

**Haywood County  
Board of Education**

Financial Statements  
For the Year Ended  
June 30, 2024

**HAYWOOD COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS**

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<u>Exhibit</u>	<u>Page No.</u>
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government – wide Financial Statements:	
1 Statement of Net Position.....	12
2 Statement of Activities.....	13
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds.....	14
4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	15
5 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds	17
6 Statement of Net Position – Proprietary Fund.....	21
7 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Fund.....	22
8 Statement of Cash Flows – Proprietary Fund.....	23
9 Statement of Fiduciary Net Position.....	25
10 Statement of Changes in Fiduciary Net Position.....	26
Notes to the Financial Statements.....	27
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System.....	56
Schedule of Board Contributions – Teachers' and State Employees' Retirement System.....	57
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund.....	58
Schedule of Board Contributions – Retiree Health Benefit Fund.....	59
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Disability Income Plan of North Carolina.....	60
Schedule of Board Contributions – Disability Income Plan of North Carolina.....	61
Individual Fund Budgetary Schedules:	
A-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual - General Fund.....	62
B-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Capital Outlay Fund.....	63
C-1 Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP) – School Food Service Fund.....	64
Compliance Report.....	65



ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## INDEPENDENT AUDITORS' REPORT

Haywood County Board of Education  
Waynesville, 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 Haywood 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 Haywood 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 Haywood 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 Haywood 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 Haywood 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 Haywood 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 Haywood 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 56 through 61, 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 Haywood County Board of Education's basic financial statements. The individual fund budgetary schedules, as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual fund budgetary schedules and the schedule of expenditures of federal and state awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of Haywood 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 Haywood 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 Haywood County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

December 12, 2024  
Huntersville, North Carolina

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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This section of the Haywood 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***

- ADM for FY 2023-2024 was 6,423, which is a .75% increase compared to FY 2022-2023 ADM of 6,375. Management continues to monitor ADM declines.
- The fiscal year saw additional increases in employer matching benefit rates for full-time employees. The employer matching retirement rate climbed to 25.02%.
- FY 2023-2024 was the first year of the new funding formula resolution between the Board and the Haywood County Board of Commissioners.
- The county sales tax revenue continues to stay strong, allowing for continued support of capital appropriations.

***Overview of the Financial Statements***

The audited financial statements of the Haywood 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 combining and budgetary statements for 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 funds, proprietary fund, and fiduciary fund. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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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 they have 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 Haywood 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.

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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Haywood County Board of Education has three types of funds:

*Governmental funds:* Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 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 Special Revenue 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. Haywood 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.

*Fiduciary fund:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Haywood County Board of Education has one fiduciary fund – the Haywood County Schools Foundation Fund, which provides scholarships to many Haywood County students, is accounted for as a Private-Purpose Trust Fund. The Board excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

The fiduciary fund statement of Net Position is shown as Exhibit 9 and 10 of this report.

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

Net position is an indicator of the fiscal health of the Board. Liabilities exceeded assets by \$15,696,311 as of June 30, 2024. The largest component of net position other than unrestricted net position is the net investment in capital assets, of \$67,019,281.

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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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	\$ 16,827,420	\$ 11,962,228	\$ 1,031,702	\$ 1,819,434	\$ 17,859,122	\$ 13,781,662
Right to use assets	67,654	86,165	-	-	67,654	86,165
Capital assets	66,126,354	63,455,640	990,302	822,793	67,116,656	64,278,433
Total assets	<u>83,021,428</u>	<u>75,504,033</u>	<u>2,022,004</u>	<u>2,642,227</u>	<u>85,043,432</u>	<u>78,146,260</u>
Deferred outflows of resources	<u>38,717,090</u>	<u>36,907,635</u>	<u>1,361,675</u>	<u>1,232,814</u>	<u>40,078,765</u>	<u>38,140,449</u>
Current liabilities	2,718,236	3,992,538	25,690	61,099	2,743,926	4,053,637
Long-term liabilities	111,271,427	103,359,578	3,885,069	3,425,476	115,156,496	106,785,054
Total liabilities	<u>113,989,663</u>	<u>107,352,116</u>	<u>3,910,759</u>	<u>3,486,575</u>	<u>117,900,422</u>	<u>110,838,691</u>
Deferred inflows of resources	<u>22,139,445</u>	<u>30,521,768</u>	<u>778,641</u>	<u>1,019,508</u>	<u>22,918,086</u>	<u>31,541,276</u>
Net investment in capital assets	66,028,979	63,324,055	990,302	822,793	67,019,281	64,146,848
Restricted net position	4,412,960	2,503,558	-	-	4,412,960	2,503,558
Unrestricted net position	(84,832,529)	(91,289,829)	(2,296,023)	(1,453,835)	(87,128,552)	(92,743,664)
Total net assets	<u>\$(14,390,590)</u>	<u>\$(25,462,216)</u>	<u>\$(1,305,721)</u>	<u>\$(631,042)</u>	<u>\$(15,696,311)</u>	<u>\$(26,093,258)</u>

Note that net position of governmental activities increased by approximately \$11.1 million during the year, indicating improvement in the financial condition of the Board. Also note that the Board carries capital assets for which Haywood County carries the offsetting debt.

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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:						
<b>Program revenues:</b>						
Charges for services	\$ 87,520	\$ 79,696	\$ 565,776	\$ 933,585	\$ 653,296	\$ 1,013,281
Operating grants and contributions	68,308,725	63,637,199	4,721,142	4,018,839	73,029,867	67,656,038
Capital grants and contributions	2,878,158	156,755	-	136,461	2,878,158	293,216
<b>General revenues:</b>						
Other revenues	27,144,558	25,630,176	31,991	25,086	27,176,549	25,655,262
<b>Total revenues</b>	<u>98,418,961</u>	<u>89,503,826</u>	<u>5,318,909</u>	<u>5,113,971</u>	<u>103,737,870</u>	<u>94,617,797</u>
Expenses:						
<b>Governmental activities:</b>						
Instructional services	68,767,057	60,122,045	-	-	68,767,057	60,122,045
System-wide support services	16,029,113	14,116,441	-	-	16,029,113	14,116,441
Ancillary services	672,841	730,917	-	-	672,841	730,917
Non-programmed charges	1,589,944	1,488,687	-	-	1,589,944	1,488,687
Interest	4,271	1,830	-	-	4,271	1,830
Unallocated depreciation	235,886	242,078	-	-	235,886	242,078
<b>Business-type activities:</b>						
Food service	-	-	6,041,811	5,666,147	6,041,811	5,666,147
<b>Total expenses</b>	<u>87,299,112</u>	<u>76,701,998</u>	<u>6,041,811</u>	<u>5,666,147</u>	<u>93,340,923</u>	<u>82,368,145</u>
Transfers in (out)	(48,223)	(54,336)	48,223	54,336	-	-
Increase(decrease) in net position	11,071,626	12,747,492	(674,679)	(497,840)	10,396,947	12,249,652
Beginning net position	(25,462,216)	(38,209,708)	(631,042)	(133,202)	(26,093,258)	(38,342,910)
Ending net position	<u>\$(14,390,590)</u>	<u>\$(25,462,216)</u>	<u>\$(1,305,721)</u>	<u>\$(631,042)</u>	<u>\$(15,696,311)</u>	<u>\$(26,093,258)</u>

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2024**

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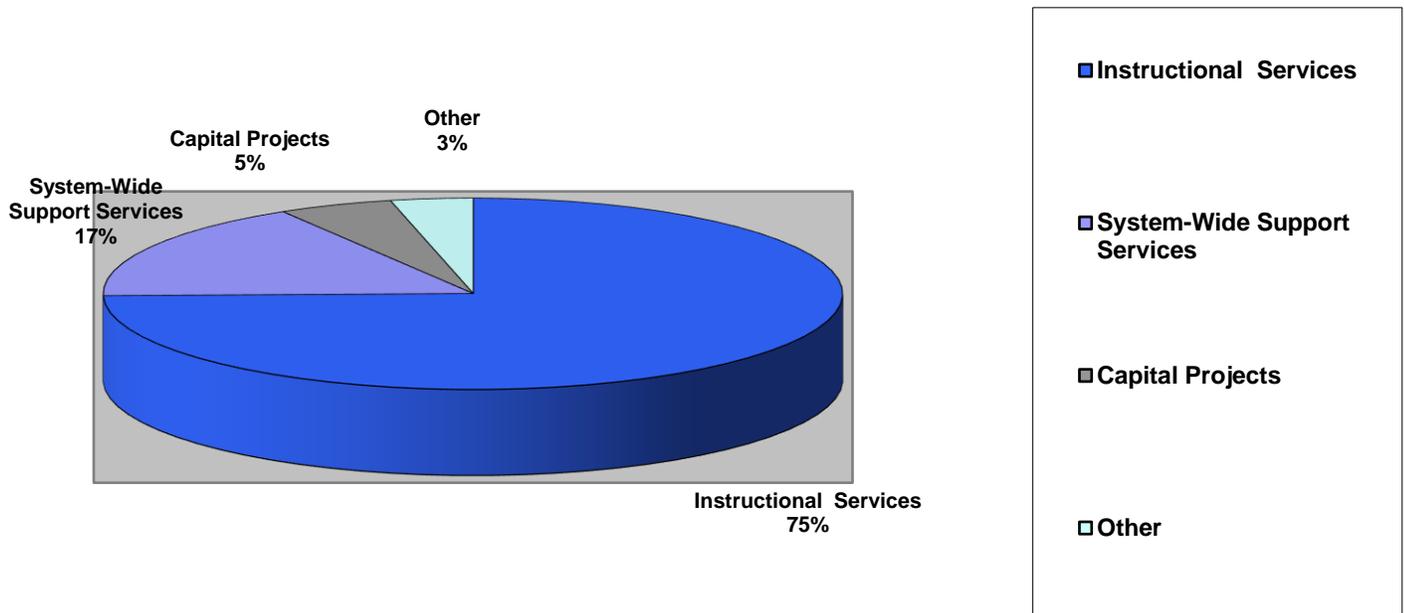
Total governmental activities generated revenues of \$98.4 million while expenses in this category totaled \$87.3 million for the year ended June 30, 2024. Comparatively, revenues were \$89.5 million and expenses totaled \$76.7 million for the year ended June 30, 2023. After transfers to the business-type activities, the increase in net position stands at \$11.1 million at June 30, 2024, compared to an increase of \$12.7 million in 2023. Instructional services comprised 79% of total governmental-type expenses while system-wide support services made up 18% of those expenses for 2024. County funding comprised 21% of total governmental revenue. Much of the remaining 79% of total governmental revenue for 2024 consists of restricted State and federal money. Business-type activities generated revenue of \$5.3 million and had expenses of \$6.0 million in 2024. Net position decreased in the business-type activities by \$674,679, after transfers in from the governmental activities.

**Financial Analysis of the Board’s Funds**

Governmental Funds: The focus of Haywood 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 \$14.1 million, a \$6.1 million increase from last year.

**Categorization of Expenditures for Governmental Funds**



Expenditures are presented on the modified accrual basis of accounting.

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
June 30, 2024**

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**General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget several times to account for changes in expenditures. Generally, budget amendments fall into four categories: 1) amendments made as the Department of Public Instruction issues allotment revisions which include additions and changes; 2) amendments to adjust Federal Program differences between planning allotments and initial allotments; 3) amendments to recognize new funding sources such as federal or State grants; and 4) amendments to appropriate fund balance at the Board’s direction.

**Capital Assets**

Capital assets increased by \$2.8 million from the previous 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**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2024</u>	<u>6/30/2023</u>
Land	\$ 5,911,028	\$ 4,226,356	\$ -	\$ -	\$ 5,911,028	\$ 4,226,356
Construction in progress	2,636,413	5,636,327	-	-	2,636,413	5,636,327
Buildings and improvements	54,675,778	50,122,759	-	-	54,675,778	50,122,759
Equipment and furniture	1,525,128	1,761,014	990,302	822,793	2,515,430	2,583,807
Vehicles	1,378,007	1,709,184	-	-	1,378,007	1,709,184
Total	<u>\$66,126,354</u>	<u>\$63,455,640</u>	<u>\$ 990,302</u>	<u>\$ 822,793</u>	<u>\$67,116,656</u>	<u>\$64,278,433</u>

**Debt Outstanding**

During the year the Board’s outstanding debt for installment purchases decreased by \$34,210. 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 the majority of the debt issued for school construction.

**Economic Factors**

In June 2024, the local unemployment rate was 3.5%. This is slightly lower than the State unemployment rate of 3.6%. With the construction of new housing developments in the Waynesville area, school officials continue to monitor prospective growth and the potential impact on available classroom space.

**HAYWOOD COUNTY BOARD OF EDUCATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2024**

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***Requests for Information***

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

Leanna Moody, Finance Officer  
Haywood County Board of Education  
1233 North Main Street  
Waynesville, NC 28786

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

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,489,699	\$ 804,165	\$ 17,293,864
Due from other governments	223,838	40,286	264,124
Receivables (net)	113,883	8,454	122,337
Inventories	-	178,797	178,797
Right to use leased assets, net of amortization	67,654	-	67,654
Capital assets			
Land, improvements, and construction in progress	8,547,441	-	8,547,441
Other capital assets, net of depreciation	57,578,913	990,302	58,569,215
Total capital assets	66,126,354	990,302	67,116,656
Total assets	83,021,428	2,022,004	85,043,432
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	38,717,090	1,361,675	40,078,765
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	487,600	44	487,644
Accrued salaries and wages payable	462,077	-	462,077
Due to other governments	744,362	-	744,362
Unavailable revenues	1,024,197	25,646	1,049,843
Long-term liabilities:			
Net pension liability	43,948,831	1,545,676	45,494,507
Net OPEB liability	62,774,338	2,207,767	64,982,105
Due within one year	2,165,642	74,510	2,240,152
Due in more than one year	2,382,616	57,116	2,439,732
Total liabilities	113,989,663	3,910,759	117,900,422
<b>DEFERRED INFLOWS OF RESOURCES</b>	22,139,445	778,641	22,918,086
<b>NET POSITION</b>			
Net investment in capital assets	66,028,979	990,302	67,019,281
Restricted for:			
Stabilization by State statute	793,653	-	793,653
Individual schools	2,949,075	-	2,949,075
Capital Outlay	670,232	-	670,232
Unrestricted	(84,832,529)	(2,296,023)	(87,128,552)
Total net position	\$ (14,390,590)	\$ (1,305,721)	\$ (15,696,311)

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

Page 12

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

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	
<b>Primary government:</b>							
Governmental Activities:							
Instructional programs:							
Regular instructional	\$ 38,333,457	\$ 27,743	\$ 37,465,494	\$ -	\$ (840,220)	\$ -	\$ (840,220)
Special populations	10,186,700	-	9,583,470	-	(603,230)	-	(603,230)
Alternative programs	5,461,291	-	5,000,543	-	(460,748)	-	(460,748)
School leadership	5,036,685	-	3,419,608	-	(1,617,077)	-	(1,617,077)
Co-curricular	5,036,057	-	45,880	-	(4,990,177)	-	(4,990,177)
School-based support	4,712,867	-	4,278,742	-	(434,125)	-	(434,125)
Support services:							
Support and development	665,797	-	377,892	-	(287,905)	-	(287,905)
Special populations	235,715	-	140,439	-	(95,276)	-	(95,276)
Alternative programs	229,914	-	215,372	-	(14,542)	-	(14,542)
Technology support	624,054	-	203,084	-	(420,970)	-	(420,970)
Operational support	11,968,044	59,777	6,569,577	2,878,158	(2,460,532)	-	(2,460,532)
Financial and human resource services	875,252	-	328,441	-	(546,811)	-	(546,811)
Accountability	102,724	-	55,966	-	(46,758)	-	(46,758)
System-wide pupil support services	168,063	-	-	-	(168,063)	-	(168,063)
Policy, leadership and public relations	1,159,550	-	349,606	-	(809,944)	-	(809,944)
Ancillary services	672,841	-	274,611	-	(398,230)	-	(398,230)
Non programmed charges	1,589,944	-	-	-	(1,589,944)	-	(1,589,944)
Unallocated depreciation expense**	235,886	-	-	-	(235,886)	-	(235,886)
Interest	4,271	-	-	-	(4,271)	-	(4,271)
Total governmental activities	87,299,112	87,520	68,308,725	2,878,158	(16,024,709)	-	(16,024,709)
Business-type activities:							
School food service	6,041,811	565,776	4,721,142	-	-	(754,893)	(754,893)
<b>Total primary government</b>	<b>\$ 93,340,923</b>	<b>\$ 653,296</b>	<b>\$ 73,029,867</b>	<b>\$ 2,878,158</b>	<b>(16,024,709)</b>	<b>(754,893)</b>	<b>(16,779,602)</b>
General revenues:							
Unrestricted county appropriations - operating					17,420,983	-	17,420,983
Unrestricted county appropriations - capital					2,908,800	-	2,908,800
Investment earnings, unrestricted					30,606	31,991	62,597
Miscellaneous, unrestricted					6,784,169	-	6,784,169
Transfers					(48,223)	48,223	-
Total general revenues					27,096,335	80,214	27,176,549
Change in net position					11,071,626	(674,679)	10,396,947
Net position-beginning					(25,462,216)	(631,042)	(26,093,258)
Net position-ending					<u>\$ (14,390,590)</u>	<u>\$ (1,305,721)</u>	<u>\$ (15,696,311)</u>

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

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

**Exhibit 3**

	Major Funds						Total Governmental Funds
	General	State Public School	Individual Schools	Federal Grants	Other Special Revenue	Capital Outlay	
<b>ASSETS</b>							
Cash and investments	\$ 5,568,494	\$ -	\$ 2,949,075	\$ 95,000	\$ 7,766,412	\$ 110,718	\$ 16,489,699
Due from other governments	66,017	-	-	-	18,753	139,068	223,838
Due from other funds	595,000	-	-	-	-	-	595,000
Receivables (net)	6,370	-	-	-	107,513	-	113,883
Total assets	<u>\$ 6,235,881</u>	<u>\$ -</u>	<u>\$ 2,949,075</u>	<u>\$ 95,000</u>	<u>\$ 7,892,678</u>	<u>\$ 249,786</u>	<u>\$ 17,422,420</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 450,704	\$ -	\$ -	\$ -	\$ 1,808	\$ 35,088	\$ 487,600
Accrued salaries and wages payable	396,457	-	-	-	65,620	-	462,077
Due to other funds	-	-	-	95,000	-	500,000	595,000
Due to other governments	-	-	-	-	-	744,362	744,362
Unavailable revenue	-	-	-	-	1,024,197	-	1,024,197
Total liabilities	<u>847,161</u>	<u>-</u>	<u>-</u>	<u>95,000</u>	<u>1,091,625</u>	<u>1,279,450</u>	<u>3,313,236</u>
Fund balances (deficits):							
Restricted:							
Stabilization by State statute	667,387	-	-	-	126,266	-	793,653
Capital Outlay	-	-	-	-	-	670,232	670,232
Individual Schools	-	-	2,949,075	-	-	-	2,949,075
Assigned:							
Designated for subsequent year's expenditures	719,484	-	-	-	-	-	719,484
Special revenues	-	-	-	-	6,674,787	-	6,674,787
Unassigned	4,001,849	-	-	-	-	(1,699,896)	2,301,953
Total fund balances (deficits)	<u>5,388,720</u>	<u>-</u>	<u>2,949,075</u>	<u>-</u>	<u>6,801,053</u>	<u>(1,029,664)</u>	<u>14,109,184</u>
Total liabilities and fund balances	<u>\$ 6,235,881</u>	<u>\$ -</u>	<u>\$ 2,949,075</u>	<u>\$ 95,000</u>	<u>\$ 7,892,678</u>	<u>\$ 249,786</u>	

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 in the funds.	66,126,354
Right to use assets not reported in the funds	67,654
Deferred outflows of resources related to pensions	25,121,464
Deferred outflows of resources related to OPEB	13,595,626
Some liabilities, including compensated absences and installment purchase obligations, are not due and payable in the current period and therefore are not reported in the funds.	(4,498,500)
Net pension liability	(43,948,831)
Net OPEB liability	(62,774,338)
Lease liability	(49,758)
Deferred inflows of resources related to OPEB	(20,781,027)
Deferred inflows of resources related to pensions	(1,358,418)
Net position of governmental activities	<u>\$ (14,390,590)</u>

**HAYWOOD 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					Total Governmental Funds	
	General	State Public School	Individual Schools	Federal Grants	Other Special Revenue		Capital Outlay
<b>REVENUES</b>							
State of North Carolina	\$ -	\$ 51,171,157	\$ -	\$ -	\$ 2,372,013	\$ 2,465,656	\$ 56,008,826
Haywood County	17,420,983	-	-	-	-	2,908,800	20,329,783
U.S. Government	-	-	-	11,910,711	200,781	238,028	12,349,520
Other	285,239	-	4,469,727	-	4,766,886	210,849	9,732,701
Total revenues	17,706,222	51,171,157	4,469,727	11,910,711	7,339,680	5,823,333	98,420,830
<b>EXPENDITURES</b>							
<b>Current:</b>							
Instructional services:							
Regular instructional	2,876,951	30,136,383	-	4,465,670	242,611	347,437	38,069,052
Special populations	587,057	7,132,770	-	2,086,337	553,329	-	10,359,493
Alternative programs	299,731	1,842,934	-	2,771,573	586,243	-	5,500,481
School Leadership	1,380,143	2,934,818	-	18,074	708,766	-	5,041,801
Co-curricular	427,995	-	4,661,442	-	69,674	-	5,159,111
School-based support	487,785	3,598,804	-	587,900	139,772	-	4,814,261
System-wide support services:							
Support and development	296,425	285,744	-	80,322	17,959	-	680,450
Special populations	76,862	88,992	-	20,435	47,095	-	233,384
Alternative programs	20,747	41,314	-	174,058	-	-	236,119
Technology support	404,968	161,973	-	-	62,432	-	629,373
Operational support	3,818,754	4,216,341	-	815,643	2,335,023	140,264	11,326,025
Financial and human resource services	565,923	294,229	-	28,567	8,572	-	897,291
Accountability	49,708	55,966	-	-	-	-	105,674
System-wide pupil support services	172,890	-	-	-	-	-	172,890
Policy, leadership and public relations	829,708	332,666	-	-	25,725	-	1,188,099
Ancillary services:							
Community	14,311	-	-	-	547,409	-	561,720
Nutrition	103,119	-	-	-	26,160	-	129,279
Non-programmed charges	1,585,927	-	-	862,132	-	-	2,448,059
Capital outlay	-	-	-	-	-	4,631,190	4,631,190
<b>Debt Service</b>							
Principal	8,754	-	-	-	2,126	174,474	185,354
Interest	3,476	-	-	-	795	-	4,271
Total expenditures	14,011,234	51,122,934	4,661,442	11,910,711	5,373,691	5,293,365	92,373,377
Revenues over (under) expenditures	3,694,988	48,223	(191,715)	-	1,965,989	529,968	6,047,453
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers (to) from other funds	-	(48,223)	-	-	-	-	(48,223)
Installment purchase obligations issued	-	-	-	-	-	140,264	140,264
Total other financing sources (uses)	-	(48,223)	-	-	-	140,264	92,041
Net change in fund balance	3,694,988	-	(191,715)	-	1,965,989	670,232	6,139,494
Fund balances-beginning	1,693,732	-	3,140,790	-	4,835,064	(1,699,896)	7,969,690
Fund balances-ending	\$ 5,388,720	\$ -	\$ 2,949,075	\$ -	\$ 6,801,053	\$ (1,029,664)	\$ 14,109,184

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

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

**Exhibit 4  
(Continued)**

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

Net changes in fund balances - total governmental funds	\$ 6,139,494
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	2,672,583
Right to use asset amortization	(18,511)
Contributions to the pension plan in the current fiscal year are not included in the Statement of Activities.	7,653,177
Contributions to the OPEB plan in the current fiscal year are not included in the Statement of Activities.	3,147,223
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	82,386
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:	
Repayment on long-term debt	34,210
Lease payments	10,880
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	(10,864,899)
Net OPEB (expense) benefit	2,358,218
Compensated absences	(141,266)
Loss on disposal of capital assets	(1,869)
Total changes in net position of governmental activities	<u>\$ 11,071,626</u>

**HAYWOOD 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**

	<b>General Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Haywood County	17,387,085	17,387,085	17,420,983	33,898
U.S. Government	-	-	-	-
Other	345,000	345,000	285,239	(59,761)
Total revenues	<u>17,732,085</u>	<u>17,732,085</u>	<u>17,706,222</u>	<u>(25,863)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	7,564,631	7,159,535	6,059,662	1,099,873
System-wide support services	8,548,521	8,547,865	6,235,985	2,311,880
Ancillary services	9,322	159,499	117,430	42,069
Non-programmed charges	1,609,611	1,852,956	1,585,927	267,029
Debt Service	-	12,230	12,230	-
Total expenditures	<u>17,732,085</u>	<u>17,732,085</u>	<u>14,011,234</u>	<u>3,720,851</u>
Revenues over (under) expenditures	-	-	3,694,988	3,694,988
Appropriated fund balance	-	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	3,694,988	<u>\$ 3,694,988</u>
Fund balances, beginning of year			<u>1,693,732</u>	
Fund balances, end of year			<u>\$ 5,388,720</u>	

**HAYWOOD 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)*

	<b>State Public School Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ 49,774,106	\$ 53,107,643	\$ 51,171,157	\$ (1,936,486)
Haywood County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	<u>49,774,106</u>	<u>53,107,643</u>	<u>51,171,157</u>	<u>(1,936,486)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	44,561,176	47,256,932	45,645,709	1,611,223
System-wide support services	5,167,712	5,802,393	5,477,225	325,168
Ancillary services	-	-	-	-
Non-programmed charges	-	-	-	-
Total expenditures	<u>49,728,888</u>	<u>53,059,325</u>	<u>51,122,934</u>	<u>1,936,391</u>
Revenues over (under) expenditures	45,218	48,318	48,223	(95)
Other financing sources (uses):				
Transfers (to) from other funds	<u>(45,218)</u>	<u>(48,318)</u>	<u>(48,223)</u>	<u>95</u>
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

**HAYWOOD 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)*

	<u>Other Special Revenue Fund</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<b>Revenues:</b>				
State of North Carolina	\$ 268,278	\$ 3,394,472	\$ 2,372,013	\$ (1,022,459)
Haywood County	-	-	-	-
U.S. Government	219,188	231,524	200,781	(30,743)
Other	5,569,319	6,556,013	4,766,886	(1,789,127)
Total revenues	<u>6,056,785</u>	<u>10,182,009</u>	<u>7,339,680</u>	<u>(2,842,329)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	3,699,348	4,900,392	2,300,395	2,599,997
System-wide support services	1,267,888	4,420,224	2,496,806	1,923,418
Ancillary services	1,054,275	826,277	573,569	252,708
Debt Service	35,274	35,116	2,921	32,195
Total expenditures	<u>6,056,785</u>	<u>10,182,009</u>	<u>5,373,691</u>	<u>4,808,318</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	1,965,989	<u>\$ 1,965,989</u>
Fund balances, beginning of year			<u>4,835,064</u>	
Fund balances, end of year			<u>\$ 6,801,053</u>	

**HAYWOOD 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)*

	<b>Federal Grants Fund</b>			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
<b>Revenues:</b>				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Haywood County	-	-	-	-
U.S. Government	16,234,193	17,609,176	11,910,711	(5,698,465)
Other	-	-	-	-
Total revenues	<u>16,234,193</u>	<u>17,609,176</u>	<u>11,910,711</u>	<u>(5,698,465)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
Instructional services	13,160,952	14,787,540	9,929,554	4,857,986
System-wide support services	1,852,900	1,233,845	1,119,025	114,820
Non-programmed charges	1,220,341	1,587,791	862,132	725,659
Total expenditures	<u>16,234,193</u>	<u>17,609,176</u>	<u>11,910,711</u>	<u>5,698,465</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances, beginning of year			-	
Fund balances, end of year			<u>\$ -</u>	

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

**Exhibit 6**

	<u>Major Fund</u>
	<u>School Food Service</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 804,165
Due from other governments	40,286
Accounts receivable	8,454
Inventories	178,797
Total current assets	<u>1,031,702</u>
Noncurrent assets:	
Capital assets, net	<u>990,302</u>
Total assets	<u>2,022,004</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,361,675</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	44
Compensated absences	74,510
Unavailable revenues	25,646
Total current liabilities	<u>100,200</u>
Noncurrent liabilities:	
Net pension liability	1,545,676
Net OPEB liability	2,207,767
Compensated absences	57,116
Total noncurrent liabilities	<u>3,810,559</u>
Total liabilities	<u>3,910,759</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>778,641</u>
<b>NET POSITION</b>	
Net investment in capital assets	990,302
Unrestricted	<u>(2,296,023)</u>
Total net position	<u>\$ (1,305,721)</u>

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

**HAYWOOD 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**

	<u>Major Fund</u>
	<u>School Food Service</u>
<b>OPERATING REVENUES</b>	
Food sales	\$ 565,776
<b>OPERATING EXPENSES</b>	
Purchase of food	2,611,643
Salaries and benefits	2,968,190
Indirect costs	232,938
Materials and supplies	30,966
Repairs and maintenance	53,253
Workshops	2,485
Telephone and mobile communications	6,930
Travel	11,846
Depreciation	107,025
Non-capital equipment	14,425
Other	2,110
Total operating expenses	<u>6,041,811</u>
Operating loss	<u>(5,476,035)</u>
<b>NONOPERATING REVENUES</b>	
Federal reimbursements	4,090,084
Federal commodities	398,120
Interest earned	31,991
Indirect costs not paid	232,938
Total nonoperating revenues	<u>4,753,133</u>
Change in net position before transfers	(722,902)
Transfers from other funds	<u>48,223</u>
Change in net position	(674,679)
Total net position - beginning	<u>(631,042)</u>
Total net position - ending	<u>\$ (1,305,721)</u>

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

**Exhibit 8**

	<u>Major Fund</u> <u>School Food Service</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 531,137
Cash paid for goods and services	(2,311,247)
Cash paid to employees for services	(2,830,102)
Net cash used by operating activities	<u>(4,610,212)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Federal & State reimbursements	<u>4,121,556</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	<u>(274,534)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>31,991</u>
Net increase (decrease) in cash and cash equivalents	(731,199)
Balance-beginning of the year	<u>1,535,364</u>
Balance-end of the year	<u>\$ 804,165</u>

**HAYWOOD COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND (Continued)**  
**For the Year Ended June 30, 2024**

**Exhibit 8 (continued)**

	<u>Major Fund</u>
	<u>School Food Service</u>
Reconciliation of operating loss to net cash used by operating activities	
Operating loss	\$ (5,476,035)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	107,025
Donated commodities consumed	398,120
Indirect costs not paid	232,938
Expenses paid by other funds	48,223
Changes in assets, deferred outflows of resources, and liabilities:	
(Increase) decrease in inventories	29,110
(Increase) decrease in accounts receivable	(4,049)
Increase (decrease) in accounts payable	(4,819)
(Increase) decrease in deferred outflows of resources	(128,861)
Increase (decrease) in deferred inflows of resources	(240,867)
Increase (decrease) in net pension liability	185,549
Increase (decrease) in net OPEB liability	264,119
Increase (decrease) in unavailable revenues	(30,590)
Increase (decrease) in compensated absences	9,925
	<hr/>
Total adjustments	865,823
	<hr/>
Net cash used by operating activities	<u>\$ (4,610,212)</u>

**Noncash investing, capital, and financing activities:**

Indirect costs of \$232,938 that would be due to the Other Special Revenue Fund were not paid. These unpaid costs are reflected as a nonoperating revenue and an operating expense on Exhibit 7.

The School Food Service Fund received donated commodities with a value of \$398,120 during the fiscal year. The receipt of the commodities is recognized as a nonoperating revenue on Exhibit 7.

The State Public School Fund paid salaries and benefits of \$48,223 to personnel of the School Food Service Fund during the fiscal year. The payment is reflected by a transfer in and an operating expense on Exhibit 7.

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

*Exhibit 9*

	<b>Private- Purpose Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 644,069
Investments at fair value:	
Mutual Funds	776,557
Exchange traded funds	5,994,674
Fixed annuities	678,509
Total investments	<u>7,449,740</u>
 Total assets	 <u>\$ 8,093,809</u>
 <b>NET POSITION</b>	
Restricted for foundation	<u>\$ 8,093,809</u>

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

**Exhibit 10**

	<u>Private- Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ 414,445
Investment earnings (losses)	793,814
Total additions	<u>1,208,259</u>
Deductions:	
Administrative expenses	174,891
Fundraising expenses	9,428
Scholarships and grants paid	549,506
Total deductions	<u>733,825</u>
Change in net position	474,434
Total net position - beginning	<u>7,619,375</u>
Total net position - ending	<u><u>\$ 8,093,809</u></u>

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Haywood 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

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

Blended Component Unit

Haywood County Schools Foundation, Inc. (the “Foundation”) is a non-profit corporation that has been determined to be exempt from income tax under Internal Code Section 501(c)(3), and is governed by a board of directors appointed by the Board. Although it is legally separate from the Board, the Foundation is reported as if it were part of the primary government because its sole purpose is to promote, develop and encourage public and private support for the Haywood County school system. The Foundation is reported as a fiduciary fund. Separate financial statements have not been issued.

Basis of Presentation

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

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

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

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

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

The Board reports the following major governmental funds:

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

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

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

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

*Other Special Revenue Fund.* The Other Special Revenue Fund is used to account for revenues from reimbursements (including indirect costs), fees for actual costs, tuition, sales tax refunds, gifts and grants restricted as to use, 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.* This fund accounts for financial resources to be used for the acquisition and construction of major capital facilities (other than those financed by the proprietary fund). It is mandated by State law [G.S.115C-426]. Capital projects are funded by Haywood County appropriations, restricted sales tax moneys, proceeds of Haywood County bonds issued for public school construction, proceeds from certificates of participation issued by Haywood County for public school construction, lottery proceeds as well as certain State assistance.

The Board reports one major enterprise fund, the School Food Service Fund. The School Food Service Fund is used to account for the food service program within the school system.

The Board reports one fiduciary fund, a private-purpose trust fund which consists of the Haywood County Schools Foundation, Inc., a component unit of the Haywood County Board of Education.

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

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Measurement Focus and Basis of Accounting

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

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Board considers all revenues reported in the governmental funds to be available if the revenues are collected within 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 capital 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.

All governmental and business-type activities and enterprise funds of the Board follow FASB Statements and Interpretations issued on or before December 11, 1989, Accounting Principles Board Opinions, and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose function level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys (up to \$5,000) from one function to another within a fund. Such transfers must be reported to the governing board at its next regular meeting. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

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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 Equity

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) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S & P Global Ratings and AAAMf by Moody's Investors Service. The NCCMT Government Portfolio is reported at fair value.

The Short-Term Investment Fund (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, 2023 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.

The Foundation's investments consist of mutual funds and exchange traded funds. These funds are reported at fair value and classified as level 1 of the fair value hierarchy since they are valued using quoted market prices in active markets. In addition, the Foundation holds fixed annuities that are reported at fair value based on the valuation method disclosed in the annuity contract as calculated by the annuity provider. The fixed annuities are classified as level 2 in the fair value hierarchy since the valuation is based on observable inputs for the asset, either directly or indirectly.

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

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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 June 30, 2015 are recorded at their estimated fair value at the date of donation or forfeiture. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other 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 1987 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.

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

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

	<u>Years</u>
Buildings	30 - 50
Improvements	20
Equipment and furniture	5 - 20
Vehicles	6 - 8

Land and construction in progress are not depreciated.

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.

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

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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 position 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 position 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 is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent 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.

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

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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.

Assigned for Other Special Revenues – revenue sources restricted for expenditures that are required by federal, State and other providers to be spent for specific purposes.

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

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.

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

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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 \$(28,499,774) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$ 129,473,375
Less Accumulated Depreciation	<u>(63,347,021)</u>
Net capital assets	66,126,354
Right to use assets not reported in the funds	67,654
Pension related deferred outflows of resources	25,121,464
OPEB related deferred outflows of resources	13,595,626
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment financing	(97,375)
Compensated absences	(4,401,125)
Lease liability	(49,758)
Net pension liability	(43,948,831)
Net OPEB liability	(62,774,338)
Deferred inflows of resources related to pensions	(1,358,418)
Deferred inflows of resources related to OPEB	<u>(20,781,027)</u>
Total adjustment	<u>\$ (28,499,774)</u>

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$4,932,132 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 5,512,833
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.	(2,840,250)
Right to use asset amortization	(18,511)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	7,653,177
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	3,147,223
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	82,386
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	(140,264)
Principal payments on debt owed are recorded as a use of funds on the fund statementsbut affects only the statement of net position in the government-wide statements.	174,474
Lease payments	10,880
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Pension (expense) benefit	(10,864,899)
Net OPEB (expense) benefit	2,358,218
Impairment loss on capital assets, net of insurance recoveries	(1,869)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(141,266)
Total adjustment	<u>\$ 4,932,132</u>

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

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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

Deficits in fund balance of individual funds

The Capital Outlay Fund has a deficit in fund balance of \$1,029,664. The Board will budget funds in subsequent years to eliminate this deficit.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

Assets

Deposits

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

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of \$10,440,194 and with the State Treasurer of \$95,000. The bank balances with the financial institutions and the State Treasurer were \$9,961,012 and \$2,517,941, respectively. Of these balances, \$2,592,339 was covered by federal depository insurance and \$9,886,614 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

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

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At June 30, 2024, the Foundation had deposits with banks with a carrying amount of \$644,069. The bank balances with the financial institutions were \$650,030. Of these balances, \$250,000 was covered by federal depository insurance.

Investments

At June 30, 2024, the Board had \$6,758,670 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2024. The Board has no policy for managing interest rate risk or credit risk.

At June 30, 2024, the Foundation reported \$776,557 of mutual funds and 5,994,674 of exchange traded funds. These funds are reported at fair value and classified as level 1 of the fair value hierarchy since they are valued using quoted market prices in active markets. In addition, the Foundation reported \$678,509 of fixed annuities. These annuities are reported at fair value based on the valuation method disclosed in the annuity contract as calculated by the annuity provider. The fixed annuities are classified as level 2 in the fair value hierarchy since the valuation is based on observable inputs for the asset, either directly or indirectly.

Accounts Receivable

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

	<u>Due from other governments</u>	<u>Other</u>
Governmental activities:		
General Fund	\$ 66,017	\$ 6,370
Other Government Funds	157,821	107,513
Total	<u>\$ 223,838</u>	<u>\$ 113,883</u>
Business-type activities:		
School Food Service	<u>\$ 40,286</u>	<u>\$ 8,454</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 66,017	Haywood County
Capital Outlay Fund	139,068	Haywood County
Other Special Revenue Fund	18,753	Federal grants
	<u>\$ 223,838</u>	
Business-type activities:		
School Food Service	<u>\$ 40,286</u>	USDA reimbursement

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

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Capital Assets

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

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balances</u>
<b>Governmental activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 4,226,356	\$ 1,684,672	\$ -	\$ -	\$ 5,911,028
Construction in progress	<u>5,636,327</u>	<u>2,763,287</u>	<u>-</u>	<u>(5,763,201)</u>	<u>2,636,413</u>
Total capital assets not being depreciated	<u>9,862,683</u>	<u>4,447,959</u>	<u>-</u>	<u>(5,763,201)</u>	<u>8,547,441</u>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	98,631,111	894,548	9,749	5,763,201	105,279,111
Equipment and furniture	6,232,374	-	-	-	6,232,374
Vehicles	<u>9,244,123</u>	<u>170,326</u>	<u>-</u>	<u>-</u>	<u>9,414,449</u>
Total capital assets being depreciated	<u>114,107,608</u>	<u>1,064,874</u>	<u>9,749</u>	<u>5,763,201</u>	<u>120,925,934</u>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	48,508,352	2,102,861	7,880	-	50,603,333
Equipment and furniture	4,471,360	235,886	-	-	4,707,246
Vehicles	<u>7,534,939</u>	<u>501,503</u>	<u>-</u>	<u>-</u>	<u>8,036,442</u>
Total accumulated depreciation	<u>60,514,651</u>	<u>2,840,250</u>	<u>7,880</u>	<u>-</u>	<u>63,347,021</u>
Total capital assets being depreciated, net	<u>53,592,957</u>				<u>57,578,913</u>
<b>Governmental activity capital assets, net</b>	<u>\$ 63,455,640</u>				<u>\$ 66,126,354</u>

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
<b>Business-type activities:</b>				
<b>School Food Service Fund:</b>				
Capital assets being depreciated:				
Furniture and office equipment	\$ 3,089,917	\$ 274,534	\$ -	\$ 3,364,451
<b>Less accumulated depreciation for:</b>				
Furniture and office equipment	<u>2,267,124</u>	<u>107,025</u>	<u>-</u>	<u>2,374,149</u>
<b>School Food Service capital assets, net:</b>	<u>\$ 822,793</u>			<u>\$ 990,302</u>

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

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Depreciation was charged to governmental functions as follows:

Instructional services	\$ 2,102,861
System-wide support services	501,503
Unallocated depreciation	<u>235,886</u>
Total	<u>\$ 2,840,250</u>

Construction Commitments

The Board had 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
Admin Building	\$ 193,511	\$ -
THS - Farm	338,272	-
Athletic Facilities	<u>2,104,630</u>	<u>635,682</u>
	<u>\$ 2,636,413</u>	<u>\$ 635,682</u>

Right to Use Leased Assets

The Board has recorded right to use leased assets for vehicles. The related leases are discussed in the Leases subsection of the Liabilities section of the footnotes. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases. Right to use asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
<b>Right to use assets:</b>				
Vehicles	\$ 92,555	-	-	\$ 92,555
<b>Less accumulated amortization for:</b>				
Vehicles	<u>6,390</u>	<u>18,511</u>	-	<u>24,901</u>
Right to use assets, net	<u>\$ 86,165</u>			<u>\$ 67,654</u>

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

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Liabilities

Pension Plan Obligations

a. Teachers' and State Employees' Retirement System

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

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined 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.

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

---

*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 \$7,922,337 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 \$45,494,507 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 0.27% and 0.28% respectively.

For the year ended June 30, 2024, the Board recognized pension expense of \$11,277,012. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to the pensions from the following sources:

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

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 3,708,879	\$ 335,782
Changes of assumptions	1,597,707	-
Net difference between projected and actual earnings on pension plan investments	12,670,217	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	105,843	1,070,411
Board contributions subsequent to the measurement date	<u>7,922,337</u>	<u>-</u>
Total	<u>\$ 26,004,983</u>	<u>\$ 1,406,193</u>

\$7,922,337 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	\$ 5,330,490
2026	2,941,265
2027	7,863,465
2028	541,233
2029	-
Thereafter	-
Total	<u>\$ 16,676,453</u>

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

Inflation	2.50%
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.

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

---

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, 2021. 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Credit	7.0%	5.0%
Inflation Protection	6.0%	2.7%
Total	<u>100.0%</u>	

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

*Discount Rate.* The discount rates used to measure the total pension liability reported at June 30, 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.

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

---

*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:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 78,103,408	\$ 45,494,507	\$ 18,593,222

*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

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

---

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 \$3,208,479. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$35 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 \$85,284.

At June 30, 2024, Board reported a liability of \$64,918,929 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

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

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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 0.24% and 0.25% respectively.

\$3,208,479 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	\$ (4,001,630)
2026	(4,583,911)
2027	(2,672,650)
2028	466,405
2029	-
Thereafter	-
Total	<u>\$ (10,791,786)</u>

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

Inflation	2.50%
Salary increases	3.25-8.05%, include 3.25% inflation and productivity factor
Investment rate of return	6.50%
Healthcare cost trend 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 and 2023 were 3.65% and 3.54% respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

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

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

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	<u>1% Decrease (2.65%)</u>	<u>Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Net OPEB liability	\$ 76,583,676	\$ 64,918,929	\$ 55,417,914

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:

	<u>1% Decrease in Trend Rates</u>	<u>Trend Rates (5.00-6.50% Medical, 5.00-10.00% Rx, 5.00% Medicare, 3.00% Administrative Expenses)</u>	<u>1% Increase in Trend Rates</u>
Net OPEB liability	\$ 53,596,008	\$ 64,918,929	\$ 79,518,523

*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

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

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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 \$49,430 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 \$63,176 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 0.24 and 0.25% respectively.

\$49,430 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	\$	30,894
2026		19,216
2027		27,790
2028		9,383
2029		4,836
Thereafter		3,647
Total	\$	<u>95,766</u>

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

---

*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:

	<u>1% Decrease</u> <u>(2.00%)</u>	<u>Discount Rate</u> <u>(3.00%)</u>	<u>1% Increase</u> <u>(4.00%)</u>
Net OPEB liability	\$ 75,946	\$ 63,176	\$ 50,173

*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%.

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

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**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:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (revenue)	\$ 2,395,670	\$ (88,023)	\$ 2,307,647
OPEB liability	64,918,929	63,176	64,982,105
Proportionate share of the net OPEB liability	0.244%	0.238%	
 Deferred of Outflows of Resources			
Differences between expected and actual experience	\$ 714,884	\$ 55,366	\$ 770,250
Changes of assumptions	7,032,696	4,604	7,037,300
Net difference between projected and actual earnings on plan investments	518,606	82,517	601,123
Changes in proportion and defferences between Board contributions and proportionate share of contributions	2,403,759	3,441	2,407,200
Board contributions subsequent to the measurement date	<u>3,208,479</u>	<u>49,430</u>	<u>3,257,909</u>
Total Deferred Outflows of Resources	<u>\$ 13,878,424</u>	<u>\$ 195,358</u>	<u>\$ 14,073,782</u>
 Deferred of Inflows of Resources			
Differences between expected and actual experience	\$ 63,608	\$ 34,992	\$ 98,600
Changes of assumptions	17,319,846	10,784	17,330,630
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>4,078,277</u>	<u>4,386</u>	<u>4,082,663</u>
Total Deferred Inflows of Resources	<u>\$ 21,461,731</u>	<u>\$ 50,162</u>	<u>\$ 21,511,893</u>

Accounts Payable

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

	<u>Vendors</u>	<u>Salaries and Benefits</u>
Governmental activities:		
General Fund	\$ 450,704	\$ 396,457
Other Government Funds	36,896	65,620
Total	<u>\$ 487,600</u>	<u>\$ 462,077</u>
 Business-type activities:		
School Food Service	<u>\$ 44</u>	<u>\$ -</u>

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

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Due to other Governments

As of June 30, 2024, \$744,362 was due to Haywood County for the advancement of Capital Outlay funds.

Unavailable Revenues

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

	<u>Unavailable Revenue</u>
Prepaid lunch balances (School Food Service Fund)	<u>\$ 25,646</u>
DPS Disaster Relief & Recovery/Mitigation/Resiliency Directed Grant (Other Special Revenue Fund)	<u>\$ 1,024,197</u>

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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between Board contributions and proportionate share of contributions	\$ 2,513,043	\$ 5,153,074
Changes in assumptions	8,635,007	17,330,630
Difference between projected and actual earnings on plan investments	13,271,340	-
Board contributions subsequent to the measurement date	11,180,246	-
Difference between expected and actual experience	<u>4,479,129</u>	<u>434,382</u>
Total	<u>\$ 40,078,765</u>	<u>\$ 22,918,086</u>

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

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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. Through commercial companies, the Board maintains general liability and errors and omissions insurance coverage of \$1 million per claim and an aggregate limit of \$2 million. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from Federal and Local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds.

The Board also participates in the Public-School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect its assets in the event of a catastrophic event and maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption and Extra Expense. Increased Cost of Construction is covered with a \$10 million per occurrence limit.

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 \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$100,000.

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

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

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Long-Term Obligations

Leases

The Board has entered into agreements to lease certain vehicles. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. Agreements were executed to lease vehicles and require monthly payments ranging from \$241 - \$508. There are no variable payment components of the lease. The lease liability is measured at an imputed discount rate of 4.0%. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$67,654 on June 30, 2024. The following is a schedule of the future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2024:

Year Ending June 30:	Governmental Activities		
	Principal	Interest	Total
2025	\$ 11,733	\$ 3,362	\$ 15,095
2026	12,654	2,441	15,095
2027	13,646	1,449	15,095
2028	11,725	425	12,150
Totals	<u>\$ 49,758</u>	<u>\$ 7,677</u>	<u>\$ 57,435</u>

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 a 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 \$27,248 to \$35,063. The future minimum payments of the installment purchase as of June 30, 2024 are as follows:

Year Ending June 30,	Governmental Activities
	Principal
2025	\$ 62,312
2026	35,063
	<u>\$ 97,375</u>

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

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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:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Maturities
<b>Governmental activities:</b>					
Direct placement					
installment purchases	\$ 131,585	\$ 140,264	\$ 174,474	\$ 97,375	\$ 62,312
Lease liabilities	60,638	-	10,880	49,758	11,733
Net pension liability	40,719,102	3,229,729	-	43,948,831	-
Net OPEB liability	58,188,394	4,585,944	-	62,774,338	-
Compensated absences	4,259,859	4,127,094	3,985,828	4,401,125	2,091,597
	<u>\$ 103,359,578</u>	<u>\$ 12,083,031</u>	<u>\$ 4,171,182</u>	<u>\$ 111,271,427</u>	<u>\$ 2,165,642</u>
<b>Business-type activities:</b>					
Net pension liability	\$ 1,360,127	\$ 185,549	\$ -	\$ 1,545,676	\$ -
Net OPEB liability	1,943,648	264,119	-	2,207,767	-
Compensated absences	121,701	181,637	171,712	131,626	74,510
Total	<u>\$ 3,425,476</u>	<u>\$ 631,305</u>	<u>\$ 171,712</u>	<u>\$ 3,885,069</u>	<u>\$ 74,510</u>

Compensated absences for governmental activities are typically liquidated by the general and other governmental funds.

Transfers to/from other funds

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

From the State Public School Fund to the School Food Service Fund for salaries and wages.	<u>\$ 48,223</u>
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Due to/from other funds

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

Advance from the General Fund to the Federal Grants Fund to ensure the Federal Grants Fund always has a minimum cash balance	<u>\$ 95,000</u>
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Advance from the General Fund to the Capital Outlay Fund to ensure minimum cash balance	<u>\$ 500,000</u>
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**HAYWOOD COUNTY BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2024**

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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	\$ 5,388,720
Less:	
Stabilization by State statute	(667,387)
Appropriated Fund Balance in 2025 budget	<u>(719,484)</u>
Remaining fund balance	<u>\$ 4,001,849</u>

NOTE 4 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 5 - SUBSEQUENT EVENT

Storm Damage to Property and Equipment

The school district experienced severe damage from Hurricane Helene on September 26, 2024 causing extensive damage to property and equipment at several locations throughout the District. At the time the financial statements were available to be issued, the District was in the process of assessing the amount of damage caused by the flooding and the amount of loss not covered by insurance, which could be material, could not be reasonably estimated.

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Board's proportion of the net pension liability (asset)	0.273%	0.284%	0.279%	0.286%	0.283%
Board's proportionate share of the net pension liability (asset)	\$ 45,494,507	\$ 42,079,229	\$ 13,056,028	\$ 34,519,474	\$ 29,360,259
Board's covered-employee payroll	\$ 46,205,461	\$ 44,411,193	\$ 43,777,791	\$ 43,248,401	\$ 42,228,606
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	98.46%	94.75%	29.82%	79.82%	69.53%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Board's proportion of the net pension liability (asset)	0.248%	0.282%	0.299%	0.299%	0.294%
Board's proportionate share of the net pension liability (asset)	\$ 27,762,554	\$ 22,408,448	\$ 27,506,004	\$ 11,015,794	\$ 3,446,094
Board's covered-employee payroll	\$ 40,132,078	\$ 38,884,550	\$ 39,234,622	\$ 40,124,287	\$ 38,224,527
Board's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	69.18%	57.63%	70.11%	27.45%	9.02%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

**This schedule is required supplementary information as required by the Governmental Accounting Standards Board.**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 7,922,337	\$ 8,030,509	\$ 7,274,553	\$ 6,470,358	\$ 5,609,318
Contributions in relation to the contractually required contribution	7,922,337	8,030,509	7,274,553	6,470,358	5,609,318
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 44,936,679	\$ 46,205,461	\$ 44,411,193	\$ 43,777,791	\$ 43,248,401
Contributions as a percentage of covered-employee payroll	17.63%	17.38%	16.38%	14.78%	12.97%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,189,896	\$ 4,326,238	\$ 3,880,678	\$ 3,589,969	\$ 3,671,372
Contributions in relation to the contractually required contribution	5,189,896	4,326,238	3,880,678	3,589,969	3,671,372
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 42,228,606	\$ 40,132,078	\$ 38,884,550	\$ 39,234,622	\$ 40,124,287
Contributions as a percentage of covered-employee payroll	12.29%	10.78%	9.98%	9.15%	9.15%

**This schedule is required supplementary information as required by the Governmental Accounting Standards Board.**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB liability (asset)	0.244%	0.253%	0.245%	0.252%	0.247%
Board's proportionate share of the net OPEB liability (asset)	\$ 64,918,929	\$ 60,058,303	\$ 75,635,930	\$ 69,893,015	\$ 78,037,583
Board's covered-employee payroll	\$ 46,205,461	\$ 44,411,193	\$ 43,777,791	\$ 43,248,401	\$ 42,228,606
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	140.50%	135.23%	172.77%	161.61%	184.80%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	6.92%	4.40%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability (asset)	0.248%	0.260%	0.250%
Board's proportionate share of the net OPEB liability (asset)	\$ 70,692,316	\$ 85,206,053	\$ 113,763,955
Board's covered-employee payroll	\$ 40,132,078	\$ 38,884,550	\$ 39,234,622
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	176.15%	219.13%	289.96%
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.

**This schedule is required supplementary information as required by the Governmental Accounting Standards Board.**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 3,208,479	\$ 3,183,556	\$ 2,793,464	\$ 2,924,356	\$ 2,798,172
Contributions in relation to the contractually required contribution	3,208,479	3,183,556	2,793,464	2,924,356	2,798,172
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 44,936,679	\$ 46,205,461	\$ 44,411,193	\$ 43,777,791	\$ 43,248,401
Contributions as a percentage of covered-employee payroll	7.14%	6.89%	6.29%	6.68%	6.47%

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,647,734	\$ 2,427,991	\$ 2,258,642	\$ 2,197,415	\$ 2,202,346
Contributions in relation to the contractually required contribution	2,647,734	2,427,991	2,258,642	2,197,415	2,202,346
Contribution deficiency (excess)	<u>\$ -</u>				
Board's covered-employee payroll	\$ 42,228,606	\$ 40,132,078	\$ 38,884,550	\$ 39,234,622	\$ 40,124,287
Contributions as a percentage of covered-employee payroll	6.27%	6.05%	5.81%	5.60%	5.49%

**This schedule is required supplementary information as required by the Governmental Accounting Standards Board.**

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Board's proportion of the net OPEB asset (liability)	0.238%	0.246%	0.251%	0.251%	0.248%
Board's proportionate share of the net OPEB asset (liability)	\$ (63,176)	\$ (73,739)	\$ 40,258	\$ 123,265	\$ 108,117
Board's covered-employee payroll	\$ 46,205,461	\$ 44,411,193	\$ 43,777,791	\$ 43,248,401	\$ 42,228,606
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered-employee 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%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset (liability)	0.248%	0.249%	0.268%
Board's proportionate share of the net OPEB asset (liability)	\$ 75,190	\$ 152,488	\$ 166,254
Board's covered-employee payroll	\$ 40,132,078	\$ 38,884,550	\$ 39,234,622
Board's proportionate share of the net OPEB asset (liability) as a percentage of its covered-employee payroll	0.19%	0.39%	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.

**This schedule is required supplementary information as required by the Governmental Accounting Standards Board.**

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Contractually required contribution	\$ 49,430	\$ 46,205	\$ 39,970	\$ 39,400	\$ 43,248
Contributions in relation to the contractually required contribution	49,430	46,205	39,970	39,400	43,248
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 44,936,679	\$ 46,205,461	\$ 44,411,193	\$ 43,777,791	\$ 43,248,401
Contributions as a percentage of covered-employee payroll	0.11%	0.10%	0.09%	0.09%	0.10%

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 59,120	\$ 56,185	\$ 147,398	\$ 160,882	\$ 163,578
Contributions in relation to the contractually required contribution	59,120	56,185	147,398	160,882	163,578
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Board's covered-employee payroll	\$ 42,228,606	\$ 40,132,078	\$ 38,884,550	\$ 39,234,622	\$ 40,124,287
Contributions as a percentage of covered-employee payroll	0.14%	0.14%	0.38%	0.41%	0.41%

**This schedule is required supplementary information as required by the Governmental Accounting Standards Board.**

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

**Exhibit A-1**

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Haywood County:			
Appropriations from general revenues	\$ 17,387,085	\$ 17,420,983	\$ 33,898
Other:			
Fines and forfeitures		284,275	
Miscellaneous		964	
Total	345,000	285,239	(59,761)
Total revenues	17,732,085	17,706,222	(25,863)
<b>Expenditures:</b>			
Instructional services:			
Regular instructional		2,876,951	
Special populations		587,057	
Alternative programs		299,731	
School leadership		1,380,143	
Co-curricular		427,995	
School-based support		487,785	
Total instructional services	7,159,535	6,059,662	1,099,873
System-wide support services:			
Support and development		296,425	
Special populations		76,862	
Alternative programs		20,747	
Technology support		404,968	
Operational support		3,818,754	
Financial and human resource services		565,923	
Accountability		49,708	
System-wide pupil support services		172,890	
Policy, leadership and public relations		829,708	
Total system-wide support services	8,547,865	6,235,985	2,311,880
Ancillary services	159,499	117,430	42,069
Non-programmed charges:	1,852,956	1,585,927	267,029
Debt Service	12,230	12,230	-
Total expenditures	17,732,085	14,011,234	3,720,851
Revenues over (under) expenditures	\$ -	3,694,988	\$ 3,694,988
Fund balances:			
Beginning of year, July 1		1,693,732	
End of year, June 30		\$ 5,388,720	

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

**Exhibit B-1**

	Budget	Actual	Variance Positive (Negative)
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery		\$ 499,629	
State appropriation - buses		174,474	
Tropical Storm Fred Relief Unmet Needs		850,000	
K-12 Athletic Facilities Grant		799,053	
North Carolina Tobacco Trust Fund Commission		142,500	
Total State of North Carolina revenues	<u>\$ 4,430,791</u>	<u>2,465,656</u>	<u>\$ (1,965,135)</u>
Haywood County appropriations	<u>1,375,218</u>	<u>2,908,800</u>	<u>1,533,582</u>
U.S. Government	<u>2,127,396</u>	<u>238,028</u>	<u>(1,889,368)</u>
Other:			
Insurance reimbursements		-	
Other		210,849	
	<u>215,000</u>	<u>210,849</u>	<u>(4,151)</u>
Total revenues	<u>8,148,405</u>	<u>5,823,333</u>	<u>(2,325,072)</u>
Expenditures:			
Current:			
Instructional services	350,000	347,437	2,563
System-wide support services	140,264	140,264	-
Capital outlay	7,623,931	4,631,190	2,992,741
Debt service - principal	<u>174,474</u>	<u>174,474</u>	<u>-</u>
Total expenditures	<u>8,288,669</u>	<u>5,293,365</u>	<u>2,995,304</u>
Revenues over (under) expenditures	(140,264)	529,968	670,232
Other financing sources:			
Installment purchase obligations issued	<u>140,264</u>	<u>140,264</u>	<u>-</u>
Revenues and other financing sources, over (under) expenditures	<u>\$ -</u>	670,232	<u>\$ 670,232</u>
Fund balances (deficit):			
Beginning of year, July 1		<u>(1,699,896)</u>	
End of year, June 30		<u>\$ (1,029,664)</u>	

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

**Exhibit C-1**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Operating revenues			
Food sales	\$ 761,120	\$ 535,186	\$ (225,934)
Operating expenditures:			
Business support services	6,019,379	5,582,873	436,506
Operating loss	<u>(5,258,259)</u>	<u>(5,047,687)</u>	<u>210,572</u>
Nonoperating revenues:			
Federal & State reimbursements		4,090,084	
Federal commodities		398,120	
Interest earned		31,991	
	<u>4,645,428</u>	<u>4,520,195</u>	<u>(125,233)</u>
Revenues over (under) expenditures before transfers	(612,831)	(527,492)	85,339
Transfer from other funds	-	48,223	48,223
Appropriated fund balance	<u>612,831</u>	<u>-</u>	<u>(612,831)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(479,269)</u>	<u>\$ (479,269)</u>
Reconciliation of modified accrual to full accrual basis:			
Depreciation		(107,025)	
Compensated absences		(9,925)	
Deferred outflows - pension		128,861	
Deferred inflows - pension		240,867	
Net pension liability		(185,549)	
Net OPEB liability		(264,119)	
Inventories		(29,110)	
Unavailable revenues		30,590	
Change in net position - full accrual		<u>\$ (674,679)</u>	

**COMPLIANCE SECTION**



**INDEPENDENT AUDITORS' REPORT**

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

**To the Haywood County Board of Education  
Waynesville, North Carolina**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Haywood County Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Haywood County Board of Education's basic financial statements and have issued our report thereon dated December 12, 2024.

***Report on Internal Control over Financial Reporting***

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

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

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

### ***Report on Compliance and Other Matters***

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

### ***Purpose of this Report***

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

*Anderson Smith & Wike PLLC*

December 12, 2024  
Huntersville, North Carolina



**INDEPENDENT AUDITORS' REPORT**

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

**To the Haywood County Board of Education  
Waynesville, North Carolina**

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Haywood County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Haywood County Board of Education's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Anderson Smith & Wike PLLC*

December 12, 2024  
Huntersville, North Carolina



**INDEPENDENT AUDITORS' REPORT**

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

**To the Haywood County Board of Education  
Waynesville, North Carolina**

***Report on Compliance for Each Major State Program***

***Opinion on Each Major State Program***

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

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

***Basis for Opinion on Each Major State Program***

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

We are required to be independent of Haywood County Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Haywood County Board of Education's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

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

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

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

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

*Anderson Smith & Wike PLLC*

December 12, 2024  
Huntersville, North Carolina

**Haywood County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_yes    X\_no
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_yes    X\_none reported

Noncompliance material to financial statements noted? \_\_\_yes    X\_no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? \_\_\_yes    X\_no
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_yes    X\_none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? \_\_\_yes    X\_no

Identification of major federal programs:

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

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

Auditee qualified as low-risk auditee? X\_yes    \_\_\_no

**Haywood County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

State Awards

Internal control over major State programs:

- Material weakness(es) identified? \_\_\_yes    X\_no
  
- Significant deficiency(s) identified that are not considered to be material weaknesses? \_\_\_yes    X\_none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? \_\_\_yes    X\_no

Identification of major State programs:

Program Name  
State Public School Fund  
DPS Tropical Storm Fred Unmet Needs Grant  
DPS Disaster Relief & Recovery/Mitigation/Resiliency Directed Grant

Dollar threshold used to distinguish between Major State Programs \$ 500,000

Auditee qualified as low-risk auditee? X\_yes    \_\_\_no

**Haywood County Board of Education  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2024**

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Section II. Financial Statement Findings

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Finding: None reported.

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Section III. Federal Award Findings and Questioned Costs

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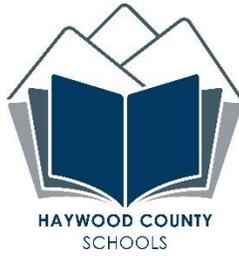
Finding: None reported.

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Section IV. State Award Findings and Questioned Costs

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Finding: None reported.



**Haywood County Board of Education  
Corrective Action Plan  
For the Year Ended June 30, 2024**

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Section II. Financial Statement Findings

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Finding: None Reported.

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Section III. Federal Award Findings and Questioned Costs

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Finding: None Reported.

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Section IV. State Award Findings and Questioned Costs

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Finding: None Reported.

**Haywood County Board of Education  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024**

No findings reported in the prior year.

**HAYWOOD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
<b>Federal Grants:</b>			
<u>U. S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
<u>Child Nutrition Cluster:</u>			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 398,120
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	861,641
National School Lunch Program	10.555	PRC 035	2,793,581
Summer Food Service Program for Children	10.559	PRC 035	105,013
Supply Chain Assistance	10.559	PRC 035	158,633
Fresh Fruit and Vegetable Program	10.582	PRC 035	24,599
Cash Assistance Subtotal			3,943,467
Total Child Nutrition Cluster:			4,341,587
Local Food for Schools Cooperative Agreement Program	10.185	PRC 035	12,336
Passed-through the N.C. Department of Health and Human Services			
Child and Adult Care Food Program	10.558		146,617
Total U.S. Department of Agriculture			4,500,540
<u>U.S. Department of Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050 & 115	2,279,959
Migrant Education (Title I of IASA)	84.011	PRC 051	46,940
Education for Homeless Children and Youth	84.196	PRC 026	25,401
Student Support and Academic Enrichment Program	84.424	PRC 108	190,505
Supporting Effective Instruction State Grant	84.367	PRC 103	225,064
State Personnel Development	84.323	PRC 082	23,890
English Language Acquisition Grants	84.365	PRC 104 & 111	24,414
CTE - Basic Grants to States - Program Development	84.048	PRC 017	135,117

**HAYWOOD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
COVID-19 - Education Stabilization Fund:			
CARES Act:			
Rethink Education	84.425	PRC 146	9,287
CRRSA:			
ESSER II - Learning Loss Funding	84.425D	PRC 176	167,599
ESSER II - Summer Career Accelerator Program	84.425D	PRC 177	71,567
ARP:			
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	6,423,517
ESSER III - Homeless I	84.425W	PRC 183	7,180
ESSER III - Homeless II	84.425W	PRC 184	47,851
ESSER III - Summer Career Acceleratory Program	84.425U	PRC 188	26,796
ESSER III - Supplemental Academic Enrichment	84.425U	PRC 189	156,460
ESSER III - Cyberbullying & Suicide Prevention	84.425U	PRC 192	24,845
ESSER III - NBPTS Certification Fee Reimbursemen	84.425U	PRC 198	8,550
ESSER III - After-School Robotics Grant	84.425U	PRC 201	32,991
ESSER III - School Psychologists Grant Program	84.425U	PRC 204	15,192
Total COVID-19 - Education Stabilization Fund	84.425		<u>6,991,835</u>
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	1,631,811
Special Needs Targeted Assistance	84.027	PRC 118	11,746
Preschool Targeted Assistance	84.173	PRC 119	1,993
Children with Special Needs - Risk Pool	84.027	PRC 114	264,626
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	55,179
COVID-19 ARP:			
ESSER III - Preschool Grants	84.173	PRC 186	2,231
Total Special Education Cluster:			<u>1,967,586</u>
Total U.S. Department of Education			<u>11,910,711</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
JROTC	12.000		<u>92,480</u>
<u>U.S. Department of Labor</u>			
Passed through Southwestern Planning and Economic Development Commission			
Job Training Partnership Act - Title IIC	17.259	PRC 314	<u>95,965</u>
U.S. Department of Homeland Security			
Direct Program:			
FEMA Disaster Grants - Public Assistance	97.036		<u>238,028</u>
Total federal assistance			<u>16,837,724</u>

**HAYWOOD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
<b>State Grants:</b>			
<u>N.C. Department of Public Instruction:</u>			
Direct Programs:			
State Public School Fund		Various	48,292,201
Driver Training - SPSF		PRC 012	124,795
School Technology Fund - SPSF		PRC 015	51,209
Career Technical Education			
- State Months of Employment		PRC 013	2,566,527
- Program Support Funds		PRC 014	136,425
School buses - Noncash		PRC 120	174,474
K-12 Athletic Facilities Grant		PRC 440	799,053
Passed through Haywood County:			
Public School Capital Fund - Lottery		PRC 076	499,629
Total N.C. Department of Public Instruction			52,644,313
<u>N.C. Department of Public Safety</u>			
Tropical Storm Fred Relief Unmet Needs			850,000
Disaster Relief & Recovery/Mitigation/Resiliency Directed Grant			1,975,803
Total N.C. Department of Public Safety			2,825,803
<u>N.C. Department of Health and Human Services:</u>			
Passed through Haywood County Partnership for Children			
North Carolina Pre-Kindergarten Program		PRC 413	391,304
<u>N.C. Department of Agriculture</u>			
North Carolina Tobacco Trust Fund Commission			142,500
<u>N.C. Department of Environmental Quality</u>			
North Carolina Wildlife Resources Commission:			
North Carolina Outdoor Heritage Advisory Council			
North Carolina Schools Go Outside (GO) Grant			4,906
Total State assistance			56,008,826
Total federal and State assistance			\$ 72,846,550

**HAYWOOD COUNTY BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
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**Note 1. Basis of Presentation**

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

**Note 2. Summary of Significant Accounting Policies**

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

Haywood County Board of Education has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.