Davidson County Board of Education

Lexington, North Carolina

Your future. Our focus.
DAVIDSON
COUNTY SCHOOLS

Annual Comprehensive Financial Report For The Fiscal Year Ended June 30, 2024

Davidson County Board of Education
Lexington, North Carolina

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Prepared by
Ashley Crawford
and the
Finance Department

DAVIDSON COUNTY BOARD OF EDUCATION
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Unaudited

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LETTER OF TRANSMITTAL

January 21, 2025

TO THE MEMBERS OF THE DAVIDSON COUNTY BOARD OF EDUCATION AND CITIZENS OF DAVIDSON COUNTY, NORTH CAROLINA

State law requires that all general-purpose local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Davidson County Board of Education (the Board) for the fiscal year ended June 30, 2024.

The annual comprehensive financial report is presented in three sections: **Introductory, Financial,** and **Statistical**. The **Introductory** section contains the letter of transmittal, a list of the Board members and principal officials, and the organizational chart. The introductory section is unaudited. The **Financial** section presents the independent auditor's report, management's discussion and analysis, the basic financial statements, and the individual fund by fund type. The **Statistical** section contains tables of unaudited data covering a ten-year financial history of the Board, as well as, statistical data for Davidson County.

This report consists of management's representations concerning the finances of the Board. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Board has established a comprehensive internal control framework that is designed both to protect the Board's assets from loss, theft, or misuse and compile sufficient reliable information for the preparation of the Board's financial statements in conformity with GAAP.

The Board's financial statements have been audited by Anderson, Smith & Wike PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Board for the fiscal year ended June 30, 2024 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The auditor's report can be found in the financial section of this report.

The independent audit of the financial statements of the Board was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited Board's internal controls and compliance with legal requirements with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Board's separately issued Single Audit Report found in the compliance section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Board's MD&A can be found immediately following the report of the independent auditors in the financial section of this report.

SCHOOL SYSTEM AND GOVERNANCE

The Davidson County School System is the twentieth largest among North Carolina's 115 public school systems. It serves 17,609 students in preschool through grade twelve. It extends across 35 physical campuses that include 18 elementary schools (building ages range from 15 to 73 years old), 6 middle schools (building ages range from 12 to 67 years old), 6 high schools (building ages range from 7 to 72 years old), 1 middle and high school (grades 6-12), 1 school for students with special needs (building 65 years old), 1 early college, 1 alternative high school and 1 STEM school (building 94 years old). Davidson County Schools has 7 high school attendance areas comprised of a high school, middle school and 2 to 4 elementary schools. Students attend their neighborhood school.

Davidson County Schools joins Lexington City Schools (student population 2,851), Thomasville City Schools (student population 2,105) and the Davidson County Community College as public providers of education in the County. All four education agencies receive funding from federal, State, local and grant sources.

The Davidson County School System is governed by a nonpartisan Board of Education whose five school district residents are elected at large and serve overlapping four-year terms. The Board is responsible for setting educational policies consistent with State and federal laws governing public education. The Board receives government funding from State, local, and federal sources. The Board must comply with the established legal requirements of each funding source. The Board has no taxing authority and is required to maintain accounting records in a uniform format established by the State's General Assembly.

GEOGRAPHY, POPULATION and ECONOMICS

Davidson County is located in the Piedmont Triad Area of North Carolina. It is 553.2 square miles of suburban countryside. It is a neighbor to Winston-Salem in Forsyth County, High Point and Greensboro in Guilford County, Salisbury in Rowan County and Asheboro in Randolph County. The county seat is Lexington.

Davidson County Schools is the largest employer in Davidson County, employing over five-percent of the county's workforce

Davidson County's population of 174,804 residents is approximately 23.7% non-Caucasian, with the largest percentages of non-Caucasian located within Lexington and Thomasville city limits. Davidson County Schools continues to experience a growth in the number of students who speak English as a second language. Most of the workforce within the County is blue collar, many of whom are from families who have experienced career-long employment in furniture or textile industries. Furniture and textiles have provided jobs without requiring post high school training, and in many cases high school completion. Manufacturing and Textile jobs have continued to decrease due to reduction in workforce sizes, closures or moving overseas. Many workers have been forced to return to school for retraining and college degrees. Davidson County Community College has seen enrollment grow. Today, 87.7% of the

County's population over 25 years of age has a high school diploma or better, but only 20.7% of the same population has a bachelor's degree or higher. Many of the County's college graduates choose not to return home to work. If they return, they must travel to neighboring counties and larger cities to find professional jobs.

The unemployment rate is 4.1% for Davidson County which is greater than the state's unemployment rate of 3.4% as of June 30, 2024. Unemployment rates on the county, state and nation level continue to remain low as after effects of coronavirus ("COVID-19") pandemic. The County has experienced a significant amount of growth in new industry from the continued development of the Davidson County Business Park and individual business sites within the county. The new growth in industry will take time to create jobs equal to those lost due to plant closings.

FINANCIAL CHALLENGES

Maintenance and replacement of district structures propose a significant financial impact to the overall county funding available for each of the three districts overall budgets. The Davidson County Board of Commissioners continue to work with all three districts to assess physical structure needs within each of the districts and provide capital outlay funding to ensure structures are appropriate. Over the past 18 years, 7 schools were constructed for Davidson County Schools. The most recent school built, Oak Grove High School opened in the fall of 2017.

The Davidson County Government utilized the funding sources provided through the American Recovery and Reinvestment Act 2009 (ARRA). The funds were available through the Department of Public Instruction and utilized by the district for construction bonds. Davidson County Government utilized the available funding and issued several Qualified School Construction Bonds (QSCB) for facility repairs and construction. Davidson County Schools will pay back the debt service coverage on the QSCB to the County government annually. Reduction in capital outlay budgets by the County government and other funding streams will be utilized to pay for the debt service coverage. This method of payback to the County government will occur over a period of 15 years. This annual reduction in the capital outlay budget will delay capital outlay needs by our older schools.

Additionally, Elementary and Secondary School Emergency Relief Funds (ESSER) that were provided to the school system after COVID-19 in order to help support student success are going away. This puts a strain on the school system in order to put additional resources in the classroom to meet the needs of the students. There continues to be annual increases to personnel costs paid for by the employer related to Health and Retirement benefits continue to make up a larger portion of the current budget.

BUDGETARY CONTROLS

The North Carolina General Statutes require government units to adopt a balanced budget by July l of each year. The Board's annual budget resolution authorizes expenditures by function on the modified accrual basis of accounting. The budget is allocated to line-item expenditure accounts, for internal management purposes. The budget amounts in this report are presented in conformity with the legally adopted budget ordinance as amended throughout the fiscal year.

The Board uses a purchase order encumbrance system that records encumbrances against each expenditure line item. State and federal outstanding encumbrances are cancelled at year-end. Local and capital outlay (category II & III) encumbrances are carried over into the subsequent year and the budget amounts are re-appropriated.

Financial Reporting Awards

For the fiscal year ended June 30, 2024, the Annual Comprehensive Financial Report of Davidson County Schools earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting Award.

Davidson County Schools is honored to be the recipient of these awards. The awards are made only to governmental units that publish an annual comprehensive financial report, which is easily readable, efficiently organized, and conform to program standards as well as satisfying generally accepted accounting principles. Awards are valid for one year only. We believe the accompanying report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of eligibility for renewed awards.

ACKNOWLEDGMENTS

The preparation of this report would not have been possible without the dedicated services of the finance staff and the Board's independent certified public accounting firm Anderson Smith & Wike PLLC. We would like to express our appreciation to all the employees who contributed and assisted with the preparation of this report.

In addition, we would like to thank the members of the Board of Education for their support and dedication in planning and conducting the financial matters of the school system in a responsible manner. In conclusion, we would like to thank the Board of County Commissioners for their support throughout the fiscal year.

Respectfully submitted,

Ashley Crawford

Ashley Crawford
Chief Finance Officer

Davidson Board of Education
Lexington, North Carolina

July 1, 2023 - June 30, 2024

Board of Education

- **Keri Johnston** — Executive Assistant to the Superintendent
- **Dr. Gregg Slate** — Superintendent
  - **Dr. Deana Coley** — Assistant Superintendent, Curriculum & Instruction
    - **Dr. Casey Mitstead** — Director of High School Education & Digital Learning
    - **Tammy Bush** — Director of Middle Education & MTSS
    - **April Willard** — Director of Elementary Education
    - **Dr. Karen Ingram** — Director of CTE
    - **Susan Russell** — Director of Exceptional Children
    - **Kemp Smith** — Director of Testing & Accountability
    - **Sue Tobin** — Director of Technology & Media
  - **Dr. Dannie Williams** — Assistant Superintendent, Human Resources
    - **Dr. Brandy Shirley** — Director of Human Resources
    - **Karen Sauerbrey** — Coordinator of Beginning Teachers, Recruitment & Retention
  - **Chris Johnston** — Executive Director, Operations
    - **Joe Tysinger** — Director of Maintenance & Facilities
    - **Brad Sweatman** — Director of Transportation
    - **Daved Roberts** — Director of School Nutirition
    - **Keith Koonts** — Director of Technology
    - **Drew Hackett** — Coordinator of Athletics & Driver's Education
    - **Travis Stroud** — Coordinator of Safety
  - **Tabitha Broadway** — Executive Director, Communications & Strategic Planning
    - **Kelsey Greer** — Director of Student Services
    - **Meredith Pitt** — Coordinator of Public Relations
  - **Ashley Crawford** — Chief Finance Officer
    - **Vacant** — Director of Finance

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DAVIDSON COUNTY SCHOOLS

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Davidson County Schools
North Carolina

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Davidson County Board of Education

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

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

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

FINANCIAL SECTION

ANDERSON SMITH & WIKE PLLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Davidson County Board of Education
Lexington, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Davidson County Board of Education, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise of the Davidson 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 Davidson County Board of Education as of June 30, 2024, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, the State Public School Fund, the Other Special Revenue Fund, and the Federal Grants Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- Exercised professional judgement and maintained professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible 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 Davidson 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 Davidson County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedule of the Proportionate Share of the Net Pension Liability and the Schedule of Board Contributions on pages 53 through 58, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2025 on our consideration of Davidson County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Davidson 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 Davidson County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

January 6, 2025
Huntersville, North Carolina

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

Financial Highlights

- Enrollment within Davidson County Schools has decreased slightly over the previous year. A slight decrease (41 students) occurred within 2024 (17,609) to the 2023 (17,650) fiscal years.

Overview of the Financial Statements

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

- *Independent Auditors' Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental information section presents schedules for Teachers' and State Employees' Retirement System, Retiree Health Benefit Fund, Disability Income Plan of North Carolina and budgetary statements for non-major governmental funds and budgetary statements for enterprise funds*

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

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

Government-wide Statements

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

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

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

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

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

Davidson County Board of Education has two types of funds:

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

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

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

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

Financial Analysis of the Schools as a Whole

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $16,189,597 as of June 30, 2024. The largest component of net position is net investment in capital assets, of $170,613,098.

Following is a summary of the Statement of Net Position:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Current assets	$ 27,307,137	$ 29,801,972	$ 6,477,926	$ 6,448,195	$ 33,785,063	$ 36,250,167
Capital assets	169,953,668	172,207,533	994,115	922,706	170,947,783	173,130,239
Total assets	197,260,805	202,009,505	7,472,041	7,370,901	204,732,846	209,380,406
Deferred outflows of resources	88,040,295	80,721,378	2,018,211	1,909,602	90,058,506	82,630,980
Current liabilities	10,352,090	10,423,136	227,731	235,153	10,579,821	10,658,289
Long-term liabilities	244,693,333	220,219,536	5,563,193	5,151,111	250,256,526	225,370,647
Total liabilities	255,045,423	230,642,672	5,790,924	5,386,264	260,836,347	236,028,936
Deferred inflows of resources	49,020,862	74,807,906	1,123,740	1,769,709	50,144,602	76,577,615
Net investment in capital assets	169,618,983	171,580,853	994,115	922,706	170,613,098	172,503,559
Restricted net position	6,015,459	7,915,149	-	-	6,015,459	7,915,149
Unrestricted net positior	(194,399,627)	(202,215,697)	1,581,473	1,201,824	(192,818,154)	(201,013,873)
Total net position	$ (18,765,185)	$ (22,719,695)	$ 2,575,588	$ 2,124,530	$ (16,189,597)	$ (20,595,165)

Note that net position of governmental activities increased by approximately $4.0 million during the year, indicating improvement in the financial condition of the Board. Also note that the Board carries capital assets for which Davidson County carries the offsetting debt.

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

Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Revenues:						
Program revenues:						
Charges for services	$ 644,206	$ 559,540	$ 1,831,642	$ 2,210,899	$ 2,475,848	$ 2,770,439
Operating grants and contributions	151,960,276	158,038,818	8,797,571	7,534,436	160,757,847	165,573,254
Capital grants and contributions	698,450	749,889	-	-	698,450	749,889
General revenues:						
County appropriations	28,308,658	29,741,384	-	-	28,308,658	29,741,384
State appropriations	947,734	892,234	-	-	947,734	892,234
Other revenues	11,698,433	12,953,295	191,427	61,192	11,889,860	13,014,487
Total revenues	194,257,757	202,935,160	10,820,640	9,806,527	205,078,397	212,741,687
Expenses:						
Governmental activities:						
Instructional services	155,049,723	149,050,537	-	-	155,049,723	149,050,537
System-wide support services	33,598,076	28,702,742	-	-	33,598,076	28,702,742
Ancillary services	244,613	490,569	-	-	244,613	490,569
Non-programmed charges	1,027,240	1,013,257	-	-	1,027,240	1,013,257
Depreciation	338,595	328,494	-	-	338,595	328,494
Business-type activities:						
Food service	-	-	10,414,582	9,441,734	10,414,582	9,441,734
Total expenses	190,258,247	179,585,599	10,414,582	9,441,734	200,672,829	189,027,333
Revenues over(under) expenses	3,999,510	23,349,561	406,058	364,793	4,405,568	23,714,354
Transfers in (out)	(45,000)	(45,000)	45,000	45,000	-	-
Increase (decrease) in net position	3,954,510	23,304,561	451,058	409,793	4,405,568	23,714,354
Beginning net position,	(22,719,695)	(46,024,256)	2,124,530	1,714,737	(20,595,165)	(44,309,519)
Ending net position	$ (18,765,185)	$ (22,719,695)	$ 2,575,588	$ 2,124,530	$ (16,189,597)	$ (20,595,165)

Total governmental activities generated revenues of $194 million while expenses in this category totaled $190 million for the year ended June 30, 2024. Comparatively, revenues were $203 million and expenses totaled $180 million for the year ended June 30, 2023. The increase in revenues and expenses are mainly due to an increase federal funding received and expended during 2024. The increase in net position stands at $4.0 million at June 30, 2024, compared to an increase of $23.3 million in 2023. Instructional services comprised 81% of total governmental-type expenses while system-wide support services made up 18% of those expenses for 2024. County funding comprised 15% of total governmental revenue in the current year. Much of the remaining 85% of total governmental revenue for 2024 consists of restricted State and federal money. Business-type activities generated revenue of $10.8 million and had expenses of $10.4 million in 2024. Net position increased in the business-type activities by $451,058.

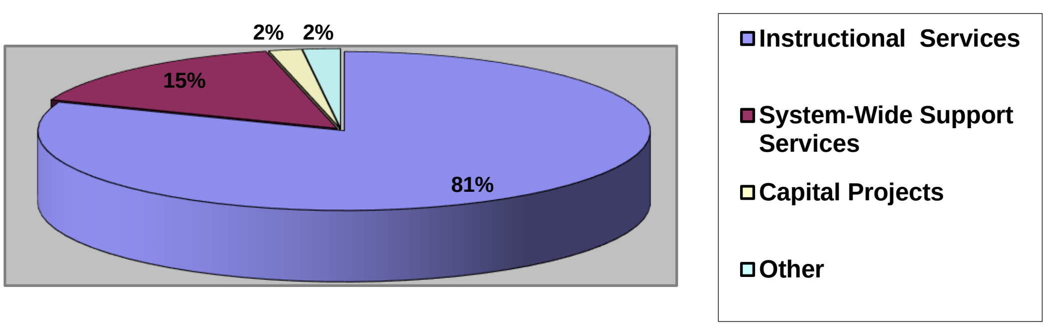
Financial Analysis of the Board's Funds

Governmental Funds: The focus of Davidson 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 $22,018,074, a $2,625,596 decrease from last year. The General fund experienced a decrease in fund balance of $1,502,285. Revenues exceeded expenditures in the amount of $528,548 in the Other Restricted Fund and $71,715 in the Individual Schools Fund. Fund balance in the Capital Outlay fund decreased by $1,722,944.

Proprietary Fund: The Board's business-type fund, the School Food Service Fund, increased net assets by $451,058.

Categorization of Expenditures for Governmental Funds



Expenditures are presented on the modified accrual basis of accounting.

General Fund Budgetary Highlights

The Board approved several budget amendments to account for changes in revenue and expenditure projections. Budget amendments are submitted to the Board on a monthly basis to reflect new revenues not measurable or known at the time of the original budget resolution. State and federal budgets are not approved at the State level until after the fiscal year begins and amendments are needed to reconcile the initial budget to final approved State and federal budgets. The State may send new allotments throughout the year and require additional budget amendments.

Capital Assets

Capital assets decreased by approximately $2.2 million (1%) from the previous year. This was attributable to an excess of depreciation expense over capital additions for the year. The following is a summary of the capital assets, net of depreciation at year-end.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/2024	6/30/2023	6/30/2024	6/30/2023	6/30/2024	6/30/2023
Land	$ 2,312,055	$ 2,312,055	$ -	$ -	$ 2,312,055	$ 2,312,055
Construction in progress	3,881,729	4,373,386	-	-	3,881,729	4,373,386
Buildings and improvements	159,766,038	160,656,350	-	-	159,766,038	160,656,350
Equipment and furniture	288,987	582,128	994,115	922,706	1,283,102	1,504,834
Vehicles	3,704,859	4,283,614	-	-	3,704,859	4,283,614
Total	$ 169,953,668	$ 172,207,533	$ 994,115	$ 922,706	$ 170,947,783	$ 173,130,239

A more detailed description of the capital assets is available in the notes of the basic financial statements (note 1 and note 3).

Debt Outstanding

The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction.

A more detailed description of the long-term debt is available in the notes of the basic financial statements (note 3).

Economic Factors

County funding provided by the Davidson County Board of Commissioners is a major source of revenue for the Davidson County Board of Education; resulting in the overall county outlook directly impacting the school district's local operating revenue. The unemployment rate within Davidson County as of June 30, 2024 was 4.1% resulting in a 0.60% increase over the 3.5% rate effective June 30, 2023. Davidson County's unemployment rate is consistent with the overall North Carolina state unemployment rate of 4.1%. The Board of County Commissioners continues to provide the largest percentage of Davidson County's budget to the three school districts and the community college within the fiscal year.

Requests for Information

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

Ashley Crawford, Chief Finance Officer
Davidson County Board of Education
250 County School Road
Lexington, NC 27292

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

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 25,327,188	$ 5,969,785	$ 31,296,973
Accounts receivable	339,230	34,448	373,678
Due from other governments	1,616,075	211,804	1,827,879
Internal balances	24,644	(24,644)	-
Inventories	-	286,533	286,533
Capital assets:			
Land	2,312,055	-	2,312,055
Construction in progress	3,881,729	-	3,881,729
Other capital assets, net of depreciation	163,759,884	994,115	164,753,999
Total capital assets	169,953,668	994,115	170,947,783
Total assets	197,260,805	7,472,041	204,732,846
DEFERRED OUTFLOWS OF RESOURCES	88,040,295	2,018,211	90,058,506
LIABILITIES			
Accounts payable	2,783,829	11,510	2,795,339
Accrued salaries and wages payable	2,505,234	-	2,505,234
Unearned revenue	-	121,129	121,129
Long-term liabilities:			
Due within one year	5,063,027	95,092	5,158,119
Noncurrent liabilities due in more than one year			
Net pension liability	98,699,632	2,262,563	100,962,195
Net OPEB liability	141,072,013	3,233,896	144,305,909
Due in more than one year	4,921,688	66,734	4,988,422
Total liabilities	255,045,423	5,790,924	260,836,347
DEFERRED INFLOWS OF RESOURCES	49,020,862	1,123,740	50,144,602
NET POSITION			
Net investment in capital assets	169,618,983	994,115	170,613,098
Restricted for:			
Stabilization by State statute	2,036,772	-	2,036,772
Capital outlay	1,271,481	-	1,271,481
Individual schools	2,707,206	-	2,707,206
Unrestricted	(194,399,627)	1,581,473	(192,818,154)
Total net position	$ (18,765,185)	$ 2,575,588	$ (16,189,597)

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position – Primary Government: Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental Activities:							
Instructional services:							
Regular instructional	$ 88,692,097	$ 519,738	$ 79,663,350	$ -	$ (8,509,009)	$ -	$ (8,509,009)
Special populations	22,540,790	-	23,164,057	-	623,267	-	623,267
Alternative programs	11,759,230	-	11,366,547	-	(392,683)	-	(392,683)
School leadership	11,252,133	-	9,262,689	-	(1,989,444)	-	(1,989,444)
Co-curricular	1,190,837	90,262	-	-	(1,100,575)	-	(1,100,575)
School-based support	19,614,636	-	11,702,969	-	(7,911,667)	-	(7,911,667)
System-wide support services:							
Support and development	671,520	-	293,568	-	(377,952)	-	(377,952)
Special population support and development	463,887	-	457,711	-	(6,176)	-	(6,176)
Alternative programs and services support	141,358	-	146,155	-	4,797	-	4,797
Technology support	1,409,142	-	301,781	-	(1,107,361)	-	(1,107,361)
Operational support	24,700,468	34,206	12,924,150	698,450	(11,043,662)	-	(11,043,662)
Financial and human resource	2,591,600	-	1,225,537	-	(1,366,063)	-	(1,366,063)
Accountability	530,533	-	441,621	-	(88,912)	-	(88,912)
System-wide pupil support	1,357,562	-	-	-	(1,357,562)	-	(1,357,562)
Policy, leadership and public relations	1,732,006	-	917,296	-	(814,710)	-	(814,710)
Ancillary services	244,613	-	92,845	-	(151,768)	-	(151,768)
Non-programmed charges	1,027,240	-	-	-	(1,027,240)	-	(1,027,240)
Unallocated depreciation expense*	338,595	-	-	-	(338,595)	-	(338,595)
Total governmental activities	190,258,247	644,206	151,960,276	698,450	(36,955,315)	-	(36,955,315)
Business-type activities:							
School food service	10,414,582	1,831,642	8,797,571	-	-	214,631	214,631
Total primary government	$ 200,672,829	$ 2,475,848	$ 160,757,847	$ 698,450	(36,955,315)	214,631	(36,740,684)
General revenues:							
Unrestricted county appropriations - operating					25,113,665	-	25,113,665
Unrestricted county appropriations - capital					3,194,993	-	3,194,993
Unrestricted State grants					947,734	-	947,734
Unrestricted federal grants					173,533	-	173,533
Investment earnings, unrestricted					889,696	191,427	1,081,123
Miscellaneous, unrestricted					10,635,204	-	10,635,204
Transfers					(45,000)	45,000	-
Total general revenues and transfers					40,909,825	236,427	41,146,252
Change in net position					3,954,510	451,058	4,405,568
Net position-beginning					(22,719,695)	2,124,530	(20,595,165)
Net position-ending					$ (18,765,185)	$ 2,575,588	$ (16,189,597)

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

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

Exhibit 3

	Major Funds						
	General	**State Public School**	**Federal Grants Fund**	**Other Restricted Fund**	**Individual Schools Fund**	**Capital Outlay Fund**	**Total Governmental Funds**
ASSETS							
Cash and cash equivalents	$ 10,396,882	$ -	$ -	$ 9,886,252	$ 2,764,029	$ 2,280,025	$ 25,327,188
Accounts receivable	20,164	-	-	269	-	318,797	339,230
Due from other governments	213,486	-	-	713,512	-	689,077	1,616,075
Due from other funds	-	-	-	53,283	-	28,184	81,467
Total assets	$ 10,630,532	$ -	$ -	$ 10,653,316	$ 2,764,029	$ 3,316,083	$ 27,363,960
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	$ 1,771,870	$ -	$ -	$ 3,415	$ -	$ 1,008,544	$ 2,783,829
Due to other funds	-	-	-	-	56,823	-	56,823
Accrued salaries and wages payable	-	-	-	2,505,234	-	-	2,505,234
Total liabilities	1,771,870	-	-	2,508,649	56,823	1,008,544	5,345,886
Fund balances:							
Restricted:							
Stabilization by State statute	233,650	-	-	767,064	-	1,036,058	2,036,772
Individual schools	-	-	-	-	2,707,206	-	2,707,206
Capital Outlay	-	-	-	-	-	1,271,481	1,271,481
Assigned:							
Subsequent year's expenditures	2,110,673	-	-	-	-	-	2,110,673
Special revenues	-	-	-	7,377,603	-	-	7,377,603
Unassigned:	6,514,339	-	-	-	-	-	6,514,339
Total fund balances	8,858,662	-	-	8,144,667	2,707,206	2,307,539	22,018,074
Total liabilities and fund balances	$ 10,630,532	$ -	$ -	$ 10,653,316	$ 2,764,029	$ 3,316,083	

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	169,953,668
Deferred outflows of resources related to pensions	58,080,208
Deferred outflows of resources related to OPEB	29,960,087
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consisted of:	
Installment purchase obligations	(334,685)
Compensated absences	(9,650,030)
Net pension liability	(98,699,632)
Net OPEB liability	(141,072,013)
Deferred inflows of resources related to OPEB	(46,623,073)
Deferred inflows of resources related to pensions	(2,397,789)
Total net position - governmental activities	$ (18,765,185)

DAVIDSON COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024

Exhibit 4

	Major Funds						
	General	State Public School	Federal Grants Fund	Other Restricted Fund	Individual Schools Fund	Capital Outlay Fund	Total Governmental Funds
REVENUES							
U.S. Government	$ -	$ -	$ 17,177,216	$ 173,533	$ -	$ -	$ 17,350,749
State of North Carolina	-	134,875,436	-	947,734	-	698,450	136,521,620
Davidson County	25,113,665	-	-	583,342	-	3,194,993	28,892,000
Other revenues	1,406,990	-	-	4,183,650	5,498,781	413,053	11,502,474
Total revenues	26,520,655	134,875,436	17,177,216	5,888,259	5,498,781	4,306,496	194,266,843
EXPENDITURES							
Current:							
Instructional services:							
Regular instructional	9,136,081	77,542,627	2,111,664	761,237	-	45,351	89,596,960
Special populations	122,638	18,424,836	4,620,927	294,258	-	-	23,462,659
Alternative programs	115,877	5,621,850	5,601,305	815,657	-	-	12,154,689
School leadership	2,196,060	9,214,129	47,348	241,773	-	73,533	11,772,843
Co-curricular	1,243,351	-	-	2,728	-	-	1,246,079
School-based support	3,306,645	10,172,893	1,491,884	86,094	5,427,066	-	20,484,582
System-wide support services:							
Support and development	409,103	293,568	-	-	-	-	702,671
Special population support and development	27,352	298,923	154,825	159	-	-	481,259
Alternative programs and services support and development	1,592	-	142,507	-	-	-	144,099
Technology support	1,172,730	301,781	-	-	-	-	1,474,511
Operational support	6,730,689	10,514,247	2,349,749	3,093,706	-	3,094,971	25,783,362
Financial and human resource	1,486,125	1,086,665	135,407	-	-	-	2,708,197
Accountability	113,523	441,621	-	-	-	-	555,144
System-wide pupil support	39,250	-	-	-	-	-	39,250
Policy, leadership and public relations	795,491	917,296	-	3,000	-	96,566	1,812,353
Ancillary nutrition services	99,529	-	92,845	61,099	-	-	253,473
Non-programmed charges	1,026,904	-	428,755	-	-	-	1,455,659
Capital outlay	-	-	-	-	-	2,427,024	2,427,024
Debt service							
Principal	-	-	-	-	-	698,450	698,450
Total expenditures	28,022,940	134,830,436	17,177,216	5,359,711	5,427,066	6,435,895	197,253,264
Revenues over (under) expenditures	(1,502,285)	45,000	-	528,548	71,715	(2,129,399)	(2,986,421)
OTHER FINANCING SOURCES (USES)							
Transfers from (to) other funds	-	(45,000)	-	-	-	-	(45,000)
Installment purchase obligations issued	-	-	-	-	-	406,455	406,455
Total other financing sources (uses)	-	(45,000)	-	-	-	406,455	361,455
Net change in fund balance	(1,502,285)	-	-	528,548	71,715	(1,722,944)	(2,624,966)
Fund balances-beginning of year	10,360,947	-	-	7,616,119	2,635,491	4,030,483	24,643,040
Fund balances-end of year	$ 8,858,662	$ -	$ -	$ 8,144,667	$ 2,707,206	$ 2,307,539	$ 22,018,074

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

Exhibit 4
(Continued)

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

Net changes in fund balances - total governmental funds	$ (2,624,966)
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 depreciation exceeded capital outlays in the current period.	(2,244,784)
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(12,212)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	18,416,661
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	7,573,499
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	185,146
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.	291,995
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	(24,037,665)
OPEB (expense) benefit	6,448,703
Compensated absences	(44,998)
Gain on disposal of assets	3,131
Total changes in net position of governmental activities	$ 3,954,510

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

Exhibit 5

	General Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
U.S. Government	$ -	$ -	$ -	$ -
State of North Carolina	-	-	-	-
Davidson County	25,113,665	25,113,665	25,113,665	-
Other	620,000	620,000	1,406,990	786,990
Total revenues	25,733,665	25,733,665	26,520,655	786,990
Expenditures:				
Current:				
Instructional services	14,964,126	16,118,330	16,120,652	(2,322)
System-wide support services	12,765,156	11,330,130	10,775,855	554,275
Ancillary services	80,612	101,452	99,529	1,923
Non-programmed charges	765,000	1,024,982	1,026,904	(1,922)
Total expenditures	28,574,894	28,574,894	28,022,940	551,954
Revenues over (under) expenditures	(2,841,229)	(2,841,229)	(1,502,285)	1,338,944
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues under expenditures and other uses	(2,841,229)	(2,841,229)	(1,502,285)	1,338,944
Appropriated fund balance	2,841,229	2,841,229	-	(2,841,229)
Net change in fund balance	$ -	$ -	(1,502,285)	$ (1,502,285)
Fund balances, beginning of year			10,360,947	
Fund balances, end of year			$ 8,858,662	

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

Exhibit 5 (continued)

	State Public School Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
U.S. Government	$ -	$ -	$ -	$ -
State of North Carolina	116,957,438	141,092,273	134,875,436	(6,216,837)
Davidson County	-	-	-	-
Other	-	-	-	-
Total revenues	116,957,438	141,092,273	134,875,436	(6,216,837)
Expenditures:				
Current:				
Instructional services	109,402,319	126,811,654	120,976,335	5,835,319
System-wide support services	7,510,119	14,235,619	13,854,101	381,518
Ancillary services	45,000	-	-	-
Non-programmed charges	-	-	-	-
Total expenditures	116,957,438	141,047,273	134,830,436	6,216,837
Revenues over (under) expenditures	-	45,000	45,000	-
Other financing uses:				
Transfers to other funds	-	(45,000)	(45,000)	-
Revenues over expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances, beginning of year			-	
Fund balances, end of year			$ -	

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

Exhibit 5 (continued)

	Federal Grants Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
U.S. Government	$ 8,874,193	$ 24,415,737	$ 17,177,216	$ (7,238,521)
State of North Carolina	-	-	-	-
Davidson County	-	-	-	-
Other	-	-	-	-
Total revenues	8,874,193	24,415,737	17,177,216	(7,238,521)
Expenditures:				
Current:				
Instructional services	8,287,999	18,963,717	13,873,128	5,090,589
System-wide support services	363,460	3,425,113	2,782,488	642,625
Ancillary services	-	244,012	92,845	151,167
Non-programmed charges	222,734	1,782,895	428,755	1,354,140
Total expenditures	8,874,193	24,415,737	17,177,216	7,238,521
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues under expenditures and other uses	-	-	-	-
Appropriated fund balance	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances, beginning of year			-	
Fund balances, end of year			$ -	

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

Exhibit 5 (continued)

	Other Restricted Fund			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
U.S. Government	$ 153,850	$ 213,454	$ 173,533	$ (39,921)
State of North Carolina	869,348	963,734	947,734	(16,000)
Davidson County	583,342	583,342	583,342	-
Other revenues	1,701,250	5,087,589	4,183,650	(903,939)
Total revenues	3,307,790	6,848,119	5,888,259	(959,860)
Expenditures:				
Current:				
Instructional services	2,544,471	3,508,445	2,201,747	1,306,698
System-wide support services	763,319	3,278,570	3,096,865	181,705
Ancillary services	-	61,104	61,099	5
Non-programmed charges	-	-	-	-
Total expenditures	3,307,790	6,848,119	5,359,711	1,488,408
Revenues over (under) expenditures	-	-	528,548	528,548
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	528,548	528,548
Appropriated fund balance	-	-	-	-
Net change in fund balance	$ -	$ -	528,548	$ 528,548
Fund balances, beginning of year			7,616,119	
Fund balances, end of year			$ 8,144,667	

DAVIDSON COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2024

Exhibit 6

		School Food Service
ASSETS		
Current assets:		
Cash and cash equivalents	$	5,969,785
Accounts receivable		34,448
Due from other governments		211,804
Inventories		286,533
Total current assets		6,502,570
Noncurrent assets:		
Capital assets, net of depreciation		994,115
Total assets		7,496,685
DEFERRED OUTFLOWS OF RESOURCES		2,018,211
LIABILITIES		
Current liabilities:		
Accounts payable		11,510
Due to other funds		24,644
Unearned revenue		121,129
Compensated absences		95,092
Total current liabilities		252,375
Noncurrent liabilities:		
Net pension liability		2,262,563
Net OPEB liability		3,233,896
Compensated absences		66,734
Total noncurrent liabilities		5,563,193
Total liabilities		5,815,568
DEFERRED INFLOWS OF RESOURCES		1,123,740
NET POSITION		
Net investment in capital assets		994,115
Unrestricted		1,581,473
Total net position	$	2,575,588

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

Exhibit 7

	School Food Service
OPERATING REVENUES	
Food sales	$ 1,831,642
OPERATING EXPENSES	
Food cost:	
Purchase of food and processing supplies	5,006,744
Salaries and benefits	4,437,219
Depreciation	157,719
Transportation services	28,196
Indirect costs	387,584
Supplies and materials	137,981
Repairs and maintenance	218,528
Other	40,611
Total operating expenses	10,414,582
Operating loss	(8,582,940)
NONOPERATING REVENUES	
Federal reimbursements	8,051,468
Federal commodities	723,725
State reimbursements	22,378
Interest earned	191,427
Total nonoperating revenues	8,988,998
Income (loss) before transfers	406,058
Transfers from other funds	45,000
Change in net position	451,058
Total net position - beginning	2,124,530
Total net position - ending	$ 2,575,588

DAVIDSON COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2024

Exhibit 8

	School Food Service
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 1,831,776
Cash paid for goods and services	(4,937,986)
Cash paid to employees for services	(4,728,279)
Net cash used by operating activities	(7,834,489)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Federal and State reimbursements	8,138,809
Increase (decrease) in due to other funds (net)	24,644
Net cash provided by noncapital financing activities	8,163,453
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(229,128)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	191,427
Net increase (decrease) in cash and cash equivalents	291,263
Balances-beginning of the year	5,678,522
Balances-end of the year	$ 5,969,785

DAVIDSON COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Year Ended June 30, 2024

Exhibit 8
(Continued)

Reconciliation of operating loss to net cash used by operating activities	
Operating loss	$ (8,582,940)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	157,719
Donated commodities consumed	723,725
Salaries paid by State Public School Fund	45,000
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
(Increase) decrease in accounts receivable	3,621
(Increase) decrease in inventories	168,304
(Increase) decrease in deferred outflows	(108,609)
Increase (decrease) in accounts payable	(10,371)
Increase (decrease) in unearned revenue	(3,487)
Increase (decrease) in net pension liability	146,330
Increase (decrease) in net OPEB liability	257,974
Increase (decrease) in deferred inflows	(645,969)
Increase (decrease) in compensated absences	14,214
Total adjustments	748,451
Net cash used by operating activities	$ (7,834,489)

Noncash investing, capital, and financing activities:

The School Food Service Fund received donated commodities with a value of $723,725 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue on Exhibit 7.

The State Public School Fund contributed $45,000 to the School Food Service Fund during the fiscal year to provide assistance with the payment of salaries and benefits. This payment is reflected as a transfer in and an operating expense on Exhibit 7.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that the exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Davidson 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 Davidson County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The Board reports the following major governmental funds:

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

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

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

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

Other Restricted Fund. The Other Restricted 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, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received from prekindergarten programs and other 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 Davidson County appropriations, restricted sales tax moneys, proceeds of Davidson County bonds issued for public school construction, as well as certain State assistance.

The Board reports the following major enterprise fund:

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

Measurement Focus and Basis of Accounting

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. These could include federal, State, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under leases are reported as other financing sources.

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

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools, special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for any revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. Amendments that alter the County appropriation or transfer funds to or from the Capital Outlay Fund also require the approval of the Davidson County Board of Commissioners. 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.

Encumbrance accounting is employed in all governmental funds except the Individual Schools Fund. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. There were no outstanding encumbrances at June 30, 2024.

Assets, Liabilities, and Fund Balance

Deposits and Investments

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

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

The Board’s investments are reported at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits are measured at amortized cost. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at $1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2024 of 1.3 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Cash and Cash Equivalents

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

Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

Capital Assets

Donated assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other capital assets are recorded at original cost. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets. Certain items acquired before July 1982 are recorded at an estimated original historical cost. The total of these estimates is not considered large enough that any errors would be material when capital assets are considered as a whole. It is the policy of the Board to capitalize all capital assets costing more than $5,000 with an estimated useful life of two or more years. In addition, other items that are purchased and used in large quantities such as student desks are capitalized. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	Years
Buildings and improvements	20-50
Equipment and furniture	5-20
Vehicles	8
Computer equipment	5

Depreciation for building and equipment that serve multiple purposes cannot be allocated ratably and is therefore reported as “unallocated depreciation” on the Statement of Activities. The Board carries certain capital assets for which Davidson County carries the offsetting debt.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - pension and OPEB related deferrals and contributions made to the plans subsequent to the measurement date. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as revenue until then. The Board has several items that meet this criterion - pension and OPEB related deferrals.

Long-term obligations

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

Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records, of the current portion of compensated absences.

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

Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Restricted for Stabilization by State statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

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

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

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes.

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

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 within the General Fund 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.

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

Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of $(40,783,259) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	$ 332,175,346
Less Accumulated Depreciation	(162,221,678)
Net capital assets	169,953,668
Pension related deferred outflows of resources	58,080,208
OPEB related deferred outflows of resources	29,960,087
Liabilities for revenue deferred but ear and therefore recorded in the fund statements bur not the government-wide	
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 purchase obligations	(334,685)
Compensated absences	(9,650,030)
Net pension liability	(98,699,632)
Net OPEB liability	(141,072,013)
Deferred inflows of resources related to pensions	(46,623,073)
Deferred inflows of resources related to OPEB	(2,397,789)
Total adjustment	$ (40,783,259)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of $6,579,476 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	$ 5,786,896
Depreciation expenses, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(8,031,680)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	18,416,661
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	7,573,499
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	185,146
Proceeds from the sale of capital assets recorded as revenues in the fund statements but not in the statement of activities	(12,212)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no affect on the statement of activities - it only affects the government-wide statement of net position	(406,455)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affects only the statement of net position in the government-wide statements.	698,450
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	(24,037,665)
Net OPEB expense	6,448,703
Compensated absences	(44,998)
Gain (Loss) on disposal of assets	3,131
Total adjustment	$ 6,579,476

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations

During the fiscal year ended June 30, 2024, the Board reported expenditures that violated State law [G.S. 115C-441] due to actual expenditures exceeding the budget within the Capital Outlay Fund which is in violation of North Carolina General Statutes. Expenditures in excess of budgeted amounts can be seen in the accompanying budget-to-actual financial statements.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

Assets

Deposits

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

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of $10,239,688, certificates of deposits with a carrying amount of $9,140,888, and deposits with the State Treasurer of $-0-. The bank balances with the financial institutions and the State Treasurer were

$18,375,417 and $2,338,584 respectively. Of these balances, $17,996,922 was covered by federal depository insurance and $2,717,079 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

Investments

Below is a summary of the Board's investments as of June 30, 2024.

Investment Type	Valuation Method	Fair Value	Maturity	Rating
Money Market	Fair Value - Level 1	$ 11,402,337	N/A	Unrated
STIF	Fair Value - Level 2	514,060	1.3 year avg.	Unrated
		$ 11,916,397		

The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2024. The Board has no policy for managing interest rate risk or credit risk.

Accounts Receivable

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

	Due From Other Governments	Other
Governmental activities:		
General Fund	$ 213,486	$ 20,164
Other Restricted Fund	713,512	269
Capital Outlay Fund	689,077	318,797
Total	$ 1,616,075	$ 339,230
Business-type activities:		
School Food Service	$ 211,804	$ 34,448

Due from other governments consists of the following:

Governmental activities:		
General Fund	$ 213,486	Davidson County appropriations, sales tax refund
Other Special Revenue Fund	713,512	Federal and State grant funds, sales tax refund
Capital Outlay Fund	689,077	Davidson County capital funds, sales tax refund
Total	$ 1,616,075	
Business-type activities:		
School Food Service Fund	$ 211,804	USDA reimbursement

Capital Assets

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

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 2,312,055	$ -	$ -	$ -	$ 2,312,055
Construction in progress	4,373,386	4,528,292	-	(5,019,949)	3,881,729
Total capital assets not being depreciated	6,685,441	4,528,292	-	(5,019,949)	6,193,784
Capital assets being depreciated:					
Buildings and improvements	275,992,852	-	-	4,937,553	280,930,405
Land improvements	12,524,088	462,772	-	82,396	13,069,256
Furniture and equipment	6,079,192	54,171	223,711	-	5,909,652
Vehicles	25,422,777	741,661	92,189	-	26,072,249
Total capital assets being depreciated	320,018,909	1,258,604	315,900	5,019,949	325,981,562
Less accumulated depreciation for:					
Buildings and improvements	119,274,437	5,919,528	-	-	125,193,965
Land improvements	8,586,153	453,505	-	-	9,039,658
Furniture and equipment	5,497,064	338,595	214,994	-	5,620,665
Vehicles	21,139,163	1,320,052	91,825	-	22,367,390
Total accumulated depreciation	154,496,817	8,031,680	306,819	-	162,221,678
Total capital assets being depreciated, net	165,522,092				163,759,884
Governmental activity capital assets, net	$ 172,207,533				$ 169,953,668

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	$ 3,942,754	$ 229,128	$ 47,110	$ 4,124,772
Less accumulated depreciation for:				
Furniture and office equipment	3,020,048	157,719	47,110	3,130,657
School Food Service capital assets, net:	$ 922,706			$ 994,115

Depreciation was charged to governmental functions as follows:

Instructional services	$	6,373,033
System-wide support services		1,320,052
Unallocated depreciation		338,595
Total	$	8,031,680

Construction Commitments

The Board had several active construction projects at June 30, 2024. At year end, the commitments with contracts for school construction were as follows:

Project		Spent to Date		Remaining Commitment
HVAC	$	2,412,199	$	1,465,202
Roofing		781,888		178,429
Renovations		178,618		881,246
Window replacement		509,024		4,990
	$	3,881,729	$	2,529,867

Liabilities

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

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2024 was 17.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by the employees during the year. Contributions to the pension plan from the Board were $18,838,842 for the year ended June 30, 2024.

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

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

At June 30, 2024, the Board reported a liability of $100,962,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportionate share of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and at June 30, 2022, the Boards proportion was .61% and .62%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of $24,561,289. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,230,807	$ 745,172
Changes of assumptions	3,545,659	-
Net difference between projected and actual earnings on pension plan investments	28,117,964	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	678,350	1,707,583
Board contributions subsequent to the measurement date	18,838,842	-
Total	$ 59,411,622	$ 2,452,755

$18,838,842 reported as deferred outflows of resources related to pensions resulted from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ 12,015,611
2026	7,100,801
2027	17,802,500
2028	1,201,113
2029	-
Thereafter	-
Total	$ 38,120,025

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

Inflation	2.5%
Salary increases	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 actuarial valuation were based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2022. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurements.

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

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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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, 2024 and 2023 was 6.50. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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 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%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	$173,328,429	$ 100,962,195	$ 41,262,398

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

b. Other Post-employment Benefits

Healthcare Benefits

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

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

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

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 7.14% of covered payroll which amounted to $7,629,571. During the current fiscal year, the plan also recognized a transfer of excess funding from the Public Employees Health Benefits Fund totaling $35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled $189,390.

At June 30, 2024, Board reported a liability of $144,165,179 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Boards proportion was 0.54%.

$7,629,571 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2025		$ (11,083,592)
2026		(10,831,154)
2027		(5,464,219)
2028		2,354,073
2029		-
Thereafter		-
	Total	$ (25,024,892)

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

Inflation	2.50%
Salary increases	3.25% to 8.05%, including 3.25% inflation and productivity factor
Investment rate of return	6.50%
Healthcare cost trend rate – medical	5.00% - 6.50%
Healthcare cost trend rate – prescription drug	5.00% - 10.00%
Healthcare cost trend rate – administrative	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group and projected for mortality improvement using Scale MP-2019

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

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

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability	$ 170,070,333	$ 144,165,179	$ 123,067,259

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

	1% Decrease in Trend Rates	Current Trend Rates (5.00-6.50% Medical, 5.00-10.00% Rx, 5.00% Medicare, 3.00% Administrative Expenses)	1% Increase in Trend Rates
Net OPEB liability	$ 119,021,330	$ 144,165,179	$ 176,587,784

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

Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024, employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were $117,542 for the year ended June 30, 2024.

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

At June 30, 2024, Board reported an OPEB liability of $140,730 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and at June 30, 2022, the Boards proportion was 0.53% and 0.54%, respectively.

$117,542 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:			
2025		$	71,011
2026			46,421
2027			66,380
2028			25,393
2029			14,224
Thereafter			9,387
	Total	$	232,816

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

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

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

	1% Decrease (2.00%)	**Current Discount Rate (3.00%)**	**1% Increase (4.00%)**
Net OPEB liability	$ 169,177	$ 140,730	$ 111,765

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

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

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

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

Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and pension expense:

	RHBF	DIPNC	Total
OPEB expense (revenue)	$ 6,920,166	$ (197,604)	$ 6,722,562
OPEB liability	144,165,179	140,730	144,305,909
Proportionate share of the net OPEB liability	0.541%	0.529%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	$ 1,587,541	$ 123,332	$ 1,710,873
Changes of assumptions	15,617,477	10,255	15,627,732
Net difference between projected and actual earnings on plan investments	1,151,666	183,813	1,335,479
Changes in proportion and defferences between Board contributions and proportionate share of contributions	4,201,392	24,295	4,225,687
Board contributions subsequent to the measurement date	7,629,571	117,542	7,747,113
Total Deferred Outflows of Resources	$ 30,187,647	$ 459,237	$ 30,646,884
Deferred of Inflows of Resources			
Differences between expected and actual experience	$ 141,253	$ 77,948	$ 219,201
Changes of assumptions	38,462,106	24,023	38,486,129
Changes in proportion and differences between Board contributions and proportionate share of contributions	8,979,609	6,908	8,986,517
Total Deferred Inflows of Resources	$ 47,582,968	$ 108,879	$ 47,691,847

Accounts Payable

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

	Vendors	Salaries and Benefits
Governmental Activities		
General Fund	$ 1,771,870	$ -
Other Restricted Fund	3,415	2,505,234
Capital Outlay Fund	1,008,544	-
Total-governmental activities	$ 2,783,829	$ 2,505,234
Business-type Activities		
School Food Service	$ 11,510	$ -

Unavailable Revenues

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

	Unearned Revenue
Prepaid lunch balances (School Food Service Fund)	$ 121,129

Deferred Outflows and Deferred Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and differences between Board contributions and proportionate share of contributions	$ 4,904,037	$ 10,694,100
Changes in assumptions	19,173,391	38,486,129
Difference between projected and actual earnings on plan investments	29,453,443	-
Board contributions subsequent to the measurement date	26,585,955	-
Difference between expected and actual experience	9,941,680	964,373
Total	$ 90,058,506	$ 50,144,602

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 maintains, through the Surry Insurance Group, general liability protection of $2 million with a $1 million per occurrence limit and errors and omissions coverage of $2 million limit with a $1 million limit per wrongful act. The State of North Carolina provides workers' compensation for employees paid from State funds. Additional workers compensation insurance is purchased through commercial insurers by the Board to cover employees not covered under the State of North Carolina plan. The Board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction, insuring the tangible property assets of the Board. Coverage is provided on an “all risk” perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund provides coverage up to $10 million per occurrence. Excess reinsurance is purchased through commercial insurers, who participate in property losses in excess of the Fund's self-insured retention of $10 million. A total limit of $5 million per occurrence is provided on flood, earthquake, business interruption and extra expense.

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

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's moneys at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for $250,000. The remaining employees that have access to funds are bonded under a blanket bond for $100,000.

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

Long-Term Obligations

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 a special third party financing arrangement by Banc of America Public Capital Corp at total payments less than the purchase price. The Board entered into direct placement installment purchase contracts to finance the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. These financing contracts require annual payments ranging from $24,668 to $34,300 over the next two years. The future minimum payments of the installment purchase as of June 30, 2024 are as follows:

	Governmental Activities
Year Ending June 30,	Principal
2025	$ 233,072
2026	101,613
Total	$ 334,685

Long-Term Obligation Activity

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

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024	Current Maturities
Governmental activities:					
Direct Placement:					
Installment purchases	$ 626,680	$ 406,455	$ 698,450	$ 334,685	$ 233,072
Net pension liability	89,455,923	9,243,709	-	98,699,632	-
Net OPEB liability	125,796,105	15,275,908	-	141,072,013	-
Compensated absences	9,605,032	9,714,809	9,669,811	9,650,030	4,829,955
Total	$ 225,483,740	$ 34,640,881	$ 10,368,261	$ 249,756,360	$ 5,063,027
Business-type activities:					
Net pension liability	$ 2,116,233	$ 146,330	$ -	$ 2,262,563	$ -
Net OPEB liability	2,975,922	257,974	-	3,233,896	-
Compensated absences	147,612	244,805	230,591	161,826	95,092
Total	$ 5,239,767	$ 649,109	$ 230,591	$ 5,658,285	$ 95,092

Net pension liabilities, net OPEB liabilities, and compensated absences for governmental activities are typically liquidated by the general and other governmental funds.

Interfund Balances and Activities

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

From the State Public School Fund to the School Food Service Fund to provide assistance with the payment of wages.	$45,000

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

From the Individual Schools Fund to the Capital Outlay Fund for activity bus.	$28,184
From the Individual Schools Fund to the Other Special Revenue Fund for reimbursement of operating costs.	$28,639
From the School Food Service Fund to the Other Special Revenue Fund for indirect costs.	$24,644

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	$ 8,858,662
Less:	
Stabilization by State statute	(233,650)
Appropriated Fund Balance in fiscal year 2025 budget	(2,110,673)
Remaining fund balance	$ 6,514,339

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.

Lawsuit

At June 30, 2024, the Board was a defendant to a lawsuit. In the opinion of the Board’s management and legal counsel, the ultimate outcome of this lawsuit will not have a material adverse effect on the Board’s financial position.

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

	2024	**2023**	**2022**	**2021**	**2020**
Board's proportion of the net pension liability (asset)	0.606%	0.617%	0.597%	0.628%	0.647%
Board's proportionate share of the net pension liability (asset)	$ 100,962,195	$ 91,572,156	$ 27,954,191	$ 75,895,481	$ 67,061,771
Board's covered payroll	$ 103,680,233	$ 96,637,462	$ 93,607,495	$ 93,987,411	$ 94,149,056
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	97.38%	94.76%	29.86%	80.75%	71.23%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%

	2019	**2018**	**2017**	**2016**	**2015**
Board's proportion of the net pension liability (asset)	0.657%	0.653%	0.663%	0.658%	0.654%
Board's proportionate share of the net pension liability (asset)	$ 65,432,413	$ 51,827,769	$ 60,964,122	$ 24,266,292	$ 7,665,523
Board's covered payroll	$ 94,136,743	$ 91,224,619	$ 87,690,809	$ 88,726,863	$ 84,688,435
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	69.51%	56.81%	69.52%	27.35%	9.05%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

This schedule is required supplementary information.

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

	2024	2023	2022	2021	2020
Contractually required contribution	$ 18,838,842	$ 18,019,624	$ 15,829,216	$ 13,835,188	$ 12,190,167
Contributions in relation to the contractually required contribution	18,838,842	18,019,624	15,829,216	13,835,188	12,190,167
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 106,856,735	$ 103,680,233	$ 96,637,462	$ 93,607,495	$ 93,987,411
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 11,570,919	$ 10,147,941	$ 9,104,217	$ 8,023,709	$ 8,118,508
Contributions in relation to the contractually required contribution	11,570,919	10,147,941	9,104,217	8,023,709	8,118,508
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 94,149,056	$ 94,136,743	$ 91,224,619	$ 87,690,809	$ 88,726,863
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

This schedule is required supplementary information.

DAVIDSON COUNTY BOARD OF EDUCATION
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
*Last Eight Fiscal Years**

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability (asset)	0.541%	0.542%	0.522%	0.553%	0.579%
Board's proportionate share of the net OPEB liability (asset)	$ 144,165,179	$ 128,611,551	$ 161,393,072	$ 153,508,108	$ 176,481,284
Board's covered payroll	$ 103,680,233	$ 96,637,462	$ 93,607,495	$ 93,987,411	$ 94,149,056
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	139.05%	133.09%	172.41%	163.33%	187.45%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	6.92%	4.40%

	2019	2018	2017
Board's proportion of the net OPEB liability (asset)	0.583%	0.600%	0.550%
Board's proportionate share of the net OPEB liability (asset)	$ 166,004,598	$ 196,722,370	$ 250,186,179
Board's covered payroll	$ 94,136,743	$ 91,224,619	$ 87,690,809
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	176.34%	215.65%	285.30%
Plan fiduciary net position as a percentage of the total OPEB liability	4.40%	3.52%	2.41%

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed in this schedule.

This schedule is required supplementary information.

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

	2024	2023	2022	2021	2020
Contractually required contribution	$ 7,629,571	$ 7,143,568	$ 6,078,496	$ 6,252,981	$ 6,080,985
Contributions in relation to the contractually required contribution	7,629,571	7,143,568	6,078,496	6,252,981	6,080,985
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 106,856,735	$ 103,680,233	$ 96,637,462	$ 93,607,495	$ 93,987,411
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 5,903,146	$ 5,695,273	$ 5,300,150	$ 4,910,685	$ 4,871,105
Contributions in relation to the contractually required contribution	5,903,146	5,695,273	5,300,150	4,910,685	4,871,105
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 94,149,056	$ 94,136,743	$ 91,224,619	$ 87,690,809	$ 88,726,863
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

This schedule is required supplementary information.

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

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB asset (liability)	0.529%	0.539%	0.526%	0.550%	0.571%
Board's proportionate share of the net OPEB asset (liability)	$ (140,730)	$ (160,476)	$ 85,894	$ 270,336	$ 246,326
Board's covered payroll	$ 103,680,233	$ 96,637,462	$ 93,607,495	$ 93,987,411	$ 94,149,056
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	-0.14%	-0.17%	0.09%	0.29%	0.26%
Plan fiduciary net position as a percentage of the total OPEB asset (liability)	90.61%	90.34%	105.18%	115.57%	113.00%

	2019	2018	2017
Board's proportion of the net OPEB asset (liability)	0.581%	0.574%	0.589%
Board's proportionate share of the net OPEB asset (liability)	$ 176,390	$ 350,902	$ 365,937
Board's covered payroll	$ 94,136,743	$ 91,224,619	$ 87,690,809
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered payroll	0.19%	0.38%	0.42%
Plan fiduciary net position as a percentage of the total OPEB asset (liability)	108.47%	116.23%	116.06%

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

Note: This schedule is intended to show information for ten years, however such information for ten years is not available. As information comes available it will be displayed in this schedule.

This schedule is required supplementary information.

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

	2024	2023	2022	2021	2020
Contractually required contribution	$ 117,542	$ 103,680	$ 86,974	$ 84,247	$ 93,987
Contributions in relation to the contractually required contribution	117,542	103,680	86,974	84,247	93,987
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 106,856,735	$ 103,680,233	$ 96,637,462	$ 93,607,495	$ 93,987,411
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 131,809	$ 131,791	$ 346,654	$ 359,532	$ 363,780
Contributions in relation to the contractually required contribution	131,809	131,791	346,654	359,532	363,780
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 94,149,056	$ 94,136,743	$ 91,224,619	$ 87,690,809	$ 88,726,863
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

This schedule is required supplementary information.

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

Exhibit A-1

	Budget	Actual	Positive (Negative) Variance
Revenues:			
Davidson County appropriations	$ 25,113,665	$ 25,113,665	$ -
Other:			
Interest	20,000	889,696	869,696
Fines and forfeitures	600,000	517,294	(82,706)
	620,000	1,406,990	786,990
Total revenues	25,733,665	26,520,655	786,990
Expenditures:			
Instructional services:			
Regular instructional		9,136,081	
Special populations		122,638	
Alternative programs		115,877	
School leadership		2,196,060	
Co-curricular		1,243,351	
School-based support		3,306,645	
Total instructional services	16,118,330	16,120,652	(2,322)
System-wide support services:			
Support and development		409,103	
Special population support and development		27,352	
Alternative programs		1,592	
Technology support		1,172,730	
Operational support		6,730,689	
Financial and human resource		1,486,125	
Accountability services		113,523	
System-wide pupil support		39,250	
Policy, leadership and public relations		795,491	
Total system-wide support services	11,330,130	10,775,855	554,275
Ancillary services:			
Nutrition services	101,452	99,529	1,923
Non-programmed charges			
Payments to charter schools	1,024,982	1,026,904	(1,922)
Total expenditures	28,574,894	28,022,940	551,954
Revenues over (under) expenditures	(2,841,229)	(1,502,285)	1,338,944
Appropriated fund balance	2,841,229	-	(2,841,229)
Revenues and appropriated fund balance over (under) expenditures	$ -	(1,502,285)	$ (1,502,285)
Fund balances:			
Beginning of year, July 1		10,360,947	
End of year, June 30		$ 8,858,662	

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

Exhibit B-1

	Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
State appropriations - buses	$ 698,450	$ 698,450	$ -
Davidson County:			
Appropriations - operating	5,529,151	3,194,993	(2,334,158)
Other revenues:			
Interest		122,435	
Other		290,618	
Total other	284,032	413,053	129,021
Total revenues	6,511,633	4,306,496	(2,205,137)
Expenditures:			
Current:			
Instructional services	118,923	118,884	39
System-wide support services	2,111,621	3,191,537	(1,079,916)
Capital Outlay	3,932,139	2,427,024	1,505,115
Debt Service - principal	698,450	698,450	-
Total expenditures	6,861,133	6,435,895	425,238
Revenues under expenditures	(349,500)	(2,129,399)	(1,779,899)
Other financing sources:			
Installment purchase obligations	-	406,455	406,455
Revenues and other financing sources over (under) expenditures	(349,500)	(1,722,944)	(1,373,444)
Appropriated fund balance	349,500	-	(349,500)
Revenues, other sources and appropriated fund balance over (under) expenditures	$ -	(1,722,944)	$ (1,722,944)
Fund balance:			
Beginning of year, July 1		4,030,483	
End of year, June 30		$ 2,307,539	

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

Exhibit C-1

	Budget	Actual	Variance Positive (Negative)
Operating revenues:			
Food sales	$ 3,680,000	$ 1,831,642	$ (1,848,358)
Operating expenditures:			
Business support services:			
Purchase of food and processing supplies		4,838,440	
Salaries and benefits		4,773,279	
Transportation services		28,196	
Indirect costs		387,584	
Supplies and materials		137,981	
Repairs and maintenance		218,528	
Other		40,611	
Total business support services	12,700,872	10,424,619	2,276,253
Capital outlay	229,128	229,128	-
Total operating expenditures	12,930,000	10,653,747	2,276,253
Operating loss	(9,250,000)	(8,822,105)	427,895
Nonoperating revenues:			
Federal reimbursements	8,055,000	8,051,468	(3,532)
Federal commodities	1,000,000	723,725	(276,275)
State reimbursements	60,000	22,378	(37,622)
Interest earned	90,000	191,427	101,427
Total nonoperating revenues	9,205,000	8,988,998	(216,002)
Revenues over (under) expenditures before other financing sources	(45,000)	166,893	211,893
Other financing sources:			
Transfer in	45,000	45,000	-
Revenues over (under) expenditures	$ -	$ 211,893	$ 211,893

Reconciliation of modified accrual to full accrual basis:

Revenues over expenditures	$ 211,893
Depreciation	(157,719)
(Increase) decrease in inventories	(168,304)
Capital outlay	229,128
Net pension liability	(146,330)
Net OPEB liability	(257,974)
Deferred outflows	108,609
Deferred inflows	645,969
Increase (decrease) in compensated absences	(14,214)
Change in net position (full accrual)	$ 451,058

STATISTICAL SECTION

Unaudited

STATISTICAL SECTION

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about Davidson County Board of Education's overall financial health. The schedules included in this section can be categorized as follows:

Financial Trends Schedules

These schedules contain trend information to help the reader understand how the Board's financial performance and well-being have changed over time.

Revenue Capacity Schedules

These schedules contain information to help the reader assess one of the Board's most significant local revenue sources. Information regarding Davidson County's property tax base have been included since the Board receives a significant amount from the County.

Debt Capacity Schedules

These schedules present information to help the reader assess the affordability of the County' current levels of outstanding debt and the County's ability to issue additional debt in the future. State law prohibits the Board of Education from issuing debt.

Demographic and Economic Information Schedules

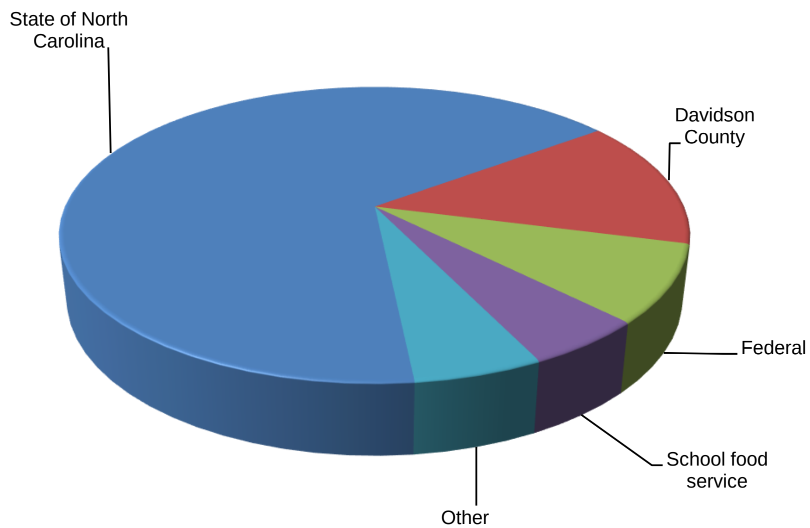
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Board's financial activities take place.

Operating Information Schedules

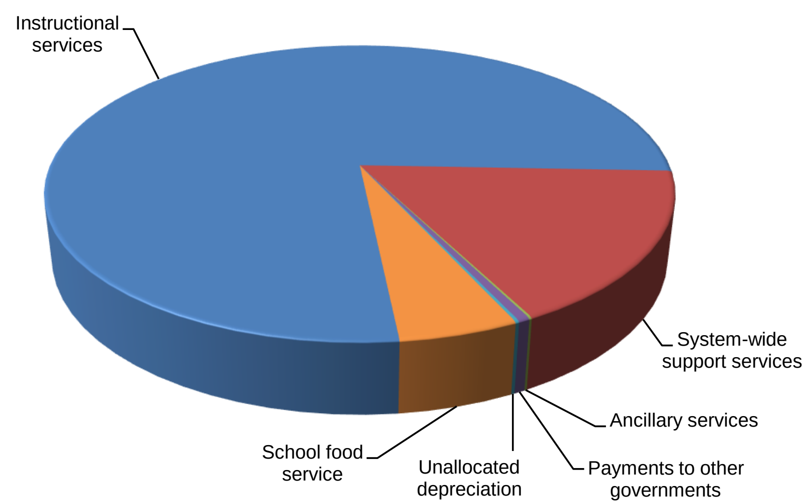
These schedules contain service and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs. The Board has no infrastructure assets.

DAVIDSON COUNTY BOARD OF EDUCATION
Financial Perspective
Governmental and Business-type Activities
For Year Ended June 30, 2024

Revenue Sources



Expenses



State of North Carolina	$ 136,521,620
Davidson County	28,892,000
Federal	17,350,749
School food service	10,820,640
Other	11,493,388
Total revenue sources	$ 205,078,397

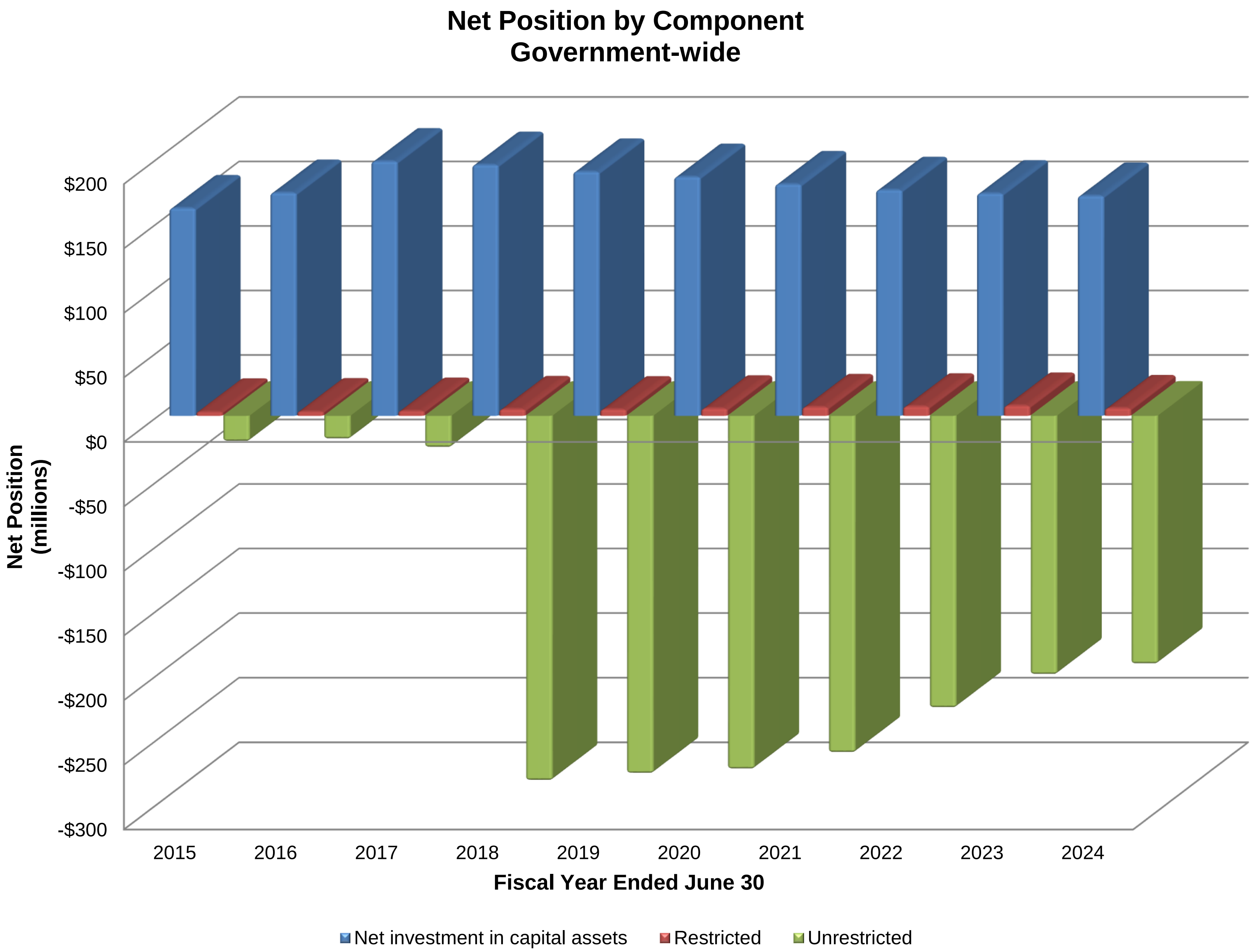
Instructional services	$ 155,049,723
System-wide support services	33,598,076
Ancillary services	244,613
Payments to other governments	1,027,240
Unallocated depreciation	338,595
School food service	10,414,582
Total expenses	$ 200,672,829

DAVIDSON COUNTY BOARD OF EDUCATION
Net Position by Component
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	$ 160,024,607	$ 172,049,444	$ 196,529,808	$ 193,938,972	$ 188,684,509	$ 184,702,975	$ 179,032,884	$ 174,341,137	$ 171,580,853	$ 169,618,983
Restricted	3,080,835	3,306,187	3,799,439	5,238,521	5,070,729	5,749,827	6,808,895	7,323,698	7,915,149	6,015,459
Unrestricted	(21,908,710)	(19,185,189)	(25,802,513)	(278,389,241)	(273,164,763)	(269,684,518)	(259,197,343)	(227,689,091)	(202,215,697)	(194,399,627)
	141,196,732	156,170,442	174,526,734	(79,211,748)	(79,409,525)	(79,231,716)	(73,355,564)	(46,024,256)	(22,719,695)	(18,765,185)
Business-type activities:										
Invested in capital assets	995,532	917,320	814,721	665,710	612,636	596,624	592,887	788,582	922,706	994,115
Restricted	-	-	-	7,898	3,982	6,199	5,696	1,854	-	-
Unrestricted	1,449,925	601,540	679,483	(4,605,472)	(4,338,317)	(4,473,394)	(2,243,794)	924,301	1,201,824	1,581,473
	2,445,457	1,518,860	1,494,204	(3,931,864)	(3,721,699)	(3,870,571)	(1,645,211)	1,714,737	2,124,530	2,575,588
Government-wide:										
Net investment in capital assets	161,020,139	172,966,764	197,344,529	194,604,682	189,297,145	185,299,599	179,625,771	175,129,719	172,503,559	170,613,098
Restricted	3,080,835	3,306,187	3,799,439	5,246,419	5,074,711	5,756,026	6,814,591	7,325,552	7,915,149	6,015,459
Unrestricted	(20,458,785)	(18,583,649)	(25,123,030)	(282,994,713)	(277,503,080)	(274,157,912)	(261,441,137)	(226,764,790)	(201,013,873)	(192,818,154)
	$ 143,642,189	$ 157,689,302	$ 176,020,938	$ (83,143,612)	$ (83,131,224)	$ (83,102,287)	$ (75,000,775)	$ (44,309,519)	$ (20,595,165)	$ (16,189,597)

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

Note: Net position for 2017 and before is not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its share of the Other Postemployment Benefit (OPEB) liability and asset associated with the Board's participation in the statewide Retiree Heath Benefit Fund (RHBF) and the Disability Income Plan of North Carolina (DIPNC).


Net Position by Component
Government-wide
Net Position
(millions)
$200
$150
$100
$50
$0
-$50
-$100
-$150
-$200
-$250
-$300
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Fiscal Year Ended June 30
Net investment in capital assets
Restricted
Unrestricted

DAVIDSON COUNTY BOARD OF EDUCATION
Changes in Net Position
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Instructional services	$117,976,579	$117,669,154	$127,727,274	$140,034,256	$136,014,040	$136,012,518	$137,136,125	$145,017,784	$149,050,537	$ 155,049,723
System-wide support services	27,271,614	27,869,160	28,386,605	33,966,225	26,976,161	26,983,508	25,724,280	26,660,528	28,702,742	33,598,076
Ancillary services	14,030	3,022	23,877	82,313	51,450	156,390	363,738	870,352	490,569	244,613
Non-programmed charges	101,437	966,286	1,517,539	333,588	528,689	714,961	610,422	649,651	1,013,257	1,027,240
Unallocated depreciation expense	6,552,663	6,276,718	6,250,141	1,047,695	868,902	880,577	859,986	344,397	328,494	338,595
Total governmental activities expenses	151,916,323	152,784,340	163,905,436	175,464,077	164,439,242	164,747,954	164,694,551	173,542,712	179,585,599	190,258,247
Business-type activities:										
School food service	8,846,264	9,145,453	7,961,516	8,394,623	8,121,304	9,251,158	5,932,125	8,859,649	9,441,734	10,414,582
Total business-type activities expenses	8,846,264	9,145,453	7,961,516	8,394,623	8,121,304	9,251,158	5,932,125	8,859,649	9,441,734	10,414,582
Total government-wide expenses	160,762,587	161,929,793	171,866,952	183,858,700	172,560,546	173,999,112	170,626,676	182,402,361	189,027,333	200,672,829
Program Revenues										
Governmental activities:										
Charges for services:	5,386,728	5,686,711	5,291,058	199,834	224,541	146,907	433,677	482,727	559,540	644,206
Operating grants and contributions	111,457,441	115,148,911	116,426,712	120,691,162	125,790,912	126,832,131	134,529,602	160,176,652	158,038,818	151,960,276
Capital grants and contributions	955,305	977,918	1,095,833	1,297,018	1,182,814	1,483,594	1,345,998	1,290,563	749,889	698,450
Total governmental activities program revenues	117,799,474	121,813,540	122,813,603	122,188,014	127,198,267	128,462,632	136,309,277	161,949,942	159,348,247	153,302,932
Business-type activities:										
Charges for services:										
School food service	2,586,364	2,529,111	2,365,947	2,412,474	2,379,369	1,708,955	170,844	449,074	2,210,899	1,831,642
Operating grants and contributions	5,385,713	5,564,079	5,476,231	6,000,140	5,849,368	6,680,424	7,912,078	11,721,469	7,534,436	8,797,571
Capital grants and contributions	-	-	-	-	28,706	77,829	12,700	-	-	-
Total business-type activities program revenues	7,972,077	8,093,190	7,842,178	8,412,614	8,257,443	8,467,208	8,095,622	12,170,543	9,745,335	10,629,213
Total government-wide program revenues	125,771,551	129,906,730	130,655,781	130,600,628	135,455,710	136,929,840	144,404,899	174,120,485	169,093,582	163,932,145
Net (Expense) Revenue										
Governmental activities	(34,116,849)	(30,970,800)	(41,091,833)	(53,276,063)	(37,240,975)	(36,285,322)	(28,385,274)	(11,592,770)	(20,237,352)	(36,955,315)
Business-type activities	(874,187)	(1,052,263)	(119,338)	17,991	136,139	(783,950)	2,163,497	3,310,894	303,601	214,631
Total government-wide net (expense) revenue	$ (34,991,036)	$ (32,023,063)	$ (41,211,171)	$ (53,258,072)	$ (37,104,836)	$ (37,069,272)	$ (26,221,777)	$ (8,281,876)	$ (19,933,751)	$ (36,740,684)

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

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	$ 22,774,932	$ 22,992,424	$ 23,307,639	$ 23,036,050	$ 23,275,032	$ 23,377,994	$ 23,699,032	$ 23,824,692	$ 24,345,593	$ 25,113,665
Unrestricted county appropriations - capital	3,671,194	19,065,427	31,304,106	9,948,943	4,227,454	4,193,005	3,930,561	4,265,177	5,395,791	3,194,993
Unrestricted State Grants	3,330,268	2,961,098	4,034,554	830,194	839,984	794,648	930,913	928,956	892,234	947,734
Unrestricted Federal Grants	1,032,192	-	-	137,531	109,988	147,758	147,961	122,555	142,362	173,533
Investment earnings, unrestricted	32,494	49,122	70,998	87,627	104,150	141,976	36,286	54,961	252,502	889,696
Miscellaneous, unrestricted	908,828	988,476	818,325	7,787,216	8,552,003	8,427,026	5,564,921	9,772,814	12,558,431	10,635,204
Transfers	(94,253)	(112,037)	(87,497)	(59,671)	(65,413)	(619,276)	(48,248)	(45,077)	(45,000)	(45,000)
Total governmental activities	31,655,655	45,944,510	59,448,125	41,767,890	37,043,198	36,463,131	34,261,426	38,924,078	43,541,913	40,909,825
Business-type activities:										
Investment earnings, unrestricted	4,171	3,425	1,903	5,300	9,761	8,556	3,607	7,396	61,192	191,427
Miscellaneous, unrestricted	9,010	10,204	5,282	(13,118)	(1,148)	7,246	10,008	(3,419)	-	-
Transfers	94,253	112,037	87,497	59,671	65,413	619,276	48,248	45,077	45,000	45,000
Total business-type activities	107,434	125,666	94,682	51,853	74,026	635,078	61,863	49,054	106,192	236,427
Total government-wide	31,763,089	46,070,176	59,542,807	41,819,743	37,117,224	37,098,209	34,323,289	38,973,132	43,648,105	41,146,252
Change in Net Position										
Governmental activities	(2,461,194)	14,973,710	18,356,292	(11,508,173)	(197,777)	177,809	5,876,152	27,331,308	23,304,561	3,954,510
Business-type activities	(766,753)	(926,597)	(24,656)	69,844	210,165	(148,872)	2,225,360	3,359,948	409,793	451,058
position	$ (3,227,947)	$ 14,047,113	$ 18,331,636	$ (11,438,329)	$ 12,388	$ 28,937	$ 8,101,512	$ 30,691,256	$ 23,714,354	$ 4,405,568

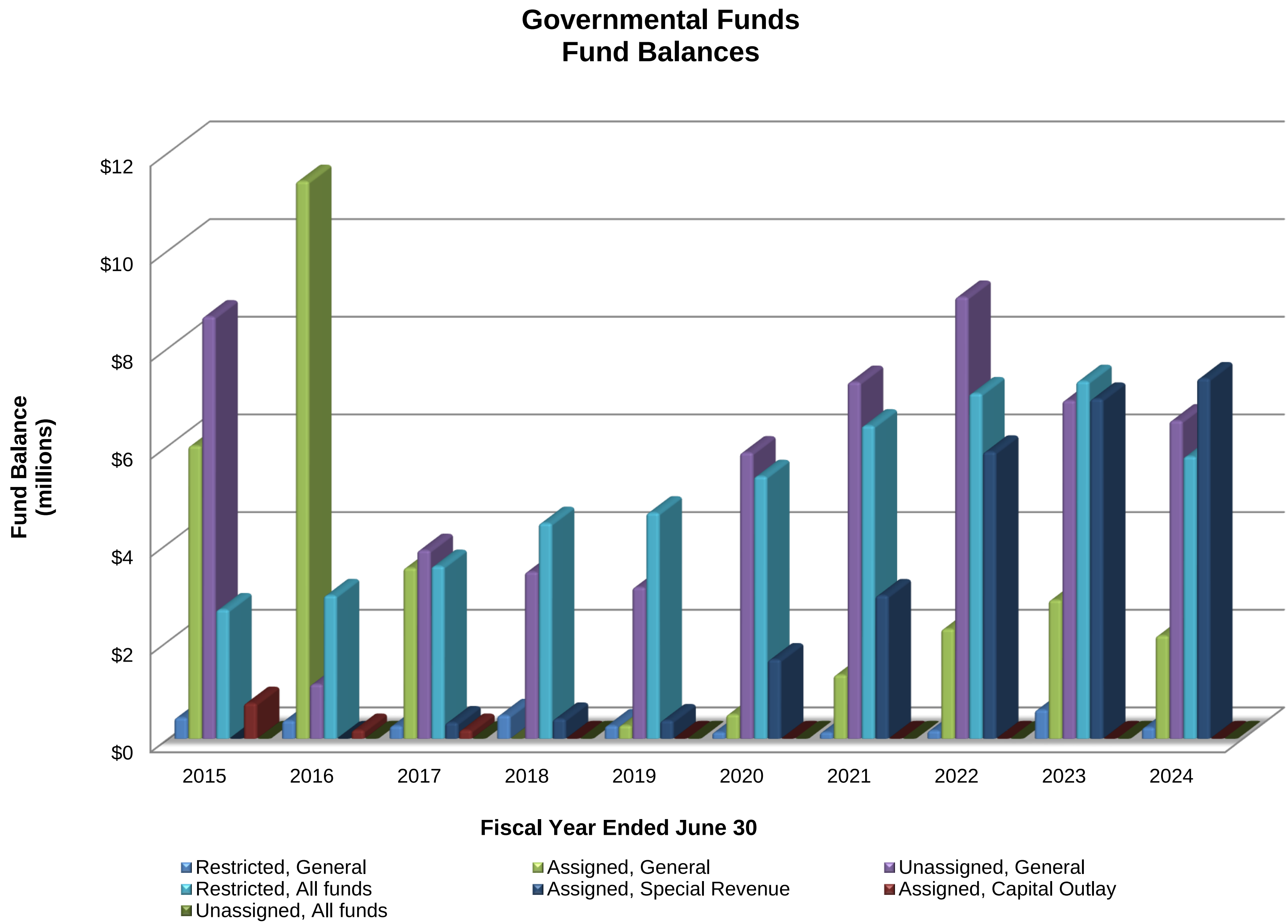
Source: Davidson County Board of Education, North Carolina, Annual Financial Reports.

Note: Expenses for 2017 and before is not comparable to 2018 (and after) expenses due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its share of the Other Postemployment Benefit (OPEB) liability and asset associated with the Board's participation in the statewide Retiree Heath Benefit Fund (RHBF) and the Disability Income Plan of North Carolina (DIPNC).

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

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Restricted	$ 433,721	$ 369,766	$ 263,701	$ 479,892	$ 269,515	$ 134,536	$ 132,809	$ 168,852	$ 592,508	$ 233,650
Assigned	6,000,000	11,419,223	3,500,000	-	275,000	500,000	1,307,702	2,250,000	2,841,229	2,110,673
Unassigned	8,645,224	1,116,863	3,861,581	3,417,738	3,102,986	5,860,576	7,303,950	9,046,883	6,927,210	6,514,339
Total General Fund	15,078,945	12,905,852	7,625,282	3,897,630	3,647,501	6,495,112	8,744,461	11,465,735	10,360,947	8,858,662
All other governmental funds:										
Restricted	2,647,114	2,936,421	3,535,738	4,415,625	4,628,806	5,375,164	6,411,446	7,070,806	7,322,641	5,781,809
Assigned, reported in:										
Other Special Revenue Fund	-	-	331,955	406,863	374,948	1,621,972	2,933,379	5,876,251	6,959,452	7,377,603
Capital Outlay	729,222	179,000	179,000	-	-	-	-	-	-	-
Unassigned	(221,595)	-	-	-	-	-	-	-	-	-
Total all other governmental funds	3,154,741	3,115,421	4,046,693	4,822,488	5,003,754	6,997,136	9,344,825	12,947,057	14,282,093	13,159,412
Total Governmental Fund Balance	$ 18,233,686	$ 16,021,273	$ 11,671,975	$ 8,720,118	$ 8,651,255	$ 13,492,248	$ 18,089,286	$ 24,412,792	$ 24,643,040	$ 22,018,074

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

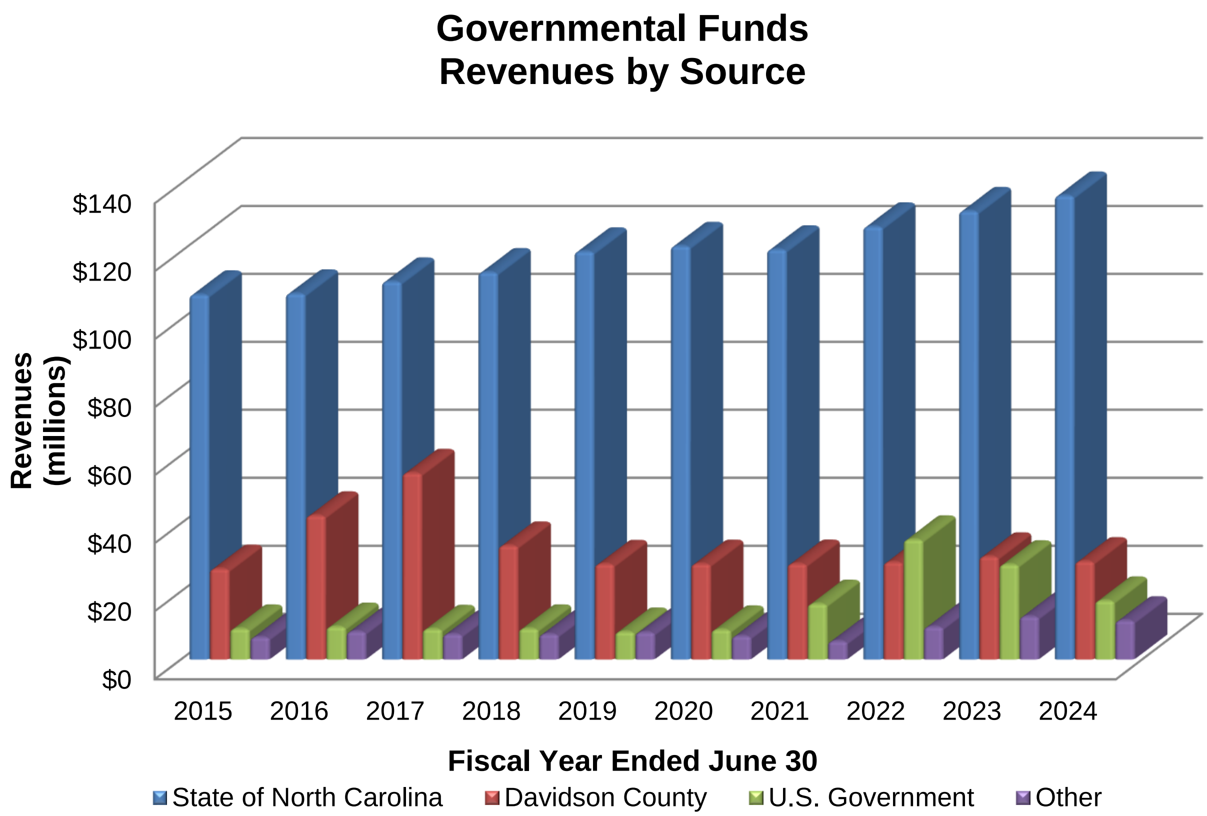

Governmental Funds
Fund Balances
Fund Balance (millions)
$0
$2
$4
$6
$8
$10
$12
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Fiscal Year Ended June 30
Restricted, General
Assigned, General
Unassigned, General
Restricted, All funds
Assigned, Special Revenue
Assigned, Capital Outlay
Unassigned, All funds

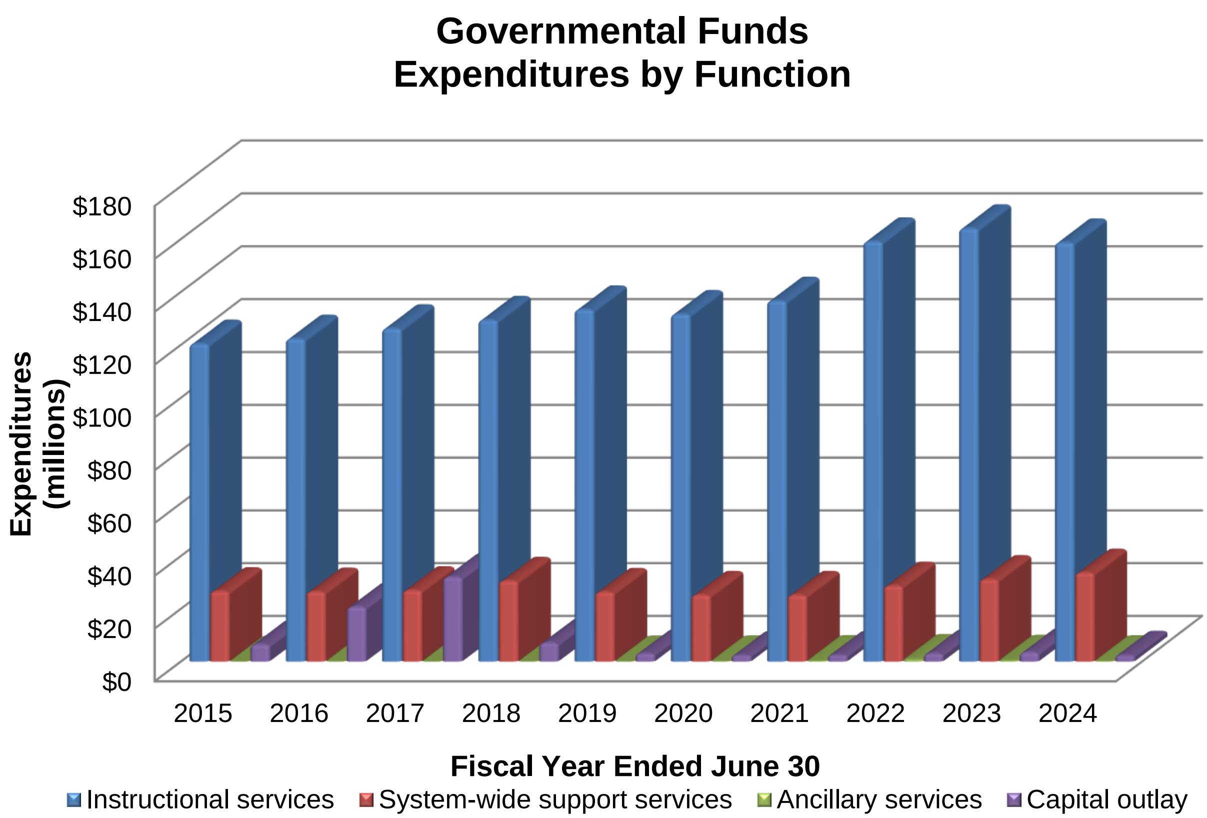
DAVIDSON COUNTY BOARD OF EDUCATION
Governmental Funds
Changes in Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019
Revenues					
State of North Carolina	$ 107,385,243	$ 107,682,912	$ 111,203,690	$ 113,956,534	$ 120,063,382
Davidson County	26,700,984	42,360,961	54,864,750	33,514,138	28,094,823
U.S. Government	9,093,593	9,653,775	8,989,465	9,118,713	8,192,173
Other	6,589,005	8,248,083	7,481,309	7,473,411	8,009,668
Total revenues	149,768,825	167,945,731	182,539,214	164,062,796	164,360,046
Expenditures					
Instructional services	120,450,053	122,306,953	126,239,301	129,427,258	133,380,711
System-wide support services	26,657,671	26,508,878	27,042,839	30,591,705	26,385,627
Ancillary services	17,976	7,006	22,543	77,691	52,089
Non-programmed charges	320,880	966,286	1,125,360	680,820	811,220
Debt service:					
Principal	924,445	821,731	992,947	1,297,018	1,182,814
Interest and other charges	-				
Capital outlay	6,527,525	20,747,248	32,062,889	7,099,089	3,078,138
Total expenditures	154,898,550	171,358,102	187,485,879	169,173,581	164,890,599
Revenues over (under) expenditures	(5,129,725)	(3,412,371)	(4,946,665)	(5,110,785)	(530,553)
Other financing sources (uses)					
Transfers from (to) other funds	(94,253)	(112,037)	(87,497)	(59,671)	(65,413)
Installment purchase obligations	1,974,926	1,311,995	684,864	2,207,291	527,103
Total other financing sources	1,880,673	1,199,958	597,367	2,147,620	461,690
Net change in fund balances	$ (3,249,052)	$ (2,212,413)	$ (4,349,298)	$ (2,963,165)	$ (68,863)
Ratio of debt service expenditures to total non-capital expenditures	0.63%	0.55%	0.64%	0.81%	0.74%

Year Ended June 30	2020	2021	2022	2023	2024
Revenues					
State of North Carolina	$ 121,680,816	$ 120,661,480	$ 127,402,829	$ 131,972,376	$ 136,521,620
Davidson County	28,155,382	28,176,731	28,641,600	30,307,736	28,892,000
U.S. Government	8,817,062	16,386,490	35,292,866	27,969,149	17,350,749
Other	6,923,074	5,400,600	9,626,516	12,685,904	11,502,474
Total revenues	165,576,334	170,625,301	200,963,811	202,935,165	194,266,843
Expenditures					
Instructional services	131,640,116	136,683,272	159,120,810	164,064,211	158,717,812
System-wide support services	25,274,866	25,253,699	28,745,423	31,238,016	33,700,846
Ancillary services	154,525	379,742	962,191	532,605	253,473
Non-programmed charges	843,746	761,889	2,310,329	2,746,140	1,455,659
Debt service:					
Principal	1,483,594	1,345,998	1,195,310	749,889	698,450
Capital outlay	2,469,611	2,534,208	3,059,976	3,532,344	2,427,024
Total expenditures	161,866,458	166,958,808	195,394,039	202,863,205	197,253,264
Revenues over (under) expenditures	3,709,876	3,666,493	5,569,772	71,960	(2,986,421)
Other financing sources (uses)					
Transfers from (to) other funds	(619,276)	(48,248)	(45,077)	(45,000)	(45,000)
Installment purchase obligations	1,750,393	978,793	798,811	203,288	406,455
Total other financing sources	1,131,117	930,545	753,734	158,288	361,455
Net change in fund balances	$ 4,840,993	$ 4,597,038	$ 6,323,506	$ 230,248	$ (2,624,966)
Ratio of debt service expenditures to total non-capital expenditures	0.94%	0.83%	0.63%	0.38%	0.36%

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


Governmental Funds
Revenues by Source
$140
$120
$100
$80
$60
$40
$20
$0
Revenues (millions)
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Fiscal Year Ended June 30
State of North Carolina
Davidson County
U.S. Government
Other


Governmental Funds
Expenditures by Function
$180
$160
$140
$120
$100
$80
$60
$40
$20
$0
Expenditures (millions)
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Fiscal Year Ended June 30
Instructional services
System-wide support services
Ancillary services
Capital outlay

DAVIDSON COUNTY BOARD OF EDUCATION
Operational Expenditures Per Pupil
Expenditures by Function
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Average Daily Membership	19,459	19,166	18,956	18,907	18,620
Instructional	$ 6,190	$ 6,381	$ 6,660	$ 6,845	$ 7,163
System-wide support	1,370	1,383	1,427	1,618	1,417
Ancillary	1	-	1	4	3
Total expenditures per pupil	$ 7,561	$ 7,764	$ 8,088	$ 8,467	$ 8,583

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Average Daily Membership	18,435	17,596	17,533	17,650	17,609
Instructional	$ 7,141	$ 7,768	$ 9,076	$ 9,295	$ 9,013
System-wide support	1,371	1,435	1,640	1,770	1,914
Ancillary	8	22	55	30	14
Total expenditures per pupil	$ 8,520	$ 9,225	$ 10,771	$ 11,095	$ 10,941

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Instructional	$ 2,594	$ 2,648	$ 2,719	$ 2,716	$ 2,796
System-wide support	574	574	583	642	553
Ancillary	-	-	-	2	1
Total expenditures per pupil	$ 3,168	$ 3,222	$ 3,302	$ 3,360	$ 3,350

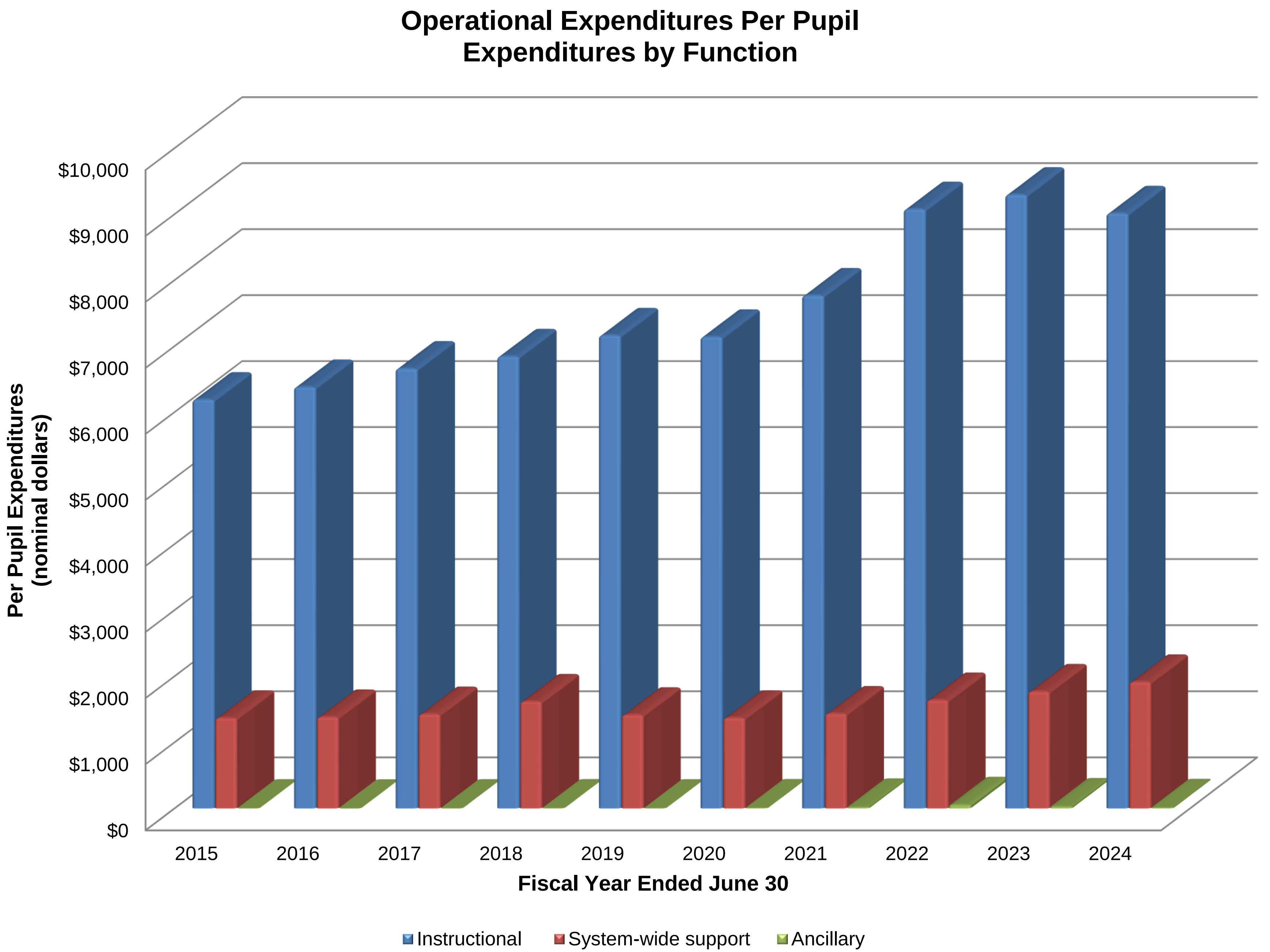
EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Instructional	$ 2,770	$ 2,859	$ 3,063	$ 3,046	$ 2,869
System-wide support	532	528	553	580	609
Ancillary	3	8	19	10	4
Total expenditures per pupil	$ 3,305	$ 3,395	$ 3,635	$ 3,636	$ 3,482

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

The above operational expenditures per pupil include all governmental funds.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).


Operational Expenditures Per Pupil
Expenditures by Function
Per Pupil Expenditures
(nominal dollars)
$10,000
$9,000
$8,000
$7,000
$6,000
$5,000
$4,000
$3,000
$2,000
$1,000
$0
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Fiscal Year Ended June 30
Instructional
System-wide support
Ancillary

DAVIDSON COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Services Operations
Revenues by Source
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Food sales	$ 2,586,364	$ 2,529,111	$ 2,365,947	$ 2,412,474	$ 2,379,369
Federal reimbursements	4,913,397	4,973,860	4,862,685	4,909,521	4,801,466
Federal commodities	465,983	574,699	598,949	610,694	513,302
Other	19,514	29,149	21,782	472,107	543,213
Total revenues	$ 7,985,258	$ 8,106,819	$ 7,849,363	$ 8,404,796	$ 8,237,350

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Food sales	$ 1,708,955	$ 170,844	$ 449,074	$ 2,210,899	$ 1,831,642
Federal reimbursements	6,110,420	7,325,143	10,734,607	6,855,188	8,051,468
Federal commodities	556,479	586,935	986,862	634,267	723,725
Other	29,327	13,615	3,977	61,192	191,427
Total revenues	$ 8,405,181	$ 8,096,537	$ 12,174,520	$ 9,761,546	$ 10,798,262

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Food sales	$ 1,083,802	$ 1,049,345	$ 965,870	$ 957,373	$ 928,922
Federal reimbursements	2,058,933	2,063,688	1,985,134	1,948,308	1,874,526
Federal commodities	195,268	238,447	244,514	242,349	200,397
Other	8,177	12,094	8,892	187,352	212,074
Total revenues	$ 3,346,180	$ 3,363,574	$ 3,204,410	$ 3,335,382	$ 3,215,919

EXPRESSED IN CONSTANT DOLLARS

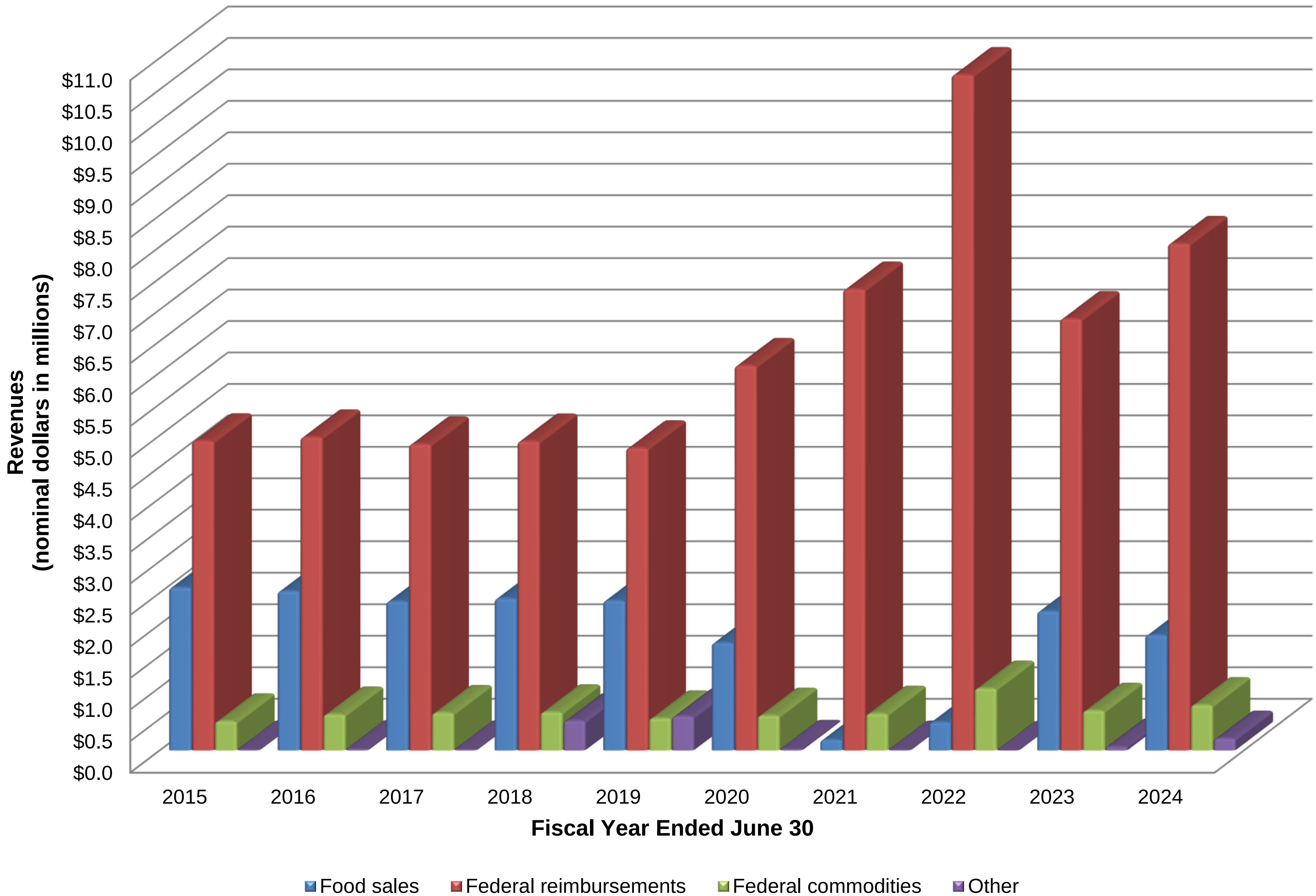
Year Ended June 30	2020	2021	2022	2023	2024
Food sales	$ 662,907	$ 62,881	$ 151,555	$ 724,626	$ 583,001
Federal reimbursements	2,370,245	2,696,081	3,622,750	2,246,800	2,562,734
Federal commodities	215,859	216,026	333,049	207,882	230,357
Other	11,376	5,011	1,342	20,056	60,930
Total revenues	$ 3,260,387	$ 2,979,999	$ 4,108,696	$ 3,199,364	$ 3,437,022

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

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

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Service Operations
Revenues by Source



DAVIDSON COUNTY BOARD OF EDUCATION
Proprietary Fund - Food Services Operations
Expenses by Category
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Purchase of food	$ 3,181,031	$ 3,202,668	$ 2,958,358	$ 3,398,022	$ 3,393,042
Donated commodities	318,769	366,123	345,035	-	-
Salaries and benefits	4,136,571	4,230,417	4,017,920	4,085,940	3,805,361
Other	1,209,893	1,346,245	640,203	910,661	922,901
Total expenses	$ 8,846,264	$ 9,145,453	$ 7,961,516	$ 8,394,623	$ 8,121,304

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Purchase of food	$ 3,361,377	$ 2,899,121	$ 4,617,182	$ 4,258,049	$ 5,006,744
Donated commodities	-	-	-	-	-
Salaries and benefits	4,960,650	2,317,566	3,509,453	4,372,627	4,437,219
Other	929,131	715,438	733,014	811,058	970,619
Total expenses	$ 9,251,158	$ 5,932,125	$ 8,859,649	$ 9,441,734	$ 10,414,582

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Purchase of food	$ 1,332,994	$ 1,328,809	$ 1,207,715	$ 1,348,480	$ 1,324,667
Donated commodities	133,578	151,907	140,856	-	-
Salaries and benefits	1,733,408	1,755,229	1,640,269	1,621,476	1,485,639
Other	506,999	558,566	261,355	361,389	360,307
Total expenses	$ 3,706,979	$ 3,794,511	$ 3,250,195	$ 3,331,345	$ 3,170,613

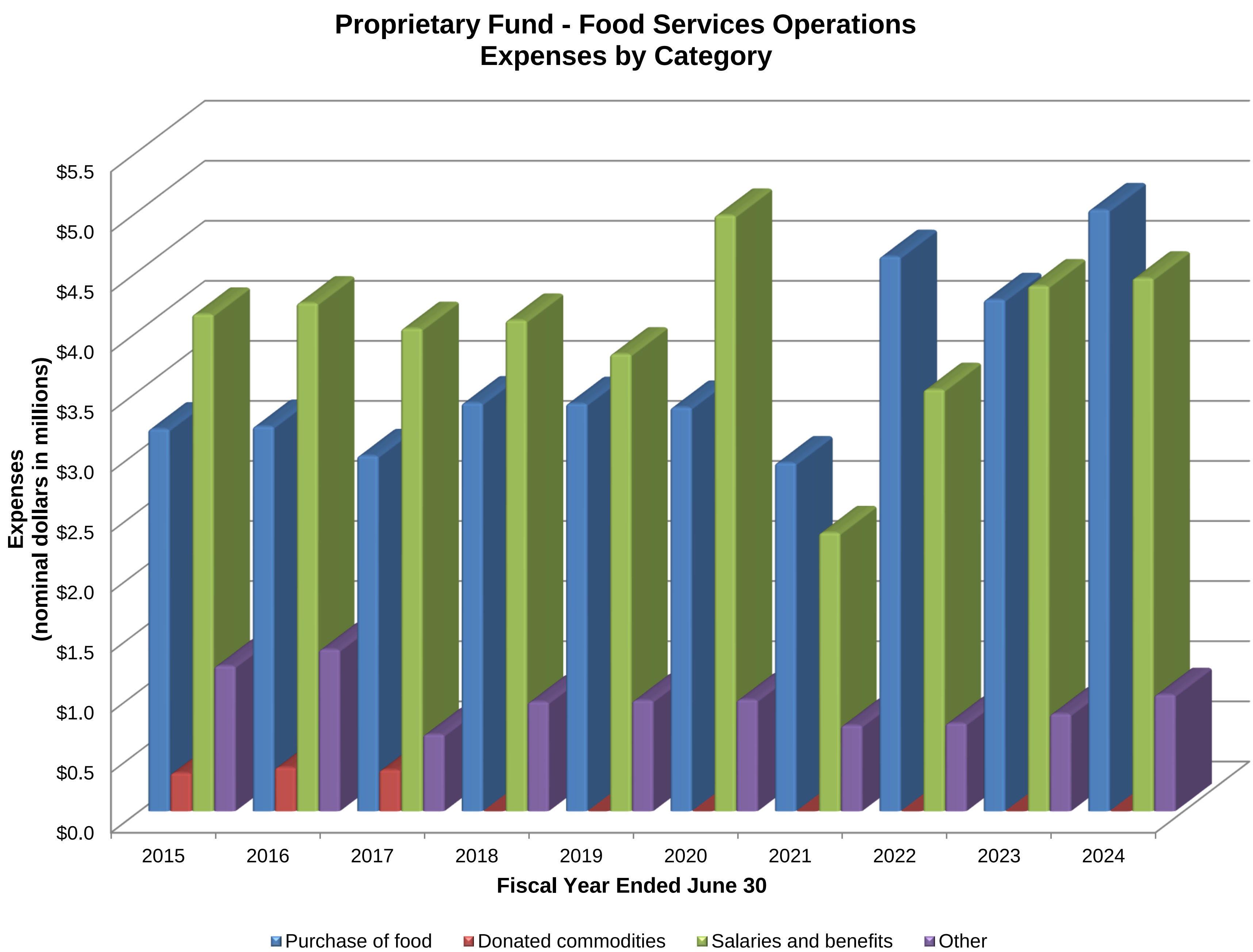
EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Purchase of food	$ 1,303,885	$ 1,067,046	$ 1,558,222	$ 1,395,583	$ 1,593,616
Donated commodities	-	-	-	-	-
Salaries and benefits	1,924,247	853,000	1,184,382	1,433,136	1,412,340
Other	360,412	263,323	247,380	265,826	308,942
Total expenses	$ 3,588,544	$ 2,183,369	$ 2,989,984	$ 3,094,545	$ 3,314,898

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

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

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).


Proprietary Fund - Food Services Operations
Expenses by Category
$5.5
$5.0
$4.5
$4.0
$3.5
$3.0
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
Expenses
(nominal dollars in millions)
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
Fiscal Year Ended June 30
Purchase of food
Donated commodities
Salaries and benefits
Other

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

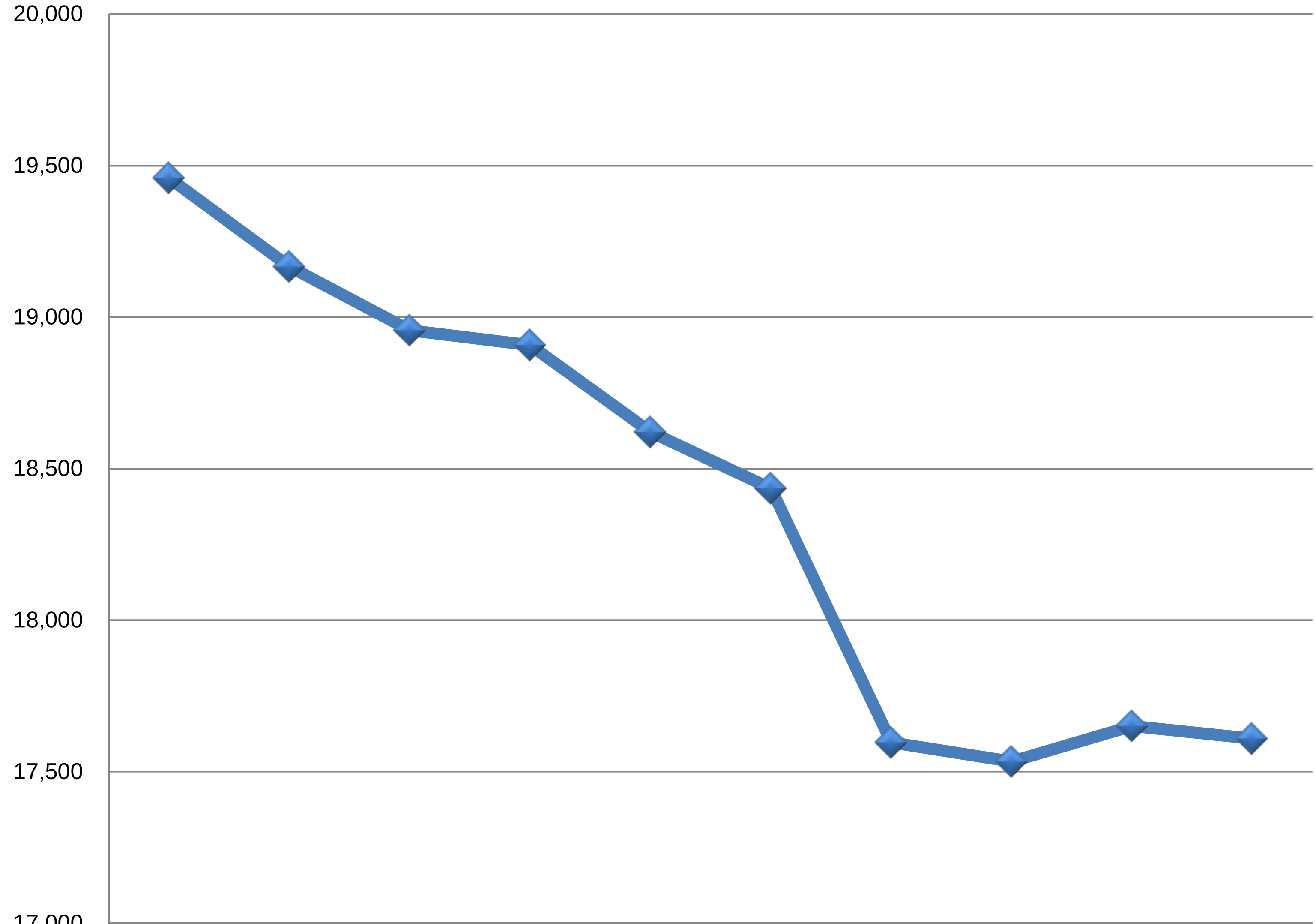
Year Ended June 30	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2024	$ 334,685	334,685	N/A	N/A
2023	626,680	626,680	0.01%	4
2022	1,173,281	1,173,281	0.01%	7
2021	1,569,780	1,569,780	0.02%	9
2020	1,936,985	1,936,985	0.03%	11
2019	1,670,186	1,670,186	0.02%	10
2018	2,325,897	2,325,897	0.04%	14
2017	1,415,624	1,415,624	0.02%	9
2016	1,723,707	1,723,707	0.03%	10
2015	1,233,443	1,233,443	0.02%	8

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

Note: Davidson County Board of Education cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, county level annual income data was not available from Davidson County for June 30, 2024 at the time of this report. Therefore, June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2024 information will be reported for the year ended June 30, 2025, if applicable.

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



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Avg Daily Membership	19,459	19,166	18,956	18,907	18,620	18,435	17,596	17,533	17,650	17,609

Source: North Carolina Average Daily Membership Report, North Carolina Department of Public Instruction

DAVIDSON COUNTY BOARD OF EDUCATION
Student Statistics
Last Ten Fiscal Years

Year Ended June 30	Teaching Staff (3)	Students (3)	Teacher/ Pupil Ratio	Student Attendance Percentage(1)	Percentage of Students Receiving Free/Reduced Lunch(2)
2024	1,124	17,609	1/16	N/A	49.09%
2023	1,135	17,650	1/16	93.93%	52.16%
2022	1,146	17,533	1/15	91.86%	32.76%
2021	1,150	17,596	1/15	96.53%	32.39%
2020	1,161	18,435	1/16	96.69%	42.72%
2019	1,162	18,620	1/16	95.39%	43.96%
2018	1,175	18,907	1/15	95.21%	44.76%
2017	1,186	18,956	1/15	94.34%	46.11%
2016	1,189	19,166	1/15	93.97%	47.27%
2015	1,192	19,459	1/15	94.11%	47.72%

DAVIDSON COUNTY BOARD OF EDUCATION
Student Statistics (continued)
Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage[3]					Graduates[3]	Graduates Continuing Education Percentage[3]
	White	Black	Asian	Hispanic	Other		
2024	76%	5%	2%	13%	4%	N/A	N/A
2023	77%	4%	2%	13%	4%	1,370	69%
2022	79%	4%	1%	12%	4%	1,332	75%
2021	80%	4%	1%	11%	4%	1,326	77%
2020	80%	4%	1%	10%	5%	1,448	79%
2019	82%	4%	1%	10%	3%	1,396	81%
2018	83%	4%	1%	9%	3%	1,474	81%
2017	83%	4%	1%	9%	3%	1,365	85%
2016	84%	3%	1%	8%	4%	1,414	88%
2015	85%	3%	1%	8%	3%	1,402	85%

Sources:
(1) NC Department of Public Instruction Average Daily Attendance (ADA): Average Daily Membership (ADM) Ratio Reports
(2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2021-2024 obtained from Davidson County Board of Education Student Data.
(3) North Carolina Public Schools Statistical Profile (2015-2024 Editions).

N/A = Not available

DAVIDSON COUNTY BOARD OF EDUCATION
Full-time Equivalent Governmental Employees by Function/Program
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Officials, admins, mgrs	18	18	19	19	18	18	18	19	19	19
Principals	35	35	36	36	36	36	34	35	33	35
Asst. Principals, non-teaching	34	35	33	34	34	30	33	35	34	37
Total administrators	87	88	88	89	88	84	85	89	86	91
Elementary teachers	588	560	560	552	542	549	539	538	525	524
Secondary teachers	279	284	294	284	278	274	267	265	272	266
Other teachers	325	345	332	339	342	338	344	343	338	334
Total teachers	1,192	1,189	1,186	1,175	1,162	1,161	1,150	1,146	1,135	1,124
Guidance	54	53	55	53	54	56	58	63	61	61
Psychological	6	7	7	5	4	5	5	5	5	7
Librarian, audiovisual	30	29	30	30	30	31	31	28	31	31
Consultant, supervisor	33	26	31	27	24	23	25	25	26	25
Other professionals	61	69	65	58	52	51	52	52	53	62
Total professionals	184	184	188	173	164	166	171	173	176	186
Teacher Assistants	304	282	291	302	299	297	292	280	292	302
Technicians	11	10	11	11	12	10	12	12	12	12
Clerical, secretarial	140	142	141	146	142	145	140	137	134	134
Service workers	208	237	244	232	257	224	216	204	188	176
Skilled crafts	53	51	55	53	53	42	35	33	36	38
Laborers, Unskilled	3	2	-	-	-	-	-	-	-	-
Total other	719	724	742	744	763	718	695	666	662	662
Total employees	2,182	2,185	2,204	2,181	2,177	2,129	2,101	2,074	2,059	2,063

Source: North Carolina Public Schools Statistical Profile (2015-2024 Editions)

DAVIDSON COUNTY BOARD OF EDUCATION
Instructional Personnel
Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries Minimum	Teacher Salaries Maximum	Teacher Salaries Average	Bachelors Degree	Masters Degree	Advanced Degree	Doctorate Degree
2024	$ 39,000	$ 67,220	$ 50,587	777	212	1	0
2023	37,000	82,656	51,482	814	335	33	2
2022	35,230	66,148	47,794	795	257	-	2
2021	35,000	63,440	47,856	784	271	1	1
2020	35,000	76,128	50,250	810	287	1	3
2019	35,000	63,440	45,292	820	256	-	2
2018	35,000	62,590	41,860	857	268	1	-
2017	35,000	62,220	40,781	898	325	1	-
2016	35,000	63,530	38,933	871	332	3	1
2015	33,000	63,530	39,805	849	338	3	1

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

(a) Payments of varying amounts for performing extra duties.
(b) Bonus payments

Sources: Davidson County Board of Education Payroll Data

DAVIDSON COUNTY BOARD OF EDUCATION
School Building Data
June 30, 2024

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
Brier Creek Elementary	2002	543	208	-62%	Excellent
E. Lawson Brown Middle	1975	1,014	546	-46%	Good
Central Davidson Middle	1957	936	664	-29%	Fair
Central Davidson High	1972	1,152	855	-26%	Good
Churchland Elementary	1951	575	390	-32%	Fair
Davis Townsend Elementary	1996	585	419	-28%	Good
Denton Elementary	1951	591	391	-34%	Fair
East Davidson High School	1963	1,195	693	-42%	Good
Yadkin Valley Reg. (Ext. Day)	1931	270	163	-40%	Fair
Fair Grove Elementary	1956	994	507	-49%	Fair
Friendship Elementary	2004	627	449	-28%	Excellent
Friedberg Elementary	2001	512	453	-12%	Excellent
Hasty Elementary	1969	622	408	-34%	Good
Ledford Middle School	1957	650	627	-4%	Fair
Ledford High School	1975	967	814	-16%	Fair
Midway Elementary	1963	612	507	-17%	Good
North Davidson Middle	1967	1,014	702	-31%	Good

DAVIDSON COUNTY BOARD OF EDUCATION
School Building Data (continued)
June 30, 2024

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
North Davidson High	1952	1,419	883	-38%	Good
Northwest Elementary	1974	748	609	-19%	Good
Oak Grove Middle School	2012	988	722	-27%	Excellent
Oak Grove High School	2017	1,300	960	-26%	Excellent
Pilot Elementary	1951	586	339	-42%	Fair
Reeds Elementary	1951	565	285	-50%	Fair
Silver Valley Elementary	1955	293	217	-26%	Fair
South Davidson Middle & High	1987	1,190	646	-46%	Good
Southmont Elementary	2009	627	291	-54%	Excellent
Southwood Elementary	1979	905	578	-36%	Fair
Stoner Thomas School	1958	260	95	-63%	Good
Tyro Elementary	2006	627	388	-38%	Excellent
Tyro Middle School	1958	650	543	-16%	Good
Wallburg Elementary	1935	538	700	30%	Fair
Welcome Elementary	1934	790	620	-22%	Good
West Davidson High	1978	843	717	-15%	Good

Source: Davidson County Board of Education N. C. Public Schools Facility Needs Report; 2024

DAVIDSON COUNTY, NORTH CAROLINA
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019
Population estimate (1)	163,528	164,458	165,429	166,641	168,122
Personal income (2)	$5,796,572,000	$5,980,420,000	$6,256,248,000	$6,501,467,000	$6,920,582,000
Per capita income	$35,447	$36,364	$37,818	$39,015	$41,164
Median age (3)	42	42	42	42	42
School enrollment (4)	25,141	24,549	24,246	24,257	23,847
Unemployment rate (5)	5.9%	5.1%	4.5%	4.0%	3.9%
Year Ended June 30	**2020**	**2021**	**2022**	**2023**	**2024**
Population estimate (1)	169,131	170,637	172,586	174,804	N/A
Personal income (2)	$7,474,094,000	$8,205,191,000	$8,374,362,000	$8,985,983,000	N/A
Per capita income	$44,191	$48,086	$48,523	$51,406	N/A
Median age (3)	42	42	42	42	42
School enrollment (4)	23,694	22,631	22,569	22,657	22,565
Unemployment rate (5)	8.4%	4.6%	3.9%	3.5%	4.1%

N/A = Not Available

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

Note: This table is a ten year schedule. However, county level annual income data was not available from Davidson County for June 30, 2024 at the time of this report. Therefore, June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2024 information will be reported for the year ended June 30, 2025, if applicable.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, if applicable.

DAVIDSON COUNTY, NORTH CAROLINA
Principal Employers
For Years Ended June 30, 2024 and 2015

	2024			2015		
Employer	**Employees**	**Rank**	**Percentage of Total County Employment**	**Employees**	**Rank**	**Percentage of Total County Employment**
Davidson County Board of Education	1000+	1	1.2%+	1000+	1	1.3%+
County of Davidson	1000+	2	1.2%+	500-999	2	0.6 - 1.3%
Old Dominion Freight Line	500-999	3	0.6 - 1.2%	500-999	4	0.6 - 1.3%
Cornerstone Building Brands Service	500-999	4	0.6 - 1.2%	500-999	3	0.6 - 1.3%
Novant Health Thomasville	500-999	5	0.6 - 1.2%	-	-	-
Wal-mart Associates, Inc.	500-999	6	0.6 - 1.2%	500-999	5	0.6 - 1.3%
Food Lion	500-999	7	0.6 - 1.2%	500-999	7	0.6 - 1.3%
Unilin North America LLC	500-999	8	0.6 - 1.2%	-	-	-
ASCO Power Technologies	500-999	9	0.6 - 1.2%	-	-	-
Jeld-Wen	500-999	10	0.6 - 1.2%	250-499	10	0.3 - 0.6%
Bradley Personnel Inc	-	-	-	500-999	6	0.6 - 1.3%
Baptist Medical Thomasville	-	-	-	500-999	8	0.6 - 1.3%
Davidson County Community College	-	-	-	500-999	9	0.6 - 1.3%
Total County Employment	81,286		7.2 - 12.0%+	79,013		6.4 - 12.3%+

Source: NC Department of Commerce

DAVIDSON COUNTY, NORTH CAROLINA
Ratio of Net General Bonded Debt to Assessed Value and Bonded Debt per Capita
Last Ten Fiscal Years

Year Ended June 30	Population	Assessed Value (000,000's)	Bonded Debt (000's)	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
2015	164,454	13,519	55,210	0.41%	363
2016	164,622	13,579	46,780	0.35%	284
2017	164,926	13,767	43,010	0.31%	261
2018	166,137	13,943	39,420	0.28%	237
2019	166,614	14,294	35,140	0.25%	211
2020	168,093	14,622	31,005	0.21%	184
2021	169,180	15,325	26,905	0.18%	159
2022	171,063	17,650	22,890	0.13%	135
2023	172,586	18,128	18,910	0.10%	110
2024	174,804	18,775	14,985	0.08%	86

Source: Davidson County, North Carolina, Annual Comprehensive Financial Reports.

DAVIDSON COUNTY, NORTH CAROLINA
Principal Property Taxpayers
December 31, 2024 and December 31, 2015

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
EGGER Wood Products LLC	$ 375,316,879	1	2.00%	-		-
Unilin Flooring NC LLC	264,699,938	2	1.41%	60,152,896	4	0.44%
Duke Energy	178,047,180	3	0.95%	92,568,487	1	0.68%
Halyard North Carolina	105,784,189	4	0.56%	83,522,002	2	0.62%
Electric Glass Fiber America, LLC	73,519,141	7	0.39%	70,683,774	3	0.52%
Energy United	89,231,787	5	0.48%	-		-
Transcontinental Pipeline Co.	74,015,154	6	0.39%	-		-
Owens Brockway	51,455,361	8	0.27%	26,527,452	8	0.20%
Cube Yadkin Generation LLC	41,684,614	9	0.22%	53,234,606	5	0.39%
EBSCO Laurel Springs	37,294,042	10	0.20%	-		-
Windstream	-		-	50,234,032	6	0.37%
Walmart Stores East LP	-		-	30,410,295	7	0.22%
Old Dominion Freight Lines	-		-	24,538,827	9	0.18%
Moran Foods	-		-	24,477,434	10	0.18%
	$ 1,291,048,285		6.87%	$ 516,349,805		3.80%
Total Assessed Valuation	$ 18,775,000,000			$ 13,519,000,000		

Source: Davidson County, North Carolina, Annual Comprehensive Financial Reports.

DAVIDSON COUNTY, NORTH CAROLINA
Property Tax Levies and Current Collections
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	Total Tax Levy	Current Year's Levy Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections to Date: Amount Collected	Total Collections to Date: Percent of Levy Collected
2024	$ 100,535,923	$ 98,484,057	97.96%	$ 1,787,196	$ 100,271,253	99.74%
2023	97,067,728	95,227,002	98.10%	2,122,389	97,349,391	100.29%
2022	94,573,914	92,436,822	97.74%	2,160,226	94,597,048	100.02%
2021	82,101,777	80,366,264	97.89%	2,144,623	82,510,887	100.50%
2020	79,020,135	77,025,360	97.48%	2,367,147	79,392,507	100.47%
2019	77,221,654	75,084,946	97.23%	3,676,184	78,761,130	101.99%
2018	75,362,099	73,174,602	97.10%	2,418,673	75,593,275	100.31%
2017	74,393,051	72,182,872	97.03%	2,284,436	74,467,308	100.10%
2016	73,326,421	71,166,409	97.05%	2,339,913	73,506,322	100.25%
2015	72,447,298	70,400,546	97.17%	2,402,737	72,803,283	100.49%

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	Total Tax Levy	Current Year's Levy Collections	Collections in Subsequent Years	Total Collections During Year
2024	$ 31,999,975	$ 31,346,879	$ 568,854	$ 31,915,733
2023	31,814,115	31,210,814	695,617	31,906,431
2022	31,917,112	31,195,879	729,040	31,924,919
2021	30,218,250	29,579,480	789,347	30,368,827
2020	30,652,077	29,878,300	918,221	30,796,521
2019	30,147,868	29,313,683	1,435,208	30,748,891
2018	29,906,900	29,038,808	959,833	29,998,641
2017	30,370,089	29,467,809	932,594	30,400,403
2016	30,423,629	29,527,425	970,846	30,498,271
2015	30,358,660	29,500,979	1,006,854	30,507,833

Source: Davidson County, North Carolina, Annual Comprehensive Financial Reports.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).