to determine the amount of loss, if any, the Board will incur as a result of these legal matters.

**7. Long-Term Obligations**

**a. Direct Placement Installment Purchases**

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through third party direct placement financing arrangements. During the current and prior fiscal years, the Board has received buses under such financing contracts. The buses are pledged as collateral for the debt while the debt is outstanding. The original amount of the outstanding installment purchase contracts totaled \$1,920,972. Each contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following three payments due on each subsequent November 15<sup>th</sup>. The future minimum payments of the installment purchases as of June 30, 2024 are as follows:

Year Ending June 30,	Governmental Activities Principal
2025	\$ 480,241
2026	271,156
Total	<u>\$ 751,397</u>

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b. Long-Term Obligation Activity

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

	<u>July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement	\$ 522,188	\$ 1,084,626	\$ 855,417	\$ 751,397	\$ 480,241
installment purchases					
Net pension liability	134,853,975	22,360,256	-	157,214,231	-
Net OPEB liability	181,244,461	20,629,499	-	201,873,960	-
Compensated absences	12,140,533	10,671,597	10,627,256	12,184,874	5,676,444
Total	<u>\$ 328,761,157</u>	<u>\$ 54,745,978</u>	<u>\$ 11,482,673</u>	<u>\$ 372,024,462</u>	<u>\$ 6,156,685</u>
Business-type activities:					
Net pension liability	\$ 2,466,411	\$ 290,369	\$ -	\$ 2,756,780	\$ -
Net OPEB liability	3,314,870	225,027	-	3,539,897	-
Compensated absences	249,337	248,057	261,110	236,284	124,039
Total	<u>\$ 6,030,618</u>	<u>\$ 763,453</u>	<u>\$ 261,110</u>	<u>\$ 6,532,961</u>	<u>\$ 124,039</u>

Compensated absences and net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General Fund 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>
School Food Service Fund	Other Special Revenue Fund	<u>\$ 522</u>
Other Special Revenue Fund	Individual Schools Fund	<u>\$ 1,942</u>
General Fund	School Food Service Fund	<u>\$ 5,689</u>

The balances above represent interfund balances created in the normal operating cycle of the Board. These amounts are expected to be paid prior to June 30, 2025.

2. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2024 consisted of the following:

The State Public School Fund transferred \$45,000 to the School Food Service Fund. This transfer was made at the request of the State of North Carolina to ensure that the State was in compliance with State matching requirements contained within the National School Lunch Program grant agreement.

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

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D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 300,328,801
Less:	
Installment purchase obligations for school buses	<u>(751,397)</u>
Net investment in capital assets, governmental activities	<u>\$ 299,577,404</u>

2. Fund Balance

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

Total fund balance - General Fund	\$ 37,951,500
Less:	
Inventories	(1,027,998)
Stabilization by State statute	(9,005)
Committed fund balance for disaster recovery	(14,000,000)
Fund balance assigned for subsequent year's expenditures	<u>(13,387,065)</u>
Unassigned fund balance	<u>\$ 9,527,432</u>

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

Federal and State Assisted Programs

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

## Required Supplementary Information



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

	2024	2023	2022	2021	2020
Board's proportion of the net pension liability/asset	0.960%	0.925%	0.927%	0.959%	0.952%
Board's proportionate share of the net pension liability (asset)	\$ 159,971,011	\$ 137,320,386	\$ 43,413,330	\$ 115,856,686	\$ 98,690,321
Board's covered payroll	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	98.10%	93.58%	30.99%	82.75%	70.85%
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	0.942%	0.919%	0.913%	0.943%	0.902%
Board's proportionate share of the net pension liability (asset)	\$ 93,792,332	\$ 72,904,818	\$ 83,895,749	\$ 34,758,050	\$ 10,575,472
Board's covered payroll	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084	\$ 117,261,381
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	70.58%	58.33%	69.89%	28.52%	9.02%
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.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 30,661,290	\$ 28,340,945	\$ 24,035,048	\$ 20,702,353	\$ 18,159,017
Contributions in relation to the contractually required contribution	<u>30,661,290</u>	<u>28,340,945</u>	<u>24,035,048</u>	<u>20,702,353</u>	<u>18,159,017</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 173,915,428	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841
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	\$ 17,119,492	\$ 14,325,410	\$ 12,473,096	\$ 10,983,606	\$ 11,152,211
Contributions in relation to the contractually required contribution	<u>17,119,492</u>	<u>14,325,410</u>	<u>12,473,096</u>	<u>10,983,606</u>	<u>11,152,211</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 139,296,111	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

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

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.770%	0.776%	0.813%	0.841%	0.838%
Board's proportionate share of the net OPEB liability (asset)	\$ 205,187,916	\$ 184,315,139	\$ 251,268,554	\$ 233,171,846	\$ 265,038,752
Board's covered payroll	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	125.83%	125.61%	179.39%	166.54%	190.27%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	6.92%	4.40%

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	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.836%	0.832%	0.800%
Board's proportionate share of the net OPEB liability (asset)	\$ 238,274,599	\$ 272,637,438	\$ 348,199,277
Board's covered payroll	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	179.30%	218.14%	290.07%
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.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 12,417,562	\$ 11,235,277	\$ 9,229,576	\$ 9,356,679	\$ 9,058,507
Contributions in relation to the contractually required contribution	<u>12,417,562</u>	<u>11,235,277</u>	<u>9,229,576</u>	<u>9,356,679</u>	<u>9,058,507</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 173,915,428	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841
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	\$ 8,733,866	\$ 8,039,771	\$ 7,261,907	\$ 6,711,275	\$ 6,686,322
Contributions in relation to the contractually required contribution	<u>8,733,866</u>	<u>8,039,771</u>	<u>7,261,907</u>	<u>6,711,275</u>	<u>6,686,322</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 139,296,111	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

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

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.850%	0.821%	0.829%	0.852%	0.852%
Board's proportionate share of the net OPEB liability (asset)	\$ 225,941	\$ 244,192	\$ (135,420)	\$ (419,271)	\$ (367,440)
Board's covered payroll	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.14%	0.17%	0.10%	0.30%	0.26%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.61%	90.34%	105.18%	115.57%	113.00%

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	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.847%	0.820%	0.822%
Board's proportionate share of the net OPEB liability (asset)	\$ (257,385)	\$ (501,178)	\$ (510,263)
Board's covered payroll	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.19%	0.40%	0.43%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	108.47%	116.23%	116.06%

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 191,307	\$ 163,066	\$ 132,061	\$ 126,063	\$ 140,008
Contributions in relation to the contractually required contribution	<u>191,307</u>	<u>163,066</u>	<u>132,061</u>	<u>126,063</u>	<u>140,008</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 173,915,428	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841
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	\$ 195,015	\$ 186,044	\$ 474,961	\$ 491,361	\$ 499,343
Contributions in relation to the contractually required contribution	<u>195,015</u>	<u>186,044</u>	<u>474,961</u>	<u>491,361</u>	<u>499,343</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 139,296,111	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

## Individual Fund Schedules

**ONslow 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:			
Onslow County:			
County appropriation - regular		\$ 73,996,963	
County appropriation - charter schools		893,263	
Total Onslow County	\$ 74,890,226	74,890,226	\$ -
Other:			
Fines and forfeitures - regular		642,226	
Fines and forfeitures - charter schools		7,753	
Total other	685,000	649,979	(35,021)
Total revenues	75,575,226	75,540,205	(35,021)
Expenditures:			
Current:			
Instructional services:			
Regular instructional		16,254,309	
Special populations		807,057	
Alternative programs		276,807	
School leadership		3,485,384	
Co-curricular		5,697,301	
School-based support		5,633,870	
Total instructional services	43,088,591	32,154,728	10,933,863
System-wide support services:			
Support and development		1,447,224	
Technology support		1,715,896	
Operational support		25,020,453	
Financial and human resource services		6,299,562	
Accountability		303,129	
System-wide pupil support		755,602	
Policy, leadership and public relations		1,591,564	
Total system-wide support services	58,331,969	37,133,430	21,198,539
Ancillary services:			
Nutrition	250,000	209,148	40,852
Non-programmed charges:			
Payments to charter schools	953,595	901,016	52,579
Total expenditures	102,624,155	70,398,322	32,225,833
Revenues over (under) expenditures	(27,048,929)	5,141,883	32,190,812



**ONSLOW 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**

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	Final Budget	Actual	Variance with Final Budget
Fund balance appropriated	27,048,929	-	(27,048,929)
Net change in fund balance	<u>\$ -</u>	5,141,883	<u>\$ 5,141,883</u>
Fund balance:			
Beginning of year		32,824,197	
Change in reserve for inventories		<u>(14,580)</u>	
End of year		<u>\$ 37,951,500</u>	

**ONslow 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:			
Lottery Capital Funds	\$ 800,000	\$ 800,000	\$ -
State appropriations - buses	3,951,941	855,417	(3,096,524)
Total State of North Carolina	4,751,941	1,655,417	(3,096,524)
Onslow County:			
Construction appropriations	58,810,171	22,639,830	(36,170,341)
General appropriations	4,800,000	4,800,000	-
Total Onslow County	63,610,171	27,439,830	(36,170,341)
Other:			
Local sales tax	27,959	57,992	30,033
Interest earned on investments	9	544,298	544,289
Total other	27,968	602,290	574,322
Total revenues	68,390,080	29,697,537	(38,692,543)
Expenditures:			
Current:			
System-wide support services:			
Operational support	4,181,150	1,084,626	3,096,524
Debt service:			
Principal retirement	855,417	855,417	-
Capital outlay	78,447,388	28,898,895	49,548,493
Total expenditures	83,483,955	30,838,938	52,645,017
Revenues under expenditures	(15,093,875)	(1,141,401)	13,952,474
Other financing sources:			
Installment purchase obligations issued	1,084,626	1,084,626	-
Proceeds from disposal of capital assets	25,000	80,260	55,260
Total other financing sources	1,109,626	1,164,886	55,260
Fund balance appropriated	13,984,249	-	(13,984,249)
Net change in fund balance	\$ -	23,485	\$ 23,485
Fund balance:			
Beginning of year		14,733,117	
End of year		\$ 14,756,602	

**ONslow 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	\$ 3,070,000	\$ 2,929,444	\$ (140,556)
Other	500	227	(273)
Total operating revenues	<u>\$ 3,070,500</u>	<u>\$ 2,929,671</u>	<u>\$ (140,829)</u>
Operating expenditures:			
Business support services:			
Purchase of food		6,113,244	
Donated commodities		1,021,564	
Food processing supplies		532,849	
Salaries and benefits		5,684,255	
Indirect costs		457,130	
Materials and supplies		10,453	
Repairs and maintenance		298,489	
Non-capitalized equipment		105,575	
Contracted services		175,134	
Other		64,046	
Capital outlay		497,532	
Total operating expenditures	<u>17,606,200</u>	<u>14,960,271</u>	<u>2,645,929</u>
Operating loss	<u>(14,535,700)</u>	<u>(12,030,600)</u>	<u>2,505,100</u>
Nonoperating revenues:			
Federal reimbursements	11,000,000	10,199,678	(800,322)
Federal commodities	1,062,000	1,021,564	(40,436)
State reimbursements	100,000	77,118	(22,882)
Proceeds from disposal of equipment	4,000	17,993	13,993
Interest earned	240,000	404,197	164,197
Total nonoperating revenues	<u>12,406,000</u>	<u>11,720,550</u>	<u>(685,450)</u>
Revenues over (under) expenditures	<u>(2,129,700)</u>	<u>(310,050)</u>	<u>1,819,650</u>
Other financing sources:			
Transfers from other funds	45,000	45,000	-
Fund balance appropriated	<u>2,084,700</u>	<u>-</u>	<u>(2,084,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>(265,050)</u>	<u>\$ (265,050)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(195,288)	
Net pension liability		(290,369)	
Net OPEB liability		(225,027)	
Deferred outflows - pension and OPEB		253,424	
Deferred inflows - pension and OPEB		685,379	
Equipment purchases		497,532	
Gain on disposal of equipment		13,102	
Less proceeds from disposal of equipment		(17,993)	
Decrease in compensated absences payable		13,053	
Decrease in inventories		(129,442)	
Change in net position (full accrual)		<u>\$ 339,321</u>	

# Statistical Section

This part of the Onslow County Schools' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the district's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	<b>75-78</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the county's ability to generate its property and sales taxes.	<b>79-82</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.	<b>83-86</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.	<b>87-88</b>
<b>Operating Information</b> These schedules contain information about the district's operations and resources to help the reader understand how the district's financial information relates to the services the district provides and the activities it performs.	<b>89-91</b>

**Schedule 1**  
**ONSNOW COUNTY BOARD OF EDUCATION**  
**NET POSITION BY COMPONENT**  
**For the Last Ten Fiscal Years**  
(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 299,577	\$ 279,215	\$ 282,583	\$ 285,384	\$ 255,457	\$ 236,586	\$ 233,307	\$ 224,751	\$ 210,400	\$ 207,480
Restricted	28,701	31,415	31,744	53,169	39,827	34,376	19,261	14,564	13,244	9,981
Unrestricted	(208,942)	(239,067)	(294,877)	(368,131)	(377,055)	(373,009)	(378,202)	(29,679)	(25,906)	(34,203)
Total governmental activities net position	\$ 119,336	\$ 71,563	\$ 19,450	\$ (29,578)	\$ (81,771)	\$ (102,047)	\$ (125,634)	\$ 209,636	\$ 197,738	\$ 183,258
Business-type activities										
Net investment in capital assets	1,380	1,083	940	840	989	1,069	871	673	732	544
Restricted	-	-	10	12	16	19	15	-	-	-
Unrestricted	6,026	5,984	5,314	610	545	614	(663)	4,932	4,449	4,265
Total business-type activities net position	\$ 7,406	\$ 7,067	\$ 6,264	\$ 1,462	\$ 1,550	\$ 1,702	\$ 223	\$ 5,605	\$ 5,181	\$ 4,809
Primary government										
Net investment in capital assets	300,957	280,298	283,523	286,224	256,446	237,655	234,178	225,424	211,132	208,024
Restricted	28,701	31,415	31,755	53,180	39,843	34,395	19,276	14,565	13,244	9,981
Unrestricted	(202,916)	(233,083)	(289,563)	(367,520)	(376,510)	(372,395)	(378,865)	(24,748)	(21,457)	(29,938)
Total primary government net position	\$ 126,742	\$ 78,630	\$ 25,715	\$ (28,116)	\$ (80,221)	\$ (100,345)	\$ (125,411)	\$ 215,241	\$ 202,919	\$ 188,067

**Schedule 2**  
**ONSLow COUNTY BOARD OF EDUCATION**  
**CHANGES IN NET POSITION**  
**For the Last Ten Fiscal Years**

(accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 257,638	\$ 217,521	\$ 205,427	\$ 212,258	\$ 206,680	\$ 188,230	\$ 194,741	\$ 173,804	\$ 156,644	\$ 156,636
System-wide support services	58,800	50,600	45,952	48,073	49,101	68,402	49,333	46,466	41,653	42,663
Ancillary services	521	459	480	403	888	105	140	189	332	299
Non-programmed charges	1,963	469	454	537	510	481	440	289	277	155
Unallocated depreciation expense	12,846	12,528	12,486	11,449	11,142	10,695	10,204	9,720	9,704	9,717
Total governmental activities expenses	<u>331,768</u>	<u>281,577</u>	<u>264,799</u>	<u>272,720</u>	<u>268,321</u>	<u>267,913</u>	<u>254,858</u>	<u>230,468</u>	<u>208,610</u>	<u>209,470</u>
Business-type activities:										
School food service	14,351	13,465	12,587	8,480	10,418	10,489	9,740	9,439	9,130	9,497
Child care	-	-	-	-	-	511	499	502	457	431
Total business-type activities expenses	<u>14,351</u>	<u>13,465</u>	<u>12,587</u>	<u>8,480</u>	<u>10,418</u>	<u>11,000</u>	<u>10,239</u>	<u>9,941</u>	<u>9,587</u>	<u>9,928</u>
Total primary government expenses	<u>\$ 346,119</u>	<u>\$ 295,042</u>	<u>\$ 277,386</u>	<u>\$ 281,200</u>	<u>\$ 278,739</u>	<u>\$ 278,913</u>	<u>\$ 265,097</u>	<u>\$ 240,409</u>	<u>\$ 218,197</u>	<u>\$ 219,398</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Co-curricular - instructional services	\$ 6,098	\$ 6,151	\$ 4,949	\$ 3,019	\$ 5,069	\$ 5,275	\$ 6,520	\$ 5,836	\$ 5,597	\$ 5,931
Operational support-system-wide	54	42	-	-	-	-	-	-	-	-
Operating grants and contributions	239,121	234,014	223,243	206,906	184,158	197,246	163,730	155,052	147,826	146,855
Capital grants and contributions	856	912	663	1,253	712	750	1,103	979	1,158	844
Total governmental activities program revenues	<u>246,129</u>	<u>241,119</u>	<u>228,855</u>	<u>211,178</u>	<u>189,939</u>	<u>203,271</u>	<u>171,353</u>	<u>161,867</u>	<u>154,581</u>	<u>153,630</u>
Business-type activities:										
Charges for services:										
School food service	\$ 2,929	\$ 2,669	\$ 277	\$ 126	\$ 1,857	\$ 2,193	\$ 2,423	\$ 1,952	\$ 2,424	\$ 2,556
Child care	-	-	-	-	-	8,884	574	517	483	463
Operating grants and contributions	11,298	11,000	16,705	8,208	8,325	-	7,706	7,830	6,995	6,885
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>14,227</u>	<u>13,669</u>	<u>16,982</u>	<u>8,334</u>	<u>10,182</u>	<u>11,077</u>	<u>10,703</u>	<u>10,299</u>	<u>9,902</u>	<u>9,904</u>
Total primary government program revenues	<u>\$ 260,356</u>	<u>\$ 254,788</u>	<u>\$ 245,837</u>	<u>\$ 219,512</u>	<u>\$ 200,121</u>	<u>\$ 214,348</u>	<u>\$ 182,056</u>	<u>\$ 172,166</u>	<u>\$ 164,483</u>	<u>\$ 163,534</u>
<b>Net (Expense)</b>										
Governmental activities	\$ (85,639)	\$ (40,458)	\$ (35,944)	\$ (61,542)	\$ (78,382)	\$ (64,642)	\$ (83,505)	\$ (68,601)	\$ (54,029)	\$ (55,840)
Business-type activities	(124)	204	4,395	(146)	(236)	77	464	358	315	(24)
Total primary government net (expense)	<u>\$ (85,763)</u>	<u>\$ (40,254)</u>	<u>\$ (31,549)</u>	<u>\$ (61,688)</u>	<u>\$ (78,618)</u>	<u>\$ (64,565)</u>	<u>\$ (83,041)</u>	<u>\$ (68,243)</u>	<u>\$ (53,714)</u>	<u>\$ (55,864)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 74,890	\$ 62,867	\$ 57,404	\$ 56,456	\$ 53,530	\$ 51,630	\$ 49,264	\$ 46,712	\$ 45,055	\$ 30,987
Unrestricted county appropriations - capital	27,498	5,269	10,415	39,266	19,903	10,990	19,530	24,533	14,033	3,623
Unrestricted State appropriations - operating	11,597	11,890	6,609	5,228	3,446	2,278	1,098	1,100	1,100	1,100
Unrestricted Federal appropriations - operating	10,665	7,469	6,906	7,004	6,488	6,741	8,449	3,912	4,331	5,311
Unrestricted State appropriations - capital	800	-	161	-	-	-	-	-	-	-
Investment earnings	4,237	1,577	96	194	442	158	114	70	36	57
Miscellaneous, unrestricted	3,770	3,917	3,775	5,632	14,893	17,058	3,864	4,217	3,998	3,791
Transfers	(45)	(418)	(394)	(45)	(45)	(626)	(311)	(45)	(45)	(45)
Total governmental activities	<u>133,412</u>	<u>92,571</u>	<u>84,972</u>	<u>113,735</u>	<u>98,657</u>	<u>88,229</u>	<u>82,008</u>	<u>80,499</u>	<u>68,508</u>	<u>44,824</u>
Business-type activities:										
Investment earnings	404	178	9	12	36	30	20	15	10	4
Miscellaneous, unrestricted	14	1	4	-	4	-	-	6	2	1
Discontinuation of child care program	-	-	-	-	-	746	-	-	-	-
Transfers	45	418	394	45	45	626	311	45	45	45
Total business-type activities	<u>463</u>	<u>597</u>	<u>407</u>	<u>57</u>	<u>85</u>	<u>1,402</u>	<u>331</u>	<u>66</u>	<u>57</u>	<u>50</u>
Total primary government	<u>\$ 133,875</u>	<u>\$ 93,168</u>	<u>\$ 85,379</u>	<u>\$ 113,792</u>	<u>\$ 98,742</u>	<u>\$ 89,631</u>	<u>\$ 82,339</u>	<u>\$ 80,565</u>	<u>\$ 68,565</u>	<u>\$ 44,874</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 47,773	\$ 52,113	\$ 49,028	\$ 52,193	\$ 20,275	\$ 23,587	\$ (1,497)	\$ 11,898	\$ 14,481	\$ (11,016)
Business-type activities	339	802	4,802	(88)	(151)	1,479	795	424	372	26
Total primary government	<u>\$ 48,112</u>	<u>\$ 52,915</u>	<u>\$ 53,830</u>	<u>\$ 52,105</u>	<u>\$ 20,124</u>	<u>\$ 25,066</u>	<u>\$ (702)</u>	<u>\$ 12,322</u>	<u>\$ 14,853</u>	<u>\$ (10,990)</u>

Source: Onslow County Board of Education Annual Financial Statements 2015 - 2024

**Schedule 3**  
**ONslow COUNTY BOARD OF EDUCATION**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**For the Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

		Fiscal Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General fund											
Nonspendable		\$ 1,028	\$ 1,042	\$ 993	\$ 992	\$ 894	\$ 864	\$ 902	\$ 880	\$ 837	\$ 856
Restricted		9	80	145	280	35	98	75	68	61	74
Committed		14,000	12,000	10,000	5,000	2,000	1,000	-	-	-	-
Assigned		13,387	8,258	7,513	7,220	6,582	6,830	6,851	6,976	5,848	5,855
Unassigned		9,528	11,444	9,934	9,194	8,641	7,411	6,865	7,221	8,262	7,148
Total general fund		\$ 37,952	\$ 32,824	\$ 28,585	\$ 22,686	\$ 18,152	\$ 16,203	\$ 14,693	\$ 15,145	\$ 15,008	\$ 13,933
All other governmental funds											
Nonspendable		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted											
Capital Outlay		14,757	14,733	15,306	14,563	15,214	15,633	2,148	2,305	2,182	1,740
Programs		9,790	12,605	12,018	34,337	20,633	14,916	13,471	9,429	8,422	5,608
Individual Schools		4,145	3,998	3,714	3,270	3,057	2,645	2,670	2,762	2,579	2,558
Assigned		63,271	49,161	33,454	-	-	-	-	-	-	-
Unassigned		-	-	-	-	-	-	-	-	-	-
Total all other governmental funds		\$ 91,963	\$ 80,497	\$ 64,492	\$ 52,170	\$ 38,904	\$ 33,194	\$ 18,289	\$ 14,496	\$ 13,183	\$ 9,906

**Schedule 4**  
**ONslow COUNTY BOARD OF EDUCATION**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**For the Last Ten Fiscal Years**

(modified accrual basis of accounting)  
(amounts expressed in thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
State of North Carolina	\$ 207,615	\$ 200,070	\$ 178,985	\$ 169,593	\$ 169,613	\$ 182,488	\$ 149,613	\$ 140,977	\$ 135,377	\$ 132,525
Onslow County	102,330	68,108	67,772	95,609	73,385	62,592	68,772	71,218	59,057	34,585
U.S. Government	52,111	50,230	56,407	47,731	23,724	22,666	23,609	18,907	17,258	19,770
Other	19,907	19,629	13,674	10,927	12,082	12,078	12,009	11,827	12,170	12,229
Total revenues	<u>381,963</u>	<u>338,037</u>	<u>316,838</u>	<u>323,860</u>	<u>278,804</u>	<u>279,824</u>	<u>254,003</u>	<u>242,929</u>	<u>223,862</u>	<u>199,109</u>
<b>Expenditures:</b>										
Current:										
Instructional services	267,105	248,255	234,619	216,143	201,230	191,674	182,031	170,189	161,727	161,098
System-wide support services	63,831	58,349	50,314	48,255	46,189	48,294	48,711	45,422	43,601	43,858
Ancillary services	521	459	480	403	888	105	135	188	335	302
Non-programmed charges	4,340	4,398	3,071	1,509	1,235	1,166	772	807	1,004	765
Debt service:										
Principal retirement	855	912	663	1,253	711	751	1,103	979	1,158	844
Capital outlay	29,822	6,174	9,759	42,210	31,736	33,946	19,680	24,444	13,571	4,222
Total expenditures	<u>366,474</u>	<u>318,547</u>	<u>298,906</u>	<u>309,773</u>	<u>281,989</u>	<u>275,936</u>	<u>252,432</u>	<u>242,029</u>	<u>221,396</u>	<u>211,089</u>
Excess of revenues over expenditures	15,489	19,490	17,932	14,087	(3,185)	3,888	1,571	900	2,466	(11,980)
<b>Other financing sources (uses)</b>										
Transfers from other funds	-	-	-	-	-	315	-	-	-	-
Transfers to other funds	(45)	(177)	(156)	(45)	(45)	(768)	(93)	(45)	(45)	(45)
Insurance proceeds	-	-	-	2,072	10,562	12,988	-	-	-	-
Proceeds from sale of capital assets	80	44	29	29	35	29	39	33	33	16
Installment purchase obligations issued	1,085	836	416	1,559	262	-	1,803	519	1,916	1,480
Total other financing sources (uses)	<u>1,120</u>	<u>703</u>	<u>289</u>	<u>3,615</u>	<u>10,814</u>	<u>12,564</u>	<u>1,749</u>	<u>507</u>	<u>1,904</u>	<u>1,451</u>
Net change in fund balances	<u>\$ 16,609</u>	<u>\$ 20,193</u>	<u>\$ 18,221</u>	<u>\$ 17,702</u>	<u>\$ 7,629</u>	<u>\$ 16,452</u>	<u>\$ 3,320</u>	<u>\$ 1,407</u>	<u>\$ 4,370</u>	<u>\$ (10,529)</u>
Debt service as a percentage of noncapital expenditures	0.26%	0.30%	0.23%	0.47%	0.28%	0.29%	0.48%	0.44%	0.56%	0.41%



Schedule 5  
**ONslow COUNTY BOARD OF EDUCATION**  
**CO-CURRICULAR REVENUE**  
*For the Last Ten Fiscal Years*

	Fiscal Year Ended 30-Jun	Receipts	Fees <sup>1</sup>
2015		5,930,399	N/A
2016		5,597,043	N/A
2017		5,836,137	N/A
2018		6,520,363	N/A
2019		5,274,858	N/A
2020		5,069,165	N/A
2021		3,019,402	N/A
2022		4,949,031	N/A
2023		6,151,652	N/A
2024		6,098,141	N/A

Notes:  
<sup>1</sup> Primary fees for individual schools include athletics, clubs, organizations, fund raisers and other events which vary by school and type.

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority.  
Onslow County does not assess a separate levy for the Board of Education.

**Schedule 6**  
**ONslow COUNTY BOARD OF EDUCATION**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES FOR ONslow COUNTY**  
**For the Last Ten Fiscal Years**  
(per \$100 Assessed Value)

Fiscal Year Ended June 30	Onslow County	Holly Ridge	Jacksonville	North Topsail Beach	Richlands	Surf City <sup>1</sup>	Swansboro
2015	\$ 0.6750	\$ 0.4150	0.6420	\$ 0.3932	\$ 0.3800	\$ 0.4100	\$ 0.3500
2016	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2017	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2018	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2019	0.7050	0.4050	0.6420	0.3435	0.3800	0.4100	0.3500
2020	0.7050	0.3900	0.6420	0.4100	0.4000	0.4100	0.3500
2021	0.7050	0.3800	0.6420	0.4600	0.4000	0.4100	0.3500
2022	0.7050	0.3800	0.6420	0.4600	0.4000	0.4100	0.3500
2023	0.6550	0.3500	0.6000	0.4300	0.4000	0.4100	0.3500
2024	0.6550	0.3400	0.6000	0.4300	0.3800	0.4100	0.3500

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<sup>1</sup> This municipality became a multi-county town through annexation in 1988

Notes:

- <sup>a</sup> property was revalued in 2022
- <sup>b</sup> For each government, certain motor vehicles were taxed at the preceding year's rates.

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority.  
Onslow County does not assess a separate levy for the Board of Education.

**Schedule 7**  
**ONSLow COUNTY BOARD OF EDUCATION**  
**PRINCIPAL PROPERTY TAXPAYERS FOR ONSLOW COUNTY**  
**2023 and Nine Years Prior**

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Jones Onslow EMC	\$ 167,709,620	1	0.82%	\$ 124,763,672	1	0.94%
Duke Energy Progress	136,493,061	2	0.67%			
PR Jacksonville Limited Partnership	60,636,455	3	0.30%	39,371,480	4	0.30%
Wal Mart Real Estate Business Trust	44,159,212	4	0.22%			
Spectrum Southwest	37,482,227	5	0.18%			
Bailey & Fuller Properties LLC	34,712,869	6	0.17%			
Triangle Palisades at Jacksonville LLC	34,536,156	7	0.17%			
Jax Commons LLC	32,672,562	8	0.16%	31,086,252	6	0.23%
BPP Arlington West LLC	31,678,378	9	0.16%			
Williamsburg Place Holding Company	28,260,776	10	0.14%			
18 Carolina Telephone				41,072,131	3	0.31%
Progress Energy Carolinas				64,587,599	2	0.49%
Secretary of Veteran Affairs				35,835,705	5	0.27%
Liberty Point at Piney Green Apartments				25,240,170	8	0.19%
Plantation at Jacksonville				23,034,330	10	0.17%
Stanadyne Corporation				23,775,862	9	0.18%
Independence Place Arlington West				30,344,070	7	0.23%
Total	\$ 608,341,316		2.99%	\$ 439,111,271		2.78%

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority.  
Onslow County does not assess a separate levy for the Board of Education.

Note: This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2024 could not be obtained from Onslow County prior to this report being issued. Therefore, the most recent available data is provided on this schedule.

**Schedule 8**  
**ONslow COUNTY BOARD OF EDUCATION**  
**PROPERTY TAX LEVIES AND COLLECTIONS FOR ONslow COUNTY**  
***For the Last Ten Fiscal Years***  
(amounts expressed in thousands)

Fiscal Year Ended June 30	Taxes levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy Collected		Amount	Percent of Levy Collected
2015	\$ 82,177	\$ 79,757	97.06%	\$ 1,847	\$ 81,604	99.30%
2016	83,333	81,172	97.41%	1,977	83,149	99.78%
2017	84,550	82,560	97.65%	1,629	84,189	99.57%
2018	85,825	84,486	98.44%	981	85,467	99.58%
2019	91,165	90,009	98.73%	619	90,628	99.41%
2020	91,948	90,535	98.46%	807	91,342	99.34%
2021	94,652	93,385	98.66%	690	94,075	99.39%
2022	97,839	96,622	98.76%	-	96,622	98.76%
2023	121,883	120,525	98.89%	-	120,525	98.89%
2024	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority. Onslow County does not assess a separate levy for the Board of Education.

This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2024 could not be obtained from Onslow County prior to this report being issued. Therefore, the most recent available data is provided on this schedule.

**Schedule 9**  
**ONslow COUNTY BOARD OF EDUCATION**  
**OUTSTANDING DEBT BY TYPE**  
*For the Last Ten Fiscal Years*

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Fiscal Year	Installment Purchase Obligations	Per Capita	Percentage of Personal Income
2015	\$ 733,998	\$ 3.81	0.009%
2016	1,498,516	7.73	0.017%
2017	1,038,896	5.31	0.012%
2018	1,738,744	8.81	0.019%
2019	988,106	4.97	N/A
2020	538,602	2.63	N/A
2021	845,095	4.09	N/A
2022	597,832	2.86	N/A
2023	522,188	2.46	N/A
2024	751,397	N/A	N/A

**Notes:**

Details regarding the Board's outstanding long-term obligations can be found in the notes to Onslow County Board of Education Annual financial statements.

Schedule 10  
**ONslow COUNTY BOARD OF EDUCATION**  
**COMPUTATION OF GOVERNMENT ACTIVITIES DIRECT AND OVERLAPPING DEBT**  
*June 30, 2024*

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<u>Governmental Unit</u>	<u>Governmental Activities</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Onslow County Board of Education	\$ 751,397	100%	<u>\$ 751,397</u>
Total direct debt			<u>751,397</u>
Overlapping Debt:			
Onslow County	N/A	100%	N/A
Jacksonville	N/A	100%	N/A
Holly Ridge	N/A	100%	N/A
North Topsail Beach	N/A	100%	N/A
Richlands	N/A	100%	N/A
Surf City*	N/A	42.82%	N/A
Swansboro	N/A	100%	<u>N/A</u>
Total overlapping debt			N/A
Total direct and overlapping debt			N/A

Notes:

\* Municipality is split between Onslow and Pender County this percent represents share of property tax from Onslow County

Details regarding the Board's outstanding long-term obligations can be found in the notes to Onslow County Board of Education annual financial statements.

Bonds and Certificates of Participation are issued by the County as school districts in NC have no authority to issue these types of long-term debt.

The annual comprehensive financial report for the year ended June 30, 2024 could not be obtained from Onslow County prior to this report being issued. Therefore, overlapping debt from the County and cities and townships were not available as noted above.

**Schedule 11**  
**ONslow COUNTY BOARD OF EDUCATION**  
**LEGAL DEBT MARGIN INFORMATION FOR ONSLOW COUNTY**  
**For the Last Ten Fiscal Years**  
(amounts expressed in thousands)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Assessed Value of Property	N/A	\$ 24,499,731	\$ 15,545,095	\$ 15,037,814	\$ 14,462,298	\$ 14,210,500	\$ 13,935,632	\$ 13,703,946	\$ 13,154,328	\$ 13,036,903
Debt Limit, 8% of Assessed Value (Statutory Limitation)	N/A	\$ 1,959,978	\$ 1,243,608	1,203,025	1,156,984	1,136,840	1,114,851	1,096,316	1,052,346	1,042,952
Amount of Debt Applicable to Limit										
Gross Debt	N/A	\$ 228,415	\$ 225,395	216,610	234,474	197,114	214,085	231,391	203,349	171,098
Less: Special obligation bonds	N/A	\$ -	\$ -	-	-	-	-	780	1,535	2,265
Total net debt applicable to limit	N/A	\$ 228,418	\$ 225,395	216,610	234,474	197,114	214,085	230,611	201,814	168,833
Legal Debt margin	N/A	1,731,563.00	1,018,213	986,415	922,510	939,726	900,766	865,705	850,532	874,119
∞ Total net debt applicable to the limit as a percentage of debt limit	N/A	11.65%	18.12%	18.01%	20.27%	17.34%	19.20%	21.04%	19.18%	16.19%

Notes: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Bonds and Certificates of Participation are issued by the County as school districts in NC have no authority to issue these types of long-term debt.

This table is a ten year schedule. However, annual comprehensive financial report for the year ended June 3, 2024 could not be obtained from Onslow County prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

**Schedule 12**

**ONSLow COUNTY BOARD OF EDUCATION**

**CALCULATION OF DEBT SERVICE COVERAGE - SOLID WASTE FUND FOR ONSLOW COUNTY**

**Last Ten Years**

(amounts expressed in thousands)

	Fiscal year Ended June 30	Gross Operating Revenue	Direct Operating Expenses	Non Operating Revenues	Net Revenue Available for Debt Service	Debt Service Requirements			
						Principal	Interest	Total	Coverage
88	2015	\$ 6,554	5,135	\$ -	\$ 1,419	\$ 705	\$ 106	\$ 811	1.75
	2016	6,890	5,256	-	1,634	730	80	810	2.02
	2017	6,995	5,304	-	1,691	755	55	810	2.09
	2018	6,980	4,919	-	2,061	780	27	807	2.55
	2019	10,531	6,998	-	3,533	N/A	N/A	N/A	N/A
	2020	8,279	6,469	-	1,810	N/A	N/A	N/A	N/A
	2021	8,959	6,781	-	2,178	N/A	N/A	N/A	N/A
	2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Excludes early retirement

Bonds and Certificates of Participation are issued by the County as school districts in NC have no authority to issue these types of long-term debt.

Note: This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2024 could not be obtained from Onslow County prior to this report being issued; therefore, only data available is presented.

Source: Onslow County, North Carolina - Annual Comprehensive Financial Report for the year ended June 30, 2023



**Schedule 13**  
**ONSLOW COUNTY BOARD OF EDUCATION**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS FOR ONSLOW COUNTY**  
*For the Last Ten Fiscal Years*

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	Unemployment Rate
2015	192,645	\$ 8,188,720	\$ 44,349	26.26	6.30%
2016	193,914	8,892,158	47,517	26.40	5.50%
2017	195,621	8,719,755	44,972	26.51	5.00%
2018	197,455	9,121,475	46,142	26.24	4.60%
2019	198,483	N/A	N/A	N/A	4.80%
2020	204,842	N/A	N/A	N/A	7.20%
2021	206,718	N/A	N/A	26.75	5.30%
2022	208,825	N/A	N/A	26.21	4.30%
2023	212,036	N/A	N/A	25.90	4.20%
2024	N/A	N/A	N/A	N/A	4.70%

Note: This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2024 could not be obtained from Onslow County prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

**Schedule 14**  
**ONslow COUNTY BOARD OF EDUCATION**  
**PRINCIPAL EMPLOYERS OF ONslow COUNTY**  
*Current Year and Nine Years Ago*

Employer	2024			2015			
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment	
Defense Ex Army Navy & Air Force	1000+	1	See %	1000+	1	See %	
Onslow County Board of Education	1000+	2	Below	1000+	2	Below	
Marine Corps Exchange Service	1000+	3		1000+	3		
Wal-Mart Associates, Inc	1000+	4		1000+	4		
County of Onslow	1000+	5		1000+	5		
Jacksonville Hospital Inc	1000+	6		1000+	6		
City of Jacksonville	1000+	7		500-999	10		
Food Lion	500-999	8		500-999	8		
Coastal Enterprises of Jacksonville	500-999	9					
Coastal Carolina Community College	500-999	10		500-999	9		
Convergys Customer Management Grp				500-999	7		

**Schedule 15**  
**ONSLOW COUNTY BOARD OF EDUCATION**  
**FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE**  
*For the Last Ten Fiscal Years*

		Full-time-Equivalent Employees									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Administrators											
Officials, Adms, Mgrs		7	7	7	7	7	5	5	6	6	5
Principals		39	40	39	37	36	38	38	37	37	37
Assistant principals		49	49	48	47	48	47	46	46	46	44
Total Administrators		95	96	94	91	91	90	89	89	89	86
Teachers											
Elementary classroom teachers		1,279	1,273	1,226	1,209	1,210	1,203	1,113	1,064	1,055	790
Secondary classroom teachers		226	217	210	210	209	210	206	213	208	212
Other teachers		256	255	232	237	250	249	239	241	244	493
Total Teachers		1,761	1,745	1,668	1,656	1,669	1,662	1,558	1,518	1,507	1,495
Professionals											
Guidance counselors		60	56	56	54	52	49	49	49	46	47
Psychologists		8	12	12	19	17	14	13	10	14	14
Librarians		38	38	37	36	35	40	40	40	40	37
Consultants/supervisors		37	38	35	34	31	36	31	33	28	34
Other professionals		186	180	175	157	158	144	143	138	149	140
Total Professionals		329	324	315	300	293	283	276	270	277	272
Support											
Teacher Assistants		536	462	424	411	441	416	412	393	380	420
Technicians		40	38	35	38	33	36	36	36	35	35
Clerical/secretarial		191	181	179	182	178	180	179	180	177	178
Service workers		444	430	427	416	420	419	409	409	414	403
Skilled crafts		66	61	63	71	65	65	65	65	66	67
Unskilled laborers		2	1	1	1	2	2	1	1	-	-
Total Support		1,279	1,173	1,129	1,119	1,139	1,118	1,102	1,084	1,072	1,103
Total		3,464	3,338	3,206	3,166	3,192	3,153	3,025	2,961	2,945	2,956

Source: NC Public School Statistical Profile 2016 - 2024

**Schedule 16**  
**ONslow COUNTY BOARD OF EDUCATION**  
**OPERATING STATISTICS**  
*For the Last Ten Fiscal Years*

Fiscal Year	Final Average Daily Membership	Modified Accrual Basis of Accounting			Accrual Basis of Accounting			Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
		Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change			
2015	25,314	205,938,315	8,135	1.34%	219,398,015	8,667	-2.06%	1,495	16.9	46.3%
2016	25,702	205,603,082	7,999	-1.67%	218,197,056	8,489	-2.05%	1,507	17.1	47.2%
2017	25,903	217,353,545	8,391	4.89%	240,409,210	9,281	9.32%	1,518	17.1	50.7%
2018	26,319	231,460,428	8,794	4.81%	265,096,794	10,072	8.53%	1,558	16.9	47.7%
2019	26,410	238,807,406	9,042	2.82%	278,913,217	10,561	4.85%	1,662	15.9	52.3%
2020	26,535	249,613,954	9,407	4.03%	278,738,799	10,505	-0.53%	1,669	15.9	44.4%
2021	25,804	262,984,584	10,192	8.34%	281,200,212	10,898	3.74%	1,656	15.6	N/A
2022	26,780	287,053,294	10,719	5.17%	277,385,695	10,358	-4.95%	1,668	16.1	N/A
2023	27,432	308,071,235	11,230	4.77%	295,041,946	10,755	3.84%	1,745	15.7	N/A
2024	27,002	333,901,343	12,366	10.11%	346,118,636	12,818	19.18%	1,761	15.3	N/A

Notes:

- ∞ Operating expenditures are computed only on current expense expenditures (excluding community services, Head Start, adult education, and inter/intra fund transfers)

Schedule 17  
**ONSLOW COUNTY BOARD OF EDUCATION**  
**CAMPUS INFORMATION**  
*June 30, 2024*

<b>Campus</b>	<b>Grade Span</b>	<b>Building Capacity</b>	<b>% of Capacity Used</b>	<b>Age of Original Construction</b>	<b>Date of Original Construction</b>
<b><u>Elementary Schools</u></b>					
Bell Fork Elementary	K-5	544	100%	64	1960
Blue Creek Elementary	K-5	521	89%	69	1955
Carolina Forest Elementary	K-5	588	108%	20	2004
Clear View Elementary	K-5	840	69%	2	2022
Clyde Erwin Elementary	K-5	376	80%	72	1952
Coastal Elementary	K-5	840	99%	3	2021
Heritage Elementary	K-5	588	90%	22	2002
Jacksonville Commons Elementary	K-5	563	90%	29	1995
Meadow View Elementary	K-5	652	77%	16	2008
Northwoods Elementary	K-5	416	98%	70	1954
Parkwood Elementary	K-5	481	99%	55	1969
Richlands Elementary	K-5	897	69%	6	2018
Sand Ridge Elementary	K-5	573	97%	22	2002
Silverdale Elementary	K-5	465	136%	71	1953
Stateside Elementary	K-5	636	88%	15	2009
Swansboro Elementary	K-5	537	118%	54	1970
Dixon Elementary	PK-5	619	115%	34	1990
Hunters Creek Elementary	PK-5	604	101%	28	1996
Morton Elementary	PK-5	588	121%	57	1967
Queens Creek Elementary	PK-5	563	126%	27	1997
Southwest Elementary	PK-5	546	132%	30	1994
Summersill Elementary	PK-5	619	74%	58	1966
<b><u>Middle Schools</u></b>					
Dixon Middle	6-8	1003	97%	7	2017
Hunters Creek Middle	6-8	826	108%	35	1989
Jacksonville Commons Middle	6-8	852	113%	28	1996
New Bridge Middle	6-8	504	91%	84	1940
Northwoods Park Middle	6-8	720	89%	61	1963
Southwest Middle	6-8	518	100%	34	1990
Swansboro Middle	6-8	912	105%	72	1952
Trexler Middle	6-8	940	81%	60	1964
<b><u>High Schools</u></b>					
Dixon High	9-12	957	124%	57	1967
Jacksonville High	9-12	1476	98%	64	1960
Northside High	9-12	1177	91%	24	2000
Richlands High	9-12	928	112%	74	1950
Southwest High	9-12	1016	67%	48	1976
Swansboro High	9-12	1240	96%	34	1990
White Oak High	9-12	1303	93%	54	1970
Onslow Early College High	9-12	N/A	N/A	N/A	N/A
<b><u>Virtual School</u></b>					
Onslow Virtual School	K-12		N/A	N/A	N/A
<b><u>Pre-Kindergarten Center</u></b>					
Thompson Early Childhood Center	PK		N/A	76	1948
<b><u>Alternative Learning Center</u></b>					
Onslow County Learning Center	6-12		N/A	39	1985
<b><u>Career Technical Education Center</u></b>					
ENC Regional Skills Center	9-12		N/A	5	2019