

***CURRITUCK COUNTY
BOARD OF EDUCATION
Currituck, North Carolina***

*Financial Statements
For the Fiscal Year Ended
June 30, 2023*

CURRITUCK COUNTY BOARD OF EDUCATION
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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Currituck County Board of Education
Currituck, 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 Currituck County Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Currituck 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 Currituck County Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School and Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB liability and the Schedules of Board Contributions on pages 53 through 58, 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 Currituck County Board of Education's basic financial statements. The accompanying individual fund budgetary schedules and other schedules and schedule of expenditures of federal and State awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund budgetary schedules and schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2023, on our consideration of the Currituck 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 Currituck 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 Currituck County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

November 22, 2023
West End, North Carolina
(910) 603-0508

CURRITUCK COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Currituck County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2023. This information should be read in conjunction with the audited financial statements included in this report.

Financial Highlights

- For the fiscal year ended June 30, 2023, the Board's total government-wide net position increased by \$24.1 million. Governmental activities net position increased by \$24.4 million, and business-type activities net position decreased by \$252,000.
- For the fiscal year ended June 30, 2023, the Board's governmental fund balance increased \$22,000 to \$4.0 million.
- The Board's average daily membership (ADM) for the fiscal year ended June 30, 2023 was 4,448 students, an increase of 106 students from the 2022 ADM of 4,342.

Overview of the Financial Statements

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

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

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

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

CURRITUCK COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

Currituck 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.

CURRITUCK COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

Fiduciary funds: The Board is the trustee, or fiduciary, for assets that belong to others, such as the Private Purpose Trust Fund. The Board is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and by those to whom the assets belong. The Board excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The Currituck County Board of Education has one fiduciary fund – the Administrative 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. Assets and deferred outflows exceeded Liabilities and deferred inflows by \$13.2 million as of June 30, 2023 as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$10.9 million as of June 30, 2022, an increase of \$24.1 million. The largest component of net position is net investment in capital assets of \$63.8 million.

Following is a summary of the Statement of Net Position:

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

**Table 1
Condensed Statement of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Current and other assets	\$ 5,634,562	\$ 4,175,893	\$ 1,136,514	\$ 1,281,941	\$ 6,771,076	\$ 5,457,834
Capital assets	64,220,586	44,929,171	139,353	158,581	64,359,939	45,087,752
Total assets	69,855,148	49,105,064	1,275,867	1,440,522	71,131,015	50,545,586
Deferred outflows of resources	23,750,546	15,048,459	427,346	223,412	24,177,892	15,271,871
Current liabilities	3,020,905	1,456,863	56,229	49,705	3,077,134	1,506,568
Long-term liabilities	61,202,408	52,288,675	1,083,825	770,151	62,286,233	53,058,826
Total liabilities	64,223,313	53,745,538	1,140,054	819,856	65,363,367	54,565,394
Deferred inflows of resources	16,425,490	21,825,495	295,544	324,025	16,721,034	22,149,520
Net investment in capital assets	63,639,522	44,456,557	139,353	158,581	63,778,875	44,615,138
Restricted net position	1,742,524	2,102,734	-	1,515	1,742,524	2,104,249
Unrestricted net position (deficit)	(52,425,155)	(57,976,801)	128,262	359,957	(52,296,893)	(57,616,844)
Total net position (deficit)	\$ 12,956,891	\$ (11,417,510)	\$ 267,615	\$ 520,053	\$ 13,224,506	\$ (10,897,457)

The net position of the Board's governmental activities increased \$24.4 million during the year, from \$(11.4) million at June 30, 2022 to \$13.0 million at June 30, 2023, indicating an improvement in the financial condition of the Board. Restricted net position decreased by \$360,000 due to a decrease in Restricted for Capital Outlay as a result of a decrease in Capital Outlay fund balance. Unrestricted net position increased \$5.6 million compared to the prior year. Net investment in capital assets increased \$19.2 million due to an excess of capital additions over depreciation expense for the year as the Board is in the middle of construction on the Moyock Middle School. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities decreased \$252,000 from \$520,000 at June 30, 2022 to \$268,000 at June 30, 2023. The decrease is a result of the net loss generated by our school food service operations during the 2023 fiscal year largely due to a decrease in participation as students returned to a traditional free, reduced and paid meals feeding structure rather than all students eating for free under the COVID-19 feeding program. The School Food Service fund also recognized an increase in salaries and benefits as well as food expense only declining \$108,000 despite USDA reimbursements, State reimbursements and food sales declining \$715,000. Salaries increased as a result of increased wages and benefits as well as an increase in pension and OPEB expenses. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

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

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Revenues:						
Program revenues:						
Charges for services	\$ 942,775	\$ 949,966	\$ 519,169	\$ 49,294	\$ 1,461,944	\$ 999,260
Operating grants and contributions	38,874,725	37,880,294	1,096,855	2,304,514	39,971,580	40,184,808
Capital grants and contributions	1,107,794	1,000,905	-	22,209	1,107,794	1,023,114
General revenues:						
County appropriations	34,646,375	17,014,874	-	-	34,646,375	17,014,874
Other revenues	419,253	450,391	7,958	1,003	427,211	451,394
Total revenues	<u>75,990,922</u>	<u>57,296,430</u>	<u>1,623,982</u>	<u>2,377,020</u>	<u>77,614,904</u>	<u>59,673,450</u>
Expenses:						
Governmental activities:						
Instructional services	36,676,542	35,822,174	-	-	36,676,542	35,822,174
System-wide support services	14,547,786	12,912,684	-	-	14,547,786	12,912,684
Ancillary services	44,461	72,490	-	-	44,461	72,490
Non-programmed charges	177,789	166,923	-	-	177,789	166,923
Interest on long-term debt	15,038	22,415	-	-	15,038	22,415
Unallocated depreciation	82,221	134,886	-	-	82,221	134,886
Business-type activities:						
School food service	-	-	1,949,104	1,724,068	1,949,104	1,724,068
Total expenses	<u>51,543,837</u>	<u>49,131,572</u>	<u>1,949,104</u>	<u>1,724,068</u>	<u>53,492,941</u>	<u>50,855,640</u>
Transfers in (out)	<u>(72,684)</u>	<u>(406,009)</u>	<u>72,684</u>	<u>406,009</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	24,374,401	7,758,849	(252,438)	1,058,961	24,121,963	8,817,810
Beginning net position (deficit)	<u>(11,417,510)</u>	<u>(19,176,359)</u>	<u>520,053</u>	<u>(538,908)</u>	<u>(10,897,457)</u>	<u>(19,715,267)</u>
Ending net position (deficit)	<u>\$ 12,956,891</u>	<u>\$ (11,417,510)</u>	<u>\$ 267,615</u>	<u>\$ 520,053</u>	<u>\$ 13,224,506</u>	<u>\$ (10,897,457)</u>

Total governmental activities generated revenues of \$76.0 million while expenses in this category totaled \$51.5 million for the year ended June 30, 2023, resulting in an increase in net position of \$24.4 million (including transfers out to business-type activities of \$73,000. Comparatively, revenues were \$57.3 million, expenses totaled \$49.1 million and transfers out were \$406,000 for the year ended June 30, 2022, resulting in an increase in net position of \$7.8 million. In comparing the two years, revenues increased \$18.7 million, or 32.6%, and expenses increased by \$2.4 million, or 4.9%. The overall increase in revenues is largely attributable to County revenues for the construction of the Moyock middle addition. The Board also recognized a net increase in operating grants and contributions as State Public School funds increased partially offset by a decrease in Federal Grants funds as the Board spends down their

CURRITUCK COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

COVID-19 Education Stabilization allotments. The increase in expenses is largely due to an increase in pension and OPEB expenses of \$1.1 million. See the footnotes for detailed information regarding pension and OPEB related amounts and disclosures.

The Board's primary sources of revenues were funding from the State of North Carolina, Currituck County, and the United States Government, which respectively comprised 47.1%, 45.4% and 4.6% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 71.2% of our total expenses during the most recent fiscal year. Of the remaining 28.8% of our total expenses, 28.2% was attributable to system-wide support services.

Our business-type activities generated revenues of \$1.6 million, while expenses in this category totaled \$1.9 million for the year ended June 30, 2023. For the year, net position decreased by \$252,000 (including transfers in of \$73,000). Comparatively, revenues were \$2.4 million, expenses were \$1.7 million and transfers in were \$406,000 for the year ended June 30, 2022, resulting in an increase in net position of \$1.1 million. In comparing the two years, revenues decreased substantially, while expenses increased. The decrease in revenues is the result of decreases in participation as previously mentioned, is the result of the expiration of the COVID-19 feeding program that offered free meals to every student with increased reimbursement rates. The decrease in meals served also resulted in an increase in food costs, however it was not proportional due to the rising food costs as a result of inflation. The Board also saw significant increases in salaries and benefits.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of Currituck 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 \$4.0 million at June 30, 2023, an increase of \$22,000 from the amount reported at June 30, 2022. The General and Other Special Revenue funds reported increases in fund balance of \$71,000 and \$156,000, respectively, for the year ended June 30, 2023, while the Capital Outlay and Individual School funds reported decreases in fund balance of \$192,000 and \$13,000, respectively.

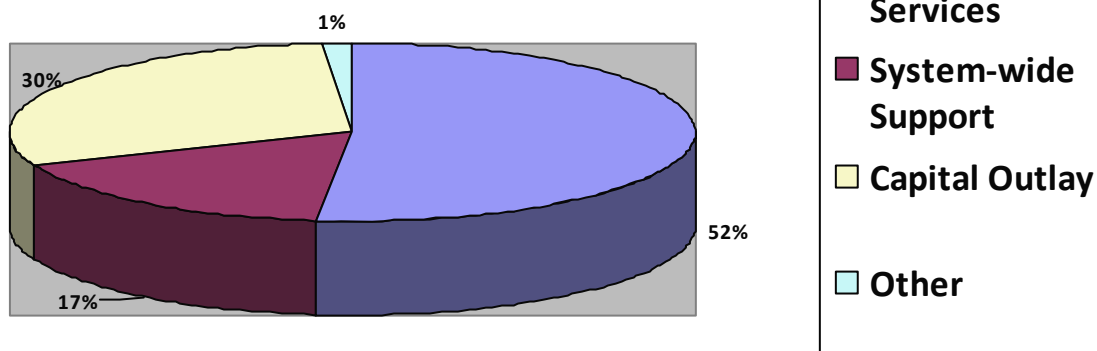
Overall, total governmental fund revenues increased by \$18.8 million and total expenditures increased by \$19.8 million over the prior year. The increase in revenues is attributable to an increase in Capital Outlay funding of \$17.3 million, mostly provided by the County, for the construction of a middle school addition. The Board recognized an increase in revenues and expenditures in State Public School fund related to increasing ADM and increases in State mandated salary and benefits. The Federal Grants fund reported a decrease in revenues as the COVID-19 Education Stabilization allotments to help offset the cost of the COVID-19 pandemic are being spent down as they have begun to expire.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2023 to 2022, the State Public School Fund reported an increase in revenues (and expenditures) of \$2.6 million or 8.2%, as mentioned above, while the Federal Grants Fund reported a decrease of \$1.7 million, or 33.6% due to the decline of COVID-19 Education Stabilization funds received.

The Capital Outlay Fund reported fund balance of \$442,000 at June 30, 2023, a decrease of \$192,000 from the \$634,000 reported at June 30, 2022. This fund balance reserve is available to fund future capital projects.

CURRITUCK COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

Categorization of Expenditures for Governmental Funds



Expenditures presented on modified accrual basis of accounting.

Proprietary Fund: The Board's business-type fund, the School Food Service Fund, reported a decrease in net position of \$252,000 for the fiscal year ended June 30, 2023 compared to an increase of \$1.1 million for the same 2022 period. See the section above titled *Financial Analysis of the Board as a Whole* for a detailed discussion of the significant changes in revenues and expenses.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments.

The Board's General Fund reported an increase in fund balance for the year ended June 30, 2023 of \$71,000, compared to an increase of \$446,000 in 2022. Revenues increased by \$442,000 due to an increase in the County appropriation. Expenditures and transfers out increased by \$888,000 over the prior year, as a result of increases in both instructional and system-wide support services as a result of decreases in Federal Grants funds. The Board also decreased its support of the school food service fund as cash on hand at the beginning of the year in the School Food Service fund was sufficient to cover increases in prices due to supply chain issues and increases in salary and benefits. General fund balance still sits \$1.3 million lower than it was just 9 years ago.

Capital Assets

Total primary government capital assets were \$64.4 million at June 30, 2023 compared to \$45.1 million at June 30, 2022, an increase of 42.7%. The increase is attributable to an excess of capital additions over depreciation expense for the year. The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2023 and 2022. More detailed information about the Board's capital assets is contained in note 2 to the basic financial statements.

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

**Table 3
Summary of Capital Assets
As of June 30, 2023 and 2022**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/23</u>	<u>6/30/22</u>	<u>6/30/23</u>	<u>6/30/22</u>
Land	\$ 1,419,859	\$ 1,419,859	\$ -	\$ -	\$ 1,419,859	\$ 1,419,859
Construction in progress	22,285,070	3,098,744	-	-	22,285,070	3,098,744
Buildings and improvements	38,030,150	38,491,050	-	-	38,030,150	38,491,050
Equipment and furniture	352,712	415,603	139,353	158,581	492,065	574,184
Vehicles	2,132,795	1,503,915	-	-	2,132,795	1,503,915
Total	<u>\$ 64,220,586</u>	<u>\$ 44,929,171</u>	<u>\$ 139,353</u>	<u>\$ 158,581</u>	<u>\$ 64,359,939</u>	<u>\$ 45,087,752</u>

Debt Outstanding

During the year, the Board's long-term debt increased from \$473,000 at June 30, 2022 to \$581,000 at June 30, 2023 due to an additional installment purchase obligation entered into for the purchase of DPI yellow school buses. 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. More detailed information about the Board's outstanding debt is contained in note 2 to the basic financial statements.

Economic Factors

County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the schools. The following factors have affected the economic outlook of Currituck County:

- Currituck County's 2023 population estimation of 29,465 is 25.1% higher than the 2010 census of 23,674.
- The unadjusted unemployment rate in Currituck County at June 30, 2023 was 3.1%, slightly below that of the State at 3.6%.
- Tourism continues to lead a strong economic outlook for costal counties in NC. Currituck County recognizes 60% of its annual taxable sales during the in-season, and 40% of the County's employment is directly related to Tourism.
- Currituck County has experienced strong real estate construction and an increase in housing values of 26% over the past year, but has slowed recently due to increased mortgage rates.

Requests for Information

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

Susan Mizelle, Chief Finance Officer
Currituck County Board of Education
2958 Caratoke Highway
Currituck, NC 27929

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CURRITUCK COUNTY SCHOOLS
STATEMENT OF NET POSITION
June 30, 2023

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 3,908,876	\$ 956,213	\$ 4,865,089
Due from other governments	1,725,544	31,320	1,756,864
Receivables	142	-	142
Inventories	-	148,981	148,981
Capital assets:			
Land and construction in progress	23,704,929	-	23,704,929
Other capital assets, net of depreciation	40,515,657	139,353	40,655,010
Total capital assets	64,220,586	139,353	64,359,939
Total assets	69,855,148	1,275,867	71,131,015
Deferred Outflows of Resources	23,750,546	427,346	24,177,892
Liabilities			
Accounts payable and accrued expenses	1,683,688	396	1,684,084
Unearned revenue	-	35,041	35,041
Long-term liabilities:			
Due within one year	1,337,217	20,792	1,358,009
Due in more than one year	1,699,868	13,194	1,713,062
Net pension liability	25,562,941	459,955	26,022,896
Net OPEB liability	33,939,599	610,676	34,550,275
Total liabilities	64,223,313	1,140,054	65,363,367
Deferred inflows of resources	16,425,490	295,544	16,721,034
Net position			
Net investment in capital assets	63,639,522	139,353	63,778,875
Restricted for:			
Stabilization by State statute	225,529	-	225,529
School capital outlay	441,892	-	441,892
Instructional services	389,577	-	389,577
Individual schools activities	685,526	-	685,526
Unrestricted (deficit)	(52,425,155)	128,262	(52,296,893)
Total net position	\$ 12,956,891	\$ 267,615	\$ 13,224,506

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

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	\$ 23,070,623	\$ -	\$ 21,476,646	\$ -	\$ (1,593,977)	\$ -	\$ (1,593,977)
Special populations	5,018,260	-	5,369,385	-	351,125	-	351,125
Alternative programs	2,027,563	-	1,766,437	-	(261,126)	-	(261,126)
School leadership	2,651,307	-	2,146,431	-	(504,876)	-	(504,876)
Co-curricular	1,255,163	772,974	-	-	(482,189)	-	(482,189)
School-based support	2,653,626	-	1,685,365	-	(968,261)	-	(968,261)
System-wide support services:							
Support and development	280,585	-	12,488	-	(268,097)	-	(268,097)
Special population support and development	132,797	-	154,862	-	22,065	-	22,065
Alternative programs and services							
support and development	34,724	-	34,619	-	(105)	-	(105)
Technology support	1,013,120	-	514,939	-	(498,181)	-	(498,181)
Operational support	11,060,339	-	4,764,584	1,107,794	(5,187,961)	-	(5,187,961)
Financial and human resource services	1,158,997	169,801	223,073	-	(766,123)	-	(766,123)
Accountability	2,799	-	2,188	-	(611)	-	(611)
System-wide pupil support	86,975	-	90,754	-	3,779	-	3,779
Policy, leadership and public relations	777,450	-	456,929	-	(320,521)	-	(320,521)
Ancillary services	44,461	-	8,217	-	(36,244)	-	(36,244)
Non-programmed charges	177,789	-	167,808	-	(9,981)	-	(9,981)
Interest on long-term debt	15,038	-	-	-	(15,038)	-	(15,038)
Unallocated depreciation expense**	82,221	-	-	-	(82,221)	-	(82,221)
Total governmental activities	51,543,837	942,775	38,874,725	1,107,794	(10,618,543)	-	(10,618,543)
Business-type activities:							
School food service	1,949,104	519,169	1,096,855	-	-	(333,080)	(333,080)
Total primary government	\$ 53,492,941	\$ 1,461,944	\$ 39,971,580	\$ 1,107,794	(10,618,543)	(333,080)	(10,951,623)
General revenues:							
Unrestricted county and city appropriations - operating					13,078,302	-	13,078,302
Unrestricted county appropriations - capital					21,568,073	-	21,568,073
Investment earnings, unrestricted					32,461	7,958	40,419
Miscellaneous, unrestricted					386,792	-	386,792
Transfers					(72,684)	72,684	-
Total general revenues					34,992,944	80,642	35,073,586
Change in net position					24,374,401	(252,438)	24,121,963
Net position (deficit) - beginning					(11,417,510)	520,053	(10,897,457)
Net position - ending					\$ 12,956,891	\$ 267,615	\$ 13,224,506

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

FUND FINANCIAL STATEMENTS

CURRITUCK COUNTY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 1,994,536	\$ -	\$ -	\$ 786,922	\$ 441,892	\$ 685,526	\$ 3,908,876
Due from other governments	25,748	-	-	199,639	1,500,157	-	1,725,544
Accounts receivable	-	-	-	142	-	-	142
 Total assets	<u>\$ 2,020,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 986,703</u>	<u>\$ 1,942,049</u>	<u>\$ 685,526</u>	<u>\$ 5,634,562</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	<u>\$ 168,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,034</u>	<u>\$ 1,500,157</u>	<u>\$ -</u>	<u>\$ 1,683,688</u>
Fund balances:							
Restricted:							
Stabilization by State statute	25,748	-	-	199,781	-	-	225,529
School capital outlay	-	-	-	-	441,892	-	441,892
Instructional services	-	-	-	389,577	-	-	389,577
Individual schools	-	-	-	-	-	685,526	685,526
Assigned:							
Special revenues	-	-	-	382,311	-	-	382,311
Unassigned	<u>1,826,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,826,039</u>
 Total fund balances	<u>1,851,787</u>	<u>-</u>	<u>-</u>	<u>971,669</u>	<u>441,892</u>	<u>685,526</u>	<u>3,950,874</u>
 Total liabilities and fund balances	<u>\$ 2,020,284</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 986,703</u>	<u>\$ 1,942,049</u>	<u>\$ 685,526</u>	<u>\$ 5,634,562</u>

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

CURRITUCK COUNTY SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit 3 (continued)

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

Total fund balance (All Governmental Funds)	3,950,874
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	64,220,586
Deferred outflows of resources related to pensions	16,347,429
Deferred outflows of resources related to OPEB	7,403,117
Some liabilities, including those for compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(3,037,085)
Net pension liability	(25,562,941)
Net OPEB liability	(33,939,599)
Deferred inflows of resources related to pensions	(412,671)
Deferred inflows of resources related to OPEB	<u>(16,012,819)</u>
Net position of governmental activities	<u>\$ 12,956,891</u>

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 34,386,028	\$ -	\$ 380,401	\$ 1,107,794	\$ -	\$ 35,874,223
Currituck County							
Local current expense	13,078,302	-	-	-	-	-	13,078,302
Other	-	-	-	-	21,568,073	-	21,568,073
U.S. Government	-	-	3,397,229	134,402	-	-	3,531,631
Other	328,662	-	-	1,063,211	23,396	772,974	2,188,243
Total revenues	13,406,964	34,386,028	3,397,229	1,578,014	22,699,263	772,974	76,240,472
Expenditures:							
Current:							
Instructional services:							
Regular instructional	3,242,895	20,038,981	910,294	246,436	-	-	24,438,606
Special populations	349,131	3,974,084	1,097,352	272,587	-	-	5,693,154
Alternative programs	258,708	560,454	948,052	459,494	-	-	2,226,708
School leadership	860,575	2,050,706	95,725	-	-	-	3,007,006
Co-curricular	485,880	-	-	-	-	785,586	1,271,466
School-based support	1,061,472	1,548,613	136,752	259,199	-	-	3,006,036
System-wide support services:							
Support and development	278,733	11,748	740	10,022	-	-	301,243
Special population support and development	-	154,862	-	-	-	-	154,862
Alternative programs and services support and development	-	-	34,619	-	-	-	34,619
Technology support	558,462	514,939	-	20,934	-	-	1,094,335
Operational support	4,647,795	4,686,013	5,887	19,112	-	-	9,358,807
Financial and human resource services	997,560	223,073	-	98,325	-	-	1,318,958
Accountability	603	2,188	-	-	-	-	2,791
System-wide pupil support	6,608	90,754	-	-	-	-	97,362
Policy, leadership and public relations	395,121	456,929	-	894	-	-	852,944
Ancillary services	14,858	-	-	29,603	-	-	44,461
Non-programmed charges	177,789	-	167,808	5,757	-	-	351,354
Debt service:							
Principal retirement	-	-	-	-	607,192	-	607,192
Interest and fees	-	-	-	-	15,038	-	15,038
Capital outlay	-	-	-	-	22,984,817	-	22,984,817
Total expenditures	13,336,190	34,313,344	3,397,229	1,422,363	23,607,047	785,586	76,861,759
Revenues over (under) expenditures	70,774	72,684	-	155,651	(907,784)	(12,612)	(621,287)
Other financing sources (uses):							
Transfers from (to) other funds	-	(72,684)	-	-	-	-	(72,684)
Installment purchase obligations issued	-	-	-	-	715,642	-	715,642
Total other financing sources (uses)	-	(72,684)	-	-	715,642	-	642,958
Net change in fund balance	70,774	-	-	155,651	(192,142)	(12,612)	21,671
Fund balances:							
Beginning of year	1,781,013	-	-	816,018	634,034	698,138	3,929,203
End of year	\$ 1,851,787	\$ -	\$ -	\$ 971,669	\$ 441,892	\$ 685,526	\$ 3,950,874

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

CURRITUCK COUNTY SCHOOLS
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, 2023

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 21,671
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	19,301,700
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,173,113
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	2,080,555
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(3,922)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Loss on disposal of capital assets	(6,363)
OPEB nonemployer contributions	257,643
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(108,450)
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	(5,375,080)
OPEB (expense) benefit	3,194,346
Compensated absences	(160,812)
Total changes in net position of governmental activities	<u>\$ 24,374,401</u>

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

CURRITUCK COUNTY SCHOOLS
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, 2023

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Currituck County	14,370,729	13,078,302	13,078,302	-
U.S. Government	-	-	-	-
Other	251,000	322,487	328,662	6,175
Total revenues	14,621,729	13,400,789	13,406,964	6,175
Expenditures:				
Current:				
Instructional services	7,749,516	6,259,559	6,258,661	898
System-wide support services	6,141,126	6,946,037	6,884,882	61,155
Ancillary services	146,218	14,858	14,858	-
Nonprogrammed charges	584,869	180,335	177,789	2,546
	14,621,729	13,400,789	13,336,190	64,599
Total expenditures	14,621,729	13,400,789	13,336,190	64,599
Revenues over (under) expenditures	-	-	70,774	70,774
Other financing sources:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	70,774	\$ 70,774
Fund balances:				
Beginning of year			1,781,013	
End of year			\$ 1,851,787	

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

CURRITUCK COUNTY SCHOOLS**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, 2023**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 31,619,709	\$ 35,840,232	\$ 34,386,028	\$ (1,454,204)
Currituck County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	31,619,709	35,840,232	34,386,028	(1,454,204)
Expenditures:				
Current:				
Instructional services	26,560,556	29,602,176	28,172,838	1,429,338
System-wide support services	4,742,956	6,148,704	6,140,506	8,198
Ancillary services	-	-	-	-
Nonprogrammed charges	-	-	-	-
	31,303,512	35,750,880	34,313,344	1,437,536
Total expenditures	31,303,512	35,750,880	34,313,344	1,437,536
Revenues over (under) expenditures	316,197	89,352	72,684	(16,668)
Other financing uses:				
Transfers to other funds	(316,197)	(89,352)	(72,684)	16,668
Fund balance appropriated	-	-	-	-
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.

CURRITUCK COUNTY SCHOOLS**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, 2023**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Currituck County	-	-	-	-
U.S. Government	6,255,133	6,344,297	3,397,229	(2,947,068)
Other	-	-	-	-
Total revenues	6,255,133	6,344,297	3,397,229	(2,947,068)
Expenditures:				
Current:				
Instructional services	4,519,363	4,779,837	3,188,175	1,591,662
System-wide support services	966,287	963,753	41,246	922,507
Ancillary services	-	-	-	-
Nonprogrammed charges	769,483	600,707	167,808	432,899
	6,255,133	6,344,297	3,397,229	2,947,068
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
	-	-	-	-
Total expenditures	6,255,133	6,344,297	3,397,229	2,947,068
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
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.

CURRITUCK COUNTY SCHOOLS**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, 2023**

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 100,715	\$ 380,476	\$ 380,401	\$ (75)
Currituck County	-	-	-	-
U.S. Government	-	158,345	134,402	(23,943)
Other	63,439	694,172	1,063,211	369,039
Total revenues	164,154	1,232,993	1,578,014	345,021
Expenditures:				
Current:				
Instructional services	611,710	1,793,135	1,237,716	555,419
System-wide support services	125,290	193,897	149,287	44,610
Ancillary services	-	48,217	29,603	18,614
Nonprogrammed charges	-	8,082	5,757	2,325
	737,000	2,043,331	1,422,363	620,968
Total expenditures	737,000	2,043,331	1,422,363	620,968
Revenues over (under) expenditures	(572,846)	(810,338)	155,651	965,989
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	572,846	810,338	-	(810,338)
Net change in fund balance	\$ -	\$ -	155,651	\$ 155,651
Fund balances:				
Beginning of year			816,018	
End of year			\$ 971,669	

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2023

Exhibit 7

	Enterprise Major Fund School Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 956,213
Due from other governments	31,320
Inventories	148,981
Total current assets	<u>1,136,514</u>
Noncurrent assets:	
Capital assets:	
Furniture, equipment and vehicles, net	<u>139,353</u>
Total noncurrent assets	<u>139,353</u>
Total assets	<u>1,275,867</u>
Deferred Outflows of Resources	<u>427,346</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	396
Compensated absences	20,792
Unearned revenue	35,041
Total current liabilities	<u>56,229</u>
Noncurrent liabilities:	
Net pension liability	459,955
Net OPEB liability	610,676
Compensated absences	13,194
Total noncurrent liabilities	<u>1,083,825</u>
Total liabilities	<u>1,140,054</u>
Deferred Inflows of Resources	<u>295,544</u>
Net position	
Net investment in capital assets	139,353
Unrestricted	<u>128,262</u>
Total net position	<u>\$ 267,615</u>

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2023

Exhibit 8

	Enterprise Major Fund School Food Service
Operating revenues:	
Food sales	\$ 519,169
Operating expenses:	
Food cost:	
Purchase of food	669,335
Donated commodities	85,808
Salaries and benefits	1,062,803
Indirect costs	72,063
Materials and supplies	1,763
Repairs and maintenance	9,778
Depreciation	19,228
Non-capitalized equipment	827
Contracted services	23,424
Other	4,075
Total operating expenses	1,949,104
Operating loss	(1,429,935)
Nonoperating revenues:	
Federal reimbursements	1,001,388
Federal commodities	85,808
State reimbursements	9,659
Interest earned	7,958
Total nonoperating revenues	1,104,813
Loss before transfers and contributions	(325,122)
Transfers from other funds	72,684
Change in net position	(252,438)
Net position, beginning of year	520,053
Net position, end of year	\$ 267,615

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2023

Exhibit 9

	Enterprise Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 519,185
Cash paid for goods and services	(801,841)
Cash paid to employees for services	(902,401)
Net cash used by operating activities	<u>(1,185,057)</u>
Cash flows from noncapital financing activities:	
Federal and State reimbursements	<u>987,811</u>
Cash flows from investing activities:	
Interest earned on investments	<u>7,958</u>
Net decrease in cash and cash equivalents	(189,288)
Cash and cash equivalents, beginning of year	<u>1,145,501</u>
Cash and cash equivalents, end of year	<u><u>\$ 956,213</u></u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ <u>(1,429,935)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	19,228
Donated commodities	85,808
Salaries paid by other funds	72,684
Changes in assets and liabilities:	
Decrease in OPEB asset	347
Increase in inventories	(20,972)
Increase in accounts payable and accrued liabilities	396
Increase in pension liability	347,276
Decrease in OPEB liability	(30,155)
Increase in deferred outflows	(203,934)
Decrease in deferred inflows	(28,481)
Increase in unearned revenue	16
Increase in compensated absences payable	<u>2,665</u>
Total adjustments	<u>244,878</u>
Net cash used by operating activities	<u><u>\$ (1,185,057)</u></u>

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2023

Exhibit 9 (continued)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$85,808 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 \$72,684 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2023

Exhibit 10

	Private Purpose Trust Fund
Assets	
Cash and cash equivalents	\$ 126,119
Net position	
Assets held in trust for private purpose	\$ 126,119

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

CURRITUCK COUNTY SCHOOLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2023

Exhibit 11

	Private Purpose Trust Fund
Additions:	
Interest income	\$ 937
Deductions:	
Scholarship payments	-
Change in net position	937
Beginning net position	125,182
Ending net position	\$ 126,119

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

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Basis of Presentation

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

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

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

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

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund.

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

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

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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

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

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

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

Administrative Fund. The Administrative Fund is used to account for scholarship money under the control of the Board for the benefit of students in the district. This fund is reported as a private purpose trust fund.

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 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.

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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 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 for all annually budgeted funds. The Board has authorized the superintendent to transfer amounts within a function without limitations and without a report to the Board of Education. Any increase or decrease in function levels appropriated must be approved by the governing board. The superintendent may not transfer amounts between funds nor transfer any contingency appropriations within a fund. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

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

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.

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

3. Inventories

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

4. Capital Assets

Donated assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1, 1995 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole.

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

<u>Item</u>	<u>Years</u>
Buildings and improvements	10-50
Equipment and furniture	5-20
Vehicles	5-15

Depreciation for buildings and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as "unallocated depreciation" on the Statement of Activities. Land and construction in progress are not depreciated.

5. Deferred outflows and inflows of resources

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

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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, 2023 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

8. Net Position/Fund Balances

Net Position

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

Fund Balances

In the governmental fund financial statements, fund balance is composed of four classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

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

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

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

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

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes. Any amounts assigned are established by the Board's Budget Committee.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges

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

The Board does not have a formal fund balance policy. Therefore, the unassigned fund balance in the General Fund is available for appropriation.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. All appropriations shall first be paid from revenues restricted as to use and secondly from restricted revenues.

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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 \$9,006,017 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets at historical cost on government-wide statement in governmental activities column)	\$ 117,844,971
Less Accumulated Depreciation	<u>(53,624,385)</u>
Net capital assets	64,220,586
Pension related deferred outflows of resources	16,347,429
OPEB related deferred outflows of resources	7,403,117
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 financing	(2,456,021)
Compensated absences	(581,064)
Net pension liability	(25,562,941)
Net OPEB liability	(33,939,599)
Deferred inflows of resources related to pensions	(412,671)
Deferred inflows of resources related to OPEB	<u>(16,012,819)</u>
Total adjustment	<u><u>\$ 9,006,017</u></u>

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$24,352,730 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 21,060,399
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,758,699)
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	(715,642)
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	607,192
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	5,173,113
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	2,080,555
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(3,922)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	257,643
Loss on disposal of capital assets	(6,363)
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(5,375,080)
OPEB (expense) benefit	3,194,346
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(160,812)
Total adjustment	<u>\$ 24,352,730</u>

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

10. Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$2,868,355. The bank balances with the financial institutions and the State Treasurer were \$3,013,795 and \$193,123, respectively. Of these balances, \$250,000 was covered by federal depository insurance and \$2,956,918 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2023, The Board had \$2,122,853 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, 2023. The Board has no policy for managing interest rate risk, concentration risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

3. Accounts Receivable

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

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ 25,748	\$ -	\$ 25,748
Other governmental activities	<u>1,699,796</u>	<u>142</u>	<u>1,699,938</u>
Total governmental activities	<u>\$ 1,725,544</u>	<u>\$ 142</u>	<u>\$ 1,725,686</u>
Business-type activities:			
School Food Service Fund	<u>\$ 31,320</u>	<u>\$ -</u>	<u>\$ 31,320</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 25,748	Amounts due from County
Capital Outlay Fund	1,500,157	Amounts due from County
Other Special Revenue	<u>199,639</u>	Medicaid and Federal grant funds
Total	<u>\$ 1,725,544</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 31,320</u>	Federal grant funds

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,419,859	\$ -	\$ -	\$ 1,419,859
Construction in progress	3,098,744	20,116,212	929,886	22,285,070
Total capital assets not being depreciated	<u>4,518,603</u>	<u>20,116,212</u>	<u>929,886</u>	<u>23,704,929</u>
Capital assets being depreciated:				
Buildings and improvements	81,449,711	949,374	-	82,399,085
Equipment and furniture	5,319,802	19,330	14,969	5,324,163
Vehicles	5,588,565	905,369	77,140	6,416,794
Total capital assets being depreciated	<u>92,358,078</u>	<u>1,874,073</u>	<u>92,109</u>	<u>94,140,042</u>
Less accumulated depreciation for:				
Buildings and improvements	42,958,661	1,410,274	-	44,368,935
Equipment and furniture	4,904,199	82,221	14,969	4,971,451
Vehicles	4,084,650	266,204	66,855	4,283,999
Total accumulated depreciation	<u>51,947,510</u>	<u>1,758,699</u>	<u>81,824</u>	<u>53,624,385</u>
Total capital assets being depreciated, net	<u>40,410,568</u>			<u>40,515,657</u>
Governmental activity capital assets, net	<u>\$ 44,929,171</u>			<u>\$ 64,220,586</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	\$ 1,279,246	\$ -	\$ -	\$ 1,279,246
Less accumulated depreciation for:				
Equipment, furniture and vehicles	<u>1,120,665</u>	<u>19,228</u>	<u>-</u>	<u>1,139,893</u>
School Food Service capital assets, net	<u>\$ 158,581</u>			<u>\$ 139,353</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 1,410,274
System-wide support services	266,204
Unallocated depreciation	<u>82,221</u>
Total	<u>\$ 1,758,699</u>

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

5. Significant Commitments

At June 30, 2023, the Board had various repairs and maintenance projects in progress throughout the district as well as an addition to Moyock Middle. At year-end, the Board's commitments with contractors for the remaining portion of the contracts to complete these projects totaled \$60 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.

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2023 was

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17.38% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$5,266,193 for the year ended June 30, 2023.

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

At June 30, 2023, the Board reported a liability of \$26,022,896 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's 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, 2022 and at June 30, 2021, the Board's proportion was .17533% and .16449%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$5,501,456. At June 30, 2023, 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	\$ 113,305	\$ 354,696
Changes of assumptions	2,053,107	-
Net difference between projected and actual earnings on pension plan investments	8,546,962	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	662,003	65,400
Board contributions subsequent to the measurement date	5,266,193	-
Total	<u>\$ 16,641,570</u>	<u>\$ 420,096</u>

\$5,266,193 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, 2024. 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:

2024	\$ 3,014,228
2025	2,736,741
2026	1,107,140
2027	4,097,172
2028	-
Thereafter	-
Total	<u>\$ 10,955,281</u>

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

Inflation	2.50 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, 2021 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, 2022 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rates used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that 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)	\$ 46,009,806	\$ 26,022,896	\$ 9,525,300

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

b. Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are

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determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2023, the Board contributed 6.89% of covered payroll, which amounted to \$2,087,691. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$180.5 million, which was isolated from the OPEB expense and allocated to participating employers as a separate contribution. The Board's proportionate share of this contribution totaled \$262,279.

At June 30, 2023, Board reported a liability of \$34,504,636 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and at June 30, 2021, the Board's proportion was .14530% and .14169%, respectively.

\$34,504,636 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2024	\$ (4,194,398)
2025	(2,477,268)
2026	(2,761,745)
2027	(1,536,103)
2028	-
Thereafter	-
Total	<u>\$ (10,969,514)</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	5.00-6.00%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2023 and 2022 were 3.54% and 2.16%, 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,

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a municipal bond rate of 3.54% was used as the discount rate used to measure the total OPEB liability. The 3.54% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2022.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the 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 (2.54 percent) or 1-percentage point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB liability	\$ 40,642,486	\$ 34,504,636	\$ 29,491,679

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the healthcare trend rates. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (Medical- 4.00-5.00%, Pharmacy- 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical- 6.00-7.00%, Pharmacy- 6.00-10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 28,402,835	\$ 34,504,636	\$ 42,392,086

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

Disability Benefits

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

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer the State Superintendent and the Director of the Office of State Human Resources who serve as ex-officio members. The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at <https://www.osc.nc.gov/public-information/reports>.

Benefits Provided. Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2023, employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$30,300 for the year ended June 30, 2023.

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

At June 30, 2023, Board reported an OPEB liability of \$45,639 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and at June 30, 2021, the Board's proportion was .15342% and .14531%, respectively.

\$30,300 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, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2024	\$	22,462
2025		25,785
2026		18,238
2027		13,821
2028		1,939
Thereafter		<u>4,662</u>
Total	\$	<u>86,907</u>

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

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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	\$ 56,199	\$ 45,639	\$ 35,053

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

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2022 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, 2023:

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	RHBF	DIPNC	Total
OPEB Expense (Benefit)	\$ (3,162,831)	\$ 62,314	\$ (3,100,517)
OPEB Liability (Asset)	34,504,636	45,639	34,550,275
Proportionate share of the net OPEB liability (asset)	0.14530%	0.15342%	
Deferred Outflows of Resources			
Differences between expected and actual experience	334,994	51,158	386,152
Changes of assumptions	2,762,544	2,933	2,765,477
Net difference between projected and actual earnings on plan investments	298,795	48,272	347,067
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,919,635	-	1,919,635
Board contributions subsequent to the measurement date	2,087,691	30,300	2,117,991
Total Deferred Outflows of Resources	<u>7,403,659</u>	<u>132,663</u>	<u>7,536,322</u>
Deferred Inflows of Resources			
Differences between Expected and actual experience	95,478	-	95,478
Changes of assumptions	15,703,872	8,455	15,712,327
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	486,132	7,001	493,133
Total Deferred Inflows of Resources	<u>16,285,482</u>	<u>15,456</u>	<u>16,300,938</u>

2. Accounts Payable

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

	Vendors
Governmental activities:	
General Fund	\$ 168,497
Other governmental activities	<u>1,515,191</u>
Total governmental activities	<u>\$ 1,683,688</u>
Business-type activities:	
School Food Service Fund	<u>\$ 396</u>

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3. Unearned Revenues

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

Business-type activities:

Prepayments of meals (School Food Service Fund)	\$ 35,041
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4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 499,457	\$ 450,174
Changes of assumptions	4,818,584	15,712,327
Net difference between projected and actual earnings on pension plan investments	8,894,029	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	2,581,638	558,533
Board contributions subsequent to the measurement date	7,384,184	-
Total	<u>\$ 24,177,892</u>	<u>\$ 16,721,034</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 million per claim, and workers' compensation coverage up to the statutory limits for employees to the extent they are paid from federal and local funds. The State of North Carolina provides workers' compensation coverage for employees to the extent they are paid from State funds. The Trust has an annual aggregate limit for both general liability and errors and omissions of \$2,550,000 each. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage, and for losses in excess of \$250,000 per claim for workers' compensation coverage. The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction. Two school buildings and their contents are each insured for floods with coverage up to \$500,000 for the building and \$500,000 for the contents, less a \$5,000 deductible on both the building and the contents. One school building is insured for floods with coverage up to \$500,000 for the building, less a \$50,000 deductible. Flood insurance is not required on the other buildings.

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For the Fiscal Year Ended June 30, 2023

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 Traditional Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$5,000.

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

6. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third party financing arrangements. During the fiscal year ended June 30, 2022 and June 30, 2023, the Board entered into such direct placement financing contracts for the purchase of school buses. The original amount of the Board's school bus direct placement installment purchase contracts outstanding at June 30, 2023 totaled \$1,089,338. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates.

The Board also entered into a direct placement installment purchase contract to purchase 2 modular buildings during the fiscal year ended June 30, 2022. The cost of the modulars was \$239,998, payable in 6 annual installments of \$48,224 including an interest rate of 5.62%, the final payment is due during the fiscal year ended June 30, 2025.

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

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 313,265	\$ 7,295
2025	222,140	4,995
2026	45,659	2,566
2027	-	-
2028	-	-
Thereafter	-	-
Total	<u>\$ 581,064</u>	<u>\$ 14,856</u>

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2023:

	July 1, 2022	Increases	Decreases	June 30, 2023	Current Portion
Governmental activities:					
Installment purchase	\$ 472,614	\$ 715,642	\$ 607,192	\$ 581,064	\$ 313,265
Net pension liability	7,589,731	17,973,210	-	25,562,941	-
Net OPEB liability	43,164,682	-	9,225,083	33,939,599	-
Compensated absences	2,295,209	1,916,907	1,756,095	2,456,021	1,023,952
Total	<u>\$ 53,522,236</u>	<u>\$ 20,605,759</u>	<u>\$ 11,588,370</u>	<u>\$ 62,539,625</u>	<u>\$ 1,337,217</u>
Business-type activities:					
Net pension liability	\$ 112,679	\$ 347,276	\$ -	\$ 459,955	\$ -
Net OPEB liability	640,831	-	30,155	610,676	-
Compensated absences	31,321	56,222	53,557	33,986	20,792
Total	<u>\$ 784,831</u>	<u>\$ 403,498</u>	<u>\$ 83,712</u>	<u>\$ 1,104,617</u>	<u>\$ 20,792</u>

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

C. Interfund Balances and Activity

1. Transfers to/from other Funds

Transfers to/from other funds at June 30, 2023 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs \$ 72,684

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	\$ 64,220,586
Less:	
Installment purchase obligations for school buses and modulars	<u>(581,064)</u>
Net investment in capital assets, governmental activities	<u>\$ 63,639,522</u>

CURRITUCK COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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	\$ 1,851,787
Less:	
Stabilization by State statute	<u>(25,748)</u>
Remaining fund balance	<u>\$ 1,826,039</u>

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2023 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursement program	\$ 297,949
Interest earned on investments	4,628
Tuition and fees	169,801
Indirect costs allocated	245,628
Contracted services	163,548
Private grants and programs	115,168
Contributions and donations	1,400
Sales tax reimbursement	63,631
Other reimbursements and refunds	<u>1,458</u>
Total other revenues	<u>\$ 1,063,211</u>

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Schedule of Board Contributions
Retiree Health Benefit Fund

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

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	2023	2022	2021	2020	2019
Board's proportion of the net pension liability (asset)	0.17533%	0.16449%	0.16488%	0.16184%	0.16067%
Board's proportionate share of the net pension liability (asset)	\$ 26,022,896	\$ 7,702,410	\$ 19,920,797	\$ 16,777,883	\$ 15,996,448
Board's covered payroll	\$ 28,710,387	\$ 25,718,448	\$ 25,322,711	\$ 24,924,136	\$ 23,320,397
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	90.64%	29.95%	78.67%	67.32%	68.59%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	85.98%	87.56%	87.61%
	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.16209%	0.15618%	0.15299%	0.14691%	0.14590%
Board's proportionate share of the net pension liability (asset)	\$ 12,860,935	\$ 14,354,553	\$ 5,637,982	\$ 1,722,404	\$ 1,749,198
Board's covered payroll	\$ 22,832,162	\$ 21,671,976	\$ 21,389,824	\$ 20,176,866	\$ 20,218,678
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.33%	66.24%	26.36%	8.54%	8.65%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 5,266,193	\$ 4,531,450	\$ 3,799,855	\$ 3,299,979	\$ 3,063,176
Contributions in relation to the contractually required contribution	<u>5,266,193</u>	<u>4,531,450</u>	<u>3,799,855</u>	<u>3,299,979</u>	<u>3,063,176</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 30,300,306	\$ 28,710,387	\$ 25,718,448	\$ 25,322,711	\$ 24,924,136
Contributions as a percentage of covered payroll	17.38%	16.38%	14.78%	12.97%	12.29%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,513,939	\$ 2,278,650	\$ 1,982,986	\$ 1,957,169	\$ 1,753,370
Contributions in relation to the contractually required contribution	<u>2,513,939</u>	<u>2,278,650</u>	<u>1,982,986</u>	<u>1,957,169</u>	<u>1,753,370</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 23,320,397	\$ 22,832,162	\$ 21,671,976	\$ 21,389,824	\$ 20,176,866
Contributions as a percentage of covered payroll	10.78%	9.98%	9.15%	9.15%	8.69%

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

	2023	2022	2021	2020	2019
Board's proportion of the net OPEB liability/asset	0.14530%	0.14169%	0.13987%	0.13818%	0.14014%
Board's proportionate share of the net OPEB liability (asset)	\$ 34,504,636	\$ 43,805,513	\$ 38,801,668	\$ 43,719,432	\$ 39,924,376
Board's covered-employee payroll	\$ 28,710,387	\$ 25,718,448	\$ 25,322,711	\$ 24,924,136	\$ 23,320,397
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	120.18%	170.33%	153.23%	175.41%	171.20%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.58%	7.72%	6.92%	4.40%	4.40%
	2018	2017			
Board's proportion of the net OPEB liability/asset	0.14305%	0.13479%			
Board's proportionate share of the net OPEB liability (asset)	\$ 46,900,827	\$ 58,639,802			
Board's covered-employee payroll	\$ 22,832,162	\$ 21,671,976			
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	205.42%	270.58%			
Plan fiduciary net position as a percentage of the total OPEB liability/asset	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 seven years of data presented.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,087,691	\$ 1,740,099	\$ 1,717,390	\$ 1,646,173	\$ 1,562,743
Contributions in relation to the contractually required contribution	<u>2,087,691</u>	<u>1,740,099</u>	<u>1,717,390</u>	<u>1,646,173</u>	<u>1,562,743</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 30,300,306	\$ 28,710,387	\$ 25,718,448	\$ 25,322,711	\$ 24,924,136
Contributions as a percentage of covered payroll	6.89%	6.29%	6.68%	6.47%	6.27%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,410,884	\$ 1,293,053	\$ 1,213,631	\$ 1,174,301	\$ 1,089,551
Contributions in relation to the contractually required contribution	<u>1,410,884</u>	<u>1,293,053</u>	<u>1,213,631</u>	<u>1,174,301</u>	<u>1,089,551</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 23,320,397	\$ 22,832,162	\$ 21,671,976	\$ 21,389,824	\$ 20,176,866
Contributions as a percentage of covered payroll	6.05%	5.81%	5.60%	5.49%	5.40%

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

	2023	2022	2021	2020	2019
Board's proportion of the net OPEB liability/asset	0.15342%	0.14531%	0.14377%	0.14221%	0.14166%
Board's proportionate share of the net OPEB liability (asset)	\$ 45,639	\$ (23,735)	\$ (70,726)	\$ (61,364)	\$ (43,031)
Board's covered-employee payroll	\$ 28,710,387	\$ 25,718,448	\$ 25,322,711	\$ 24,924,136	\$ 23,320,397
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.16%	0.09%	0.28%	0.25%	0.18%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.34%	105.18%	115.57%	113.00%	108.47%
	2018	2017			
Board's proportion of the net OPEB liability/asset	0.14206%	0.13796%			
Board's proportionate share of the net OPEB liability (asset)	\$ (86,827)	\$ (85,673)			
Board's covered-employee payroll	\$ 22,832,162	\$ 21,671,976			
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.38%	-0.40%			
Plan fiduciary net position as a percentage of the total OPEB liability/asset	116.23%	116.06%			

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

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 seven years of data presented.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 30,300	\$ 24,898	\$ 23,138	\$ 25,443	\$ 34,894
Contributions in relation to the contractually required contribution	<u>30,300</u>	<u>24,898</u>	<u>23,138</u>	<u>25,443</u>	<u>34,894</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 30,300,306	\$ 28,710,387	\$ 25,718,448	\$ 25,322,711	\$ 24,924,136
Contributions as a percentage of covered payroll	0.10%	0.09%	0.09%	0.10%	0.14%

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 32,649	\$ 86,762	\$ 88,855	\$ 87,698	\$ 88,778
Contributions in relation to the contractually required contribution	<u>32,649</u>	<u>86,762</u>	<u>88,855</u>	<u>87,698</u>	<u>88,778</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered payroll	\$ 23,320,397	\$ 22,832,162	\$ 21,671,976	\$ 21,389,824	\$ 20,176,866
Contributions as a percentage of covered payroll	0.14%	0.38%	0.41%	0.41%	0.44%

INDIVIDUAL FUND SCHEDULES

CURRITUCK COUNTY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Currituck County:			
County appropriation	\$ 13,078,302	\$ 13,078,302	\$ -
Other:			
Fines and forfeitures	305,000	305,498	498
Interest earned on investment	17,487	23,164	5,677
Total other	322,487	328,662	6,175
Total revenues	13,400,789	13,406,964	6,175
Expenditures:			
Current:			
Instructional services:			
Regular instructional	-	3,242,895	-
Special populations	-	349,131	-
Alternative programs	-	258,708	-
School leadership	-	860,575	-
Co-curricular	-	485,880	-
School-based support	-	1,061,472	-
Total instructional services	6,259,559	6,258,661	898
System-wide support services:			
Support and development	-	278,733	-
Technology support	-	558,462	-
Operational support	-	4,647,795	-
Financial and human resource services	-	997,560	-
Accountability	-	603	-
System-wide pupil support	-	6,608	-
Policy, leadership and public relations	-	395,121	-
Total system-wide support services	6,946,037	6,884,882	61,155

CURRITUCK COUNTY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures: (Continued)			
Current:			
Ancillary services:			
Nutrition	<u>14,858</u>	<u>14,858</u>	<u>-</u>
Nonprogrammed charges:			
Payments to other governments	<u>180,335</u>	<u>177,789</u>	<u>2,546</u>
Total expenditures	<u>13,400,789</u>	<u>13,336,190</u>	<u>64,599</u>
Net change in fund balance	<u>\$ -</u>	<u>70,774</u>	<u>\$ 70,774</u>
Fund balance:			
Beginning of year		<u>1,781,013</u>	
End of year		<u>\$ 1,851,787</u>	

CURRITUCK COUNTY SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2023

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 823,000	\$ 656,550	\$ (166,450)
State Buses Appropriation	<u>451,244</u>	<u>451,244</u>	<u>-</u>
Total State of North Carolina	<u>1,274,244</u>	<u>1,107,794</u>	<u>(166,450)</u>
Currituck County:			
Bond proceeds	80,298,217	20,168,073	(60,130,144)
County Appropriations	<u>1,400,000</u>	<u>1,400,000</u>	<u>-</u>
Total Currituck County	<u>81,698,217</u>	<u>21,568,073</u>	<u>(60,130,144)</u>
Other:			
Interest earned on investments	3,500	4,669	1,169
Proceeds from disposal of capital assets	3,922	3,922	-
Miscellaneous	<u>14,805</u>	<u>14,805</u>	<u>-</u>
Total other	<u>22,227</u>	<u>23,396</u>	<u>1,169</u>
Total revenues	<u>82,994,688</u>	<u>22,699,263</u>	<u>(60,295,425)</u>
Expenditures:			
Debt service:			
Principal retirement	607,192	607,192	-
Interest and fees	<u>15,038</u>	<u>15,038</u>	<u>-</u>
Total debt service	<u>622,230</u>	<u>622,230</u>	<u>-</u>
Capital outlay:			
Real property and buildings:			
Moyock Elementary addition	-	10,899,774	-
Moyock Middle addition	-	6,089,889	-
Tulls Creek Elementary	-	2,400,507	-
Various other capital projects	<u>-</u>	<u>2,412,298</u>	<u>-</u>
Total real property and buildings	<u>82,333,206</u>	<u>21,802,468</u>	<u>60,530,738</u>
Furnishings and equipment	<u>260,971</u>	<u>238,156</u>	<u>22,815</u>
Buses and motor vehicles	<u>944,068</u>	<u>944,193</u>	<u>(125)</u>
Total capital outlay	<u>83,538,245</u>	<u>22,984,817</u>	<u>60,553,428</u>
Total expenditures	<u>84,160,475</u>	<u>23,607,047</u>	<u>60,553,428</u>
Revenues over (under) expenditures	(1,165,787)	(907,784)	258,003
Other financing sources:			
Installment purchase obligations issued	<u>715,642</u>	<u>715,642</u>	<u>-</u>
Fund balance appropriated	<u>450,145</u>	<u>-</u>	<u>(450,145)</u>
Net change in fund balance	<u>\$ -</u>	<u>(192,142)</u>	<u>\$ (192,142)</u>
Fund balance:			
Beginning of year		<u>634,034</u>	
End of year		<u>\$ 441,892</u>	

CURRITUCK COUNTY SCHOOLS
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2023

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 823,660	\$ 519,169	\$ (304,491)
Operating expenditures:			
Business support services:			
Purchase of food	-	690,307	-
Donated commodities	-	85,808	-
Salaries and benefits	-	975,085	-
Indirect costs	-	72,063	-
Materials and supplies	-	1,763	-
Repairs and maintenance	-	9,778	-
Non-capitalized equipment	-	827	-
Contracted services	-	23,424	-
Other	-	4,075	-
Total operating expenditures	2,020,226	1,863,130	157,096
Operating loss	(1,196,566)	(1,343,961)	(147,395)
Nonoperating revenues:			
Federal reimbursements	1,037,664	1,001,388	(36,276)
Federal commodities	89,552	85,808	(3,744)
State reimbursements	9,250	9,659	409
Interest earned	15,100	7,958	(7,142)
Total nonoperating revenues	1,151,566	1,104,813	(46,753)
Revenues over (under) expenditures before other financing sources	(45,000)	(239,148)	(194,148)
Other financing sources:			
Transfers from other funds	45,000	72,684	27,684
Revenues and other sources over (under) expenditures	\$ -	(166,464)	\$ (166,464)
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(19,228)	
Net OPEB asset		(347)	
Net pension liability		(347,276)	
Net OPEB liability		30,155	
Deferred outflows		203,934	
Deferred inflows		28,481	
Increase in compensated absences payable		(2,665)	
Increase in inventories		20,972	
Change in net position (full accrual)		\$ (252,438)	

COMPLIANCE SECTION



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

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

INDEPENDENT AUDITORS' REPORT

To the Currituck County Board of Education
Currituck, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Currituck County Board of Education, North Carolina, as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprises the Currituck County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated November 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Anderson Smith & Wike PLLC

*November 22, 2023
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Currituck County Board of Education
Currituck, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Currituck County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2023. The Currituck County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Currituck County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Currituck County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Currituck County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

*November 22, 2023
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Currituck County Board of Education
Currituck, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Currituck County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2023. The Currituck County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Currituck County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance and the State Single Audit Implementation Act are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Currituck County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Currituck County Board of Education's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

*November 22, 2023
West End, North Carolina*

**CURRITUCK COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

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

Noncompliance material to financial statements noted *No*

Federal Awards

Internal control over major federal programs:

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

Type of auditors' report issued on compliance for major federal programs *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? *No*

Identification of major federal programs:

AL Numbers	Names of Federal Program or Cluster
84.010	Title I – Grants to Local Educational Agencies
84.425	COVID-19 – Education Stabilization Fund

**CURRITUCK COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2023**

Section I - Summary of Auditors' Results (Continued)

Federal Awards (Continued)

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? Yes

State Awards

Internal control over major State programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act No

Identification of major State programs:

Program Name

State Public School Fund

Section II - Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

Section IV - State Award Findings and Questioned Costs

No findings and questioned costs related to the audit of State awards aggregating \$25,000 or more were noted.

***CURRITUCK COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2023***

There were no audit findings reported in the prior year.

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

Page 1 of 3

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 85,808
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	254,156
National School Lunch Program	10.555	PRC 035	624,061
Supply Chain Assistance Funds	10.555	PRC 035	122,603
Seamless Summer Program	10.555	PRC 035	568
Cash Assistance Subtotal			1,001,388
Total Child Nutrition Cluster			1,087,196
Local Food for Schools Cooperative Agreement Program			8,217
Total U.S. Department of Agriculture			1,095,413
<u>U.S. Department of Education</u>			
Office of Elementary and Secondary Education:			
Direct Programs:			
Impact Aid (School Assistance in Federally Affected Areas)	84.041		59,653
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050	779,882
Education for Homeless Children and Youth	84.196	PRC 026	15,407
Supporting Effective Instruction	84.367	PRC 103	133,668
Student Support and Academic Enrichment	84.424	PRC 108	40,988
Office of Special Education and Rehabilitative Services:			
Passed-through the N.C. Department of Public Instruction:			
Individuals with Disabilities Education Act			
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	1,016,873
Special Needs Targeted Assistance	84.027	PRC 118	8,037
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	22,083
Preschool Targeted Assistance	84.173	PRC 119	1,934
Total Special Education Cluster			1,048,927
Title VI-B, Education of the Handicapped	84.323	PRC 082	8,566

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

Page 2 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Education Stabilization Fund:			
CARES Act:			
COVID-19 - GEER I - Specialized Instructional Support			
Personnel for COVID-19 Response	84.425C	PRC 169	6,283
COVID-19 - GEER I - Supplemental Instructional Services	84.425C	PRC 170	1,607
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	141,103
COVID-19 - CRRSA - ESSER II - Learning Loss Funding	84.425D	PRC 176	36,441
Accelerator Program	84.425D	PRC 177	19,452
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	1,015,163
COVID-19 - ESSER III - Homeless	84.425W	PRC 183	802
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	11,774
COVID-19 - ESSER III - Math Enrichment Programs	84.425U	PRC 189	63,099
COVID-19 - ESSER III - Cyberbullying & Suicide Prevention	84.425U	PRC 192	6,895
COVID-19 - ARP - ESSER III - School Psychologists	84.425U	PRC 204	10,000
Total COVID-19 - Education Stabilization Fund	84.425		<u>1,312,619</u>
Career and Technical Education - Basic Grants to States			
Program Development	84.048	PRC 017	<u>57,172</u>
Passed-through the Tyrrell County Board of Education:			
English Language Acquisition State Grants			<u>8,693</u>
Total U.S. Department of Education			<u>3,465,575</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	None		<u>57,839</u>
Total Federal Assistance			<u>4,618,827</u>
State Grants:			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	32,455,111
Career and Technical Education:			
State Months of Employment		PRC 013	1,485,831
Program Support Funds		PRC 014	317,332
Driver Training		PRC 012	73,394
School Technology Fund		PRC 015	<u>54,360</u>

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

Page 3 of 3

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Passed-through Currituck County:			
Public School Capital Fund - Lottery		PRC 076	<u>656,550</u>
Cash assistance subtotal			35,042,578
Non-Cash Assistance:			
State Buses Appropriations		PRC 120	<u>451,244</u>
Total NC Department of Public Instruction			<u>35,493,822</u>
<u>N.C. Department of Juvenile Justice</u>			
Passed-through Currituck County			
Juvenile Crime Prevention Council			<u>100,640</u>
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
Passed through Currituck County Partnership for Children			
NC Pre-Kindergarten Program		PRC 413	<u>249,238</u>
<u>N.C. Department of Natural and Cultural Resources:</u>			
Division of the North Carolina Arts Council			
Grassroots Arts Program			<u>30,523</u>
<u>N.C. Department of Agriculture</u>			
State Reduced Breakfast Program			6,192
State Reduced Lunch Program			<u>3,467</u>
Total State Assistance			<u>35,883,882</u>
Total Federal and State Assistance			<u>\$ 40,502,709</u>

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Currituck County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Currituck County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Currituck County Schools.

Note 2. Summary of Significant Accounting Policies

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

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