

# **NORTHAMPTON COUNTY BOARD OF EDUCATION**

**JACKSON, NORTH CAROLINA**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Northampton County Board of Education  
Jackson, North Carolina*

**Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended  
June 30, 2022**

*Prepared by*  
Dr. Rosa Atkins  
and the  
Finance Department

**NORTHAMPTON COUNTY BOARD OF EDUCATION  
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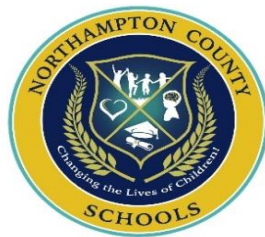
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# Introductory Section



# Northampton County Schools

P.O. Box 158 · 701 N. Church Street · Jackson, NC 27845

Phone: 252-534-1371 · Fax: 252-534-1104

**December 30, 2022**

## **Members of the Northampton County Board of Education and Citizens of Northampton County, North Carolina:**

In compliance with the Public School Laws of North Carolina, the Annual Comprehensive Financial Report of the Northampton County Board of Education, operating as “Northampton County Schools”, for the fiscal year ended June 30, 2022, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the Superintendent and Finance Officer.

The report has been prepared by the Finance Department in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain an understanding of the Board’s financial activity have been included.

This letter of transmittal is designed to complement Management’s Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

### **REPORTING ENTITY**

The Northampton County Board of Education (Board) is the level of government having oversight responsibility and control over activities related to public school education in Northampton County, North Carolina. For the 2021-2022 fiscal year, the school system served approximately 1,200 students from kindergarten through 12th grade in 3 elementary schools, 2 middle schools, 1 high school, and 1 early college. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the county is not entitled to share in any surplus nor is it required to finance any deficits. The Board, whose members are elected by the citizens of Northampton County, has the authority to designate management, make binding decisions, and significantly influence operations. However, the Board has no tax levying or borrowing authority and is required to maintain accounting records in a uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Northampton County Board of Education is not included in any other reporting entity.

### **FINANCIAL AND BUDGETARY CONTROL**

In order to meet the challenging learning experiences provided to the students attending Northampton County Schools, the Board must use a variety of funding resources, including local, State, federal and private grants while complying with legal requirements of each funding source entity. In doing so, the Board is unable to summarize all governmental financial transactions and balances in one accounting entity. Instead, the accounting system is divided into three separate entities; each referred to as a “fund”. The Board’s funds are divided into governmental, proprietary and fiduciary. Each fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities in accordance with legal requirements, generally accepted accounting principles, special regulations or other limitations. Governmental fund types include general, special revenue and capital projects. The enterprise fund is a proprietary fund type, with the private purpose trust fund being a fiduciary fund type. The enterprise fund and fiduciary fund are presented on a full accrual basis, while the other funds are maintained on a modified accrual basis.

Internal accounting controls are given consideration in developing and improving the Board’s accounting system. Internal controls are designed to provide reliability of financial records for preparing financial statements and maintaining accountability for assets and are to provide reasonable assurance regarding the

# Letter of Transmittal *(continued)*

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safeguarding of assets from unauthorized use or disposition. The cost of a control should not exceed the benefits derived, therefore, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. We believe that the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

North Carolina General Statutes requires all governmental units in the state to adopt a balanced budget by July 1 of each year. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). Annual budgets are adopted for all funds, except for the administrative fiduciary fund and the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. The Board's annual Budget Resolution authorizes expenditures by purpose on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amounts reflected in the accompanying financial statements represent the final budgets as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures. Outstanding encumbrances at the end of the fiscal year related to normal operations are cancelled and renewed in the following fiscal year.

## **ECONOMIC CONDITION AND OUTLOOK**

The Northampton County area continues to experience a period of decline in industry and business. Northampton County has a population of approximately 19,000 which represents a decrease of approximately 11% over the past ten years. The community is involved and interested in public schools but high unemployment has led to people leaving the County in search of jobs. This has resulted in a decline in the Board's student population of 41.2% over the last ten years. In addition, the Board faces competition from a local charter school for which over 30% of the students in Northampton County attend. This results in the loss of Local and State dollars for the Board that have to be allocated to the charter school based on average daily membership. Northampton County has not experienced economic growth in the past several years and is not anticipating growth in the near future.

Despite the economic issues facing Northampton County, the Board of County Commissioners has maintained consistent local funding for the school system over the past ten years. Local County appropriations have increased by approximately 16.4% over the past ten years. However, due to the decline in the Board's student population, as well as rising healthcare, retirement, and other costs, the Board has had to reduce the number of employees in the school system over the same period. This decrease in staffing has required internal restructuring within the school system in order to continue providing a high level of service to the students.

Our high school was built in 1964 and is in need of constant repairs and updating in the science and technology areas, but due to the economic condition of the county, funding is not available at this time. Our middle schools were built in 1990 and have recently been reroofed. See Table 14 in the Statistical Section of this report for more detailed information regarding the age and condition of all the district's school buildings.

## **MAJOR INITIATIVES**

The focus of the school system for the next several years will primarily be in the following areas:

- Promoting a child-centered culture of health, rigor, and high expectations;
- Promoting the importance of graduation and improve the graduation rate;
- Promoting family involvement at all school locations;
- Increasing college bound students through providing better access to college and career planning;
- Improving school safety;
- Promoting student engagement and improve student achievement;
- Promoting the technology that is available and increase technology and its integration in instruction;
- Increasing the efforts to recruit and retain experienced teachers and administrators.

# Letter of Transmittal *(continued)*

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## **INDEPENDENT AUDIT**

Anderson Smith & Wike PLLC has audited the financial records and transactions of the Northampton County Board of Education for the year ended June 30, 2022. They are a firm of independent certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the federal Single Audit Act Amendments of 1996 and related OMB Uniform Guidance and the State Single Audit Implementation Act. The auditors' report is included in the financial section of this report.

## **FINANCIAL REPORTING AWARDS**

The Association of School Business Officials (ASBO) awarded a Certificate of Excellence in Financial Reporting to the Northampton County Schools for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This award is a national program that provides unique professional recognition in the preparation and issuance of ACFRs by school systems.

In order to be awarded this certificate a government unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. This award is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the ASBO requirements and we are submitting it to ASBO to determine its eligibility for a renewed award.

## **ACKNOWLEDGMENTS**

The preparation of this report could not have been accomplished without the dedicated efforts of the finance staff and the Board's independent certified public accounting firm of Anderson Smith & Wike PLLC. We wish to express appreciation to all employees who assisted in the timely closing of the Northampton County Board of Education's fiscal records as well as the preparation of this report.

We would also like to express appreciation to the members of The Board of Education for their support in planning and conducting the financial affairs of the school system in a responsible and professional manner.

Respectfully submitted,



Dr. Rosa S. Atkins  
Interim Superintendent

***Northampton County Board of Education  
Jackson, North Carolina***

***July 1, 2021 - June 30, 2022***

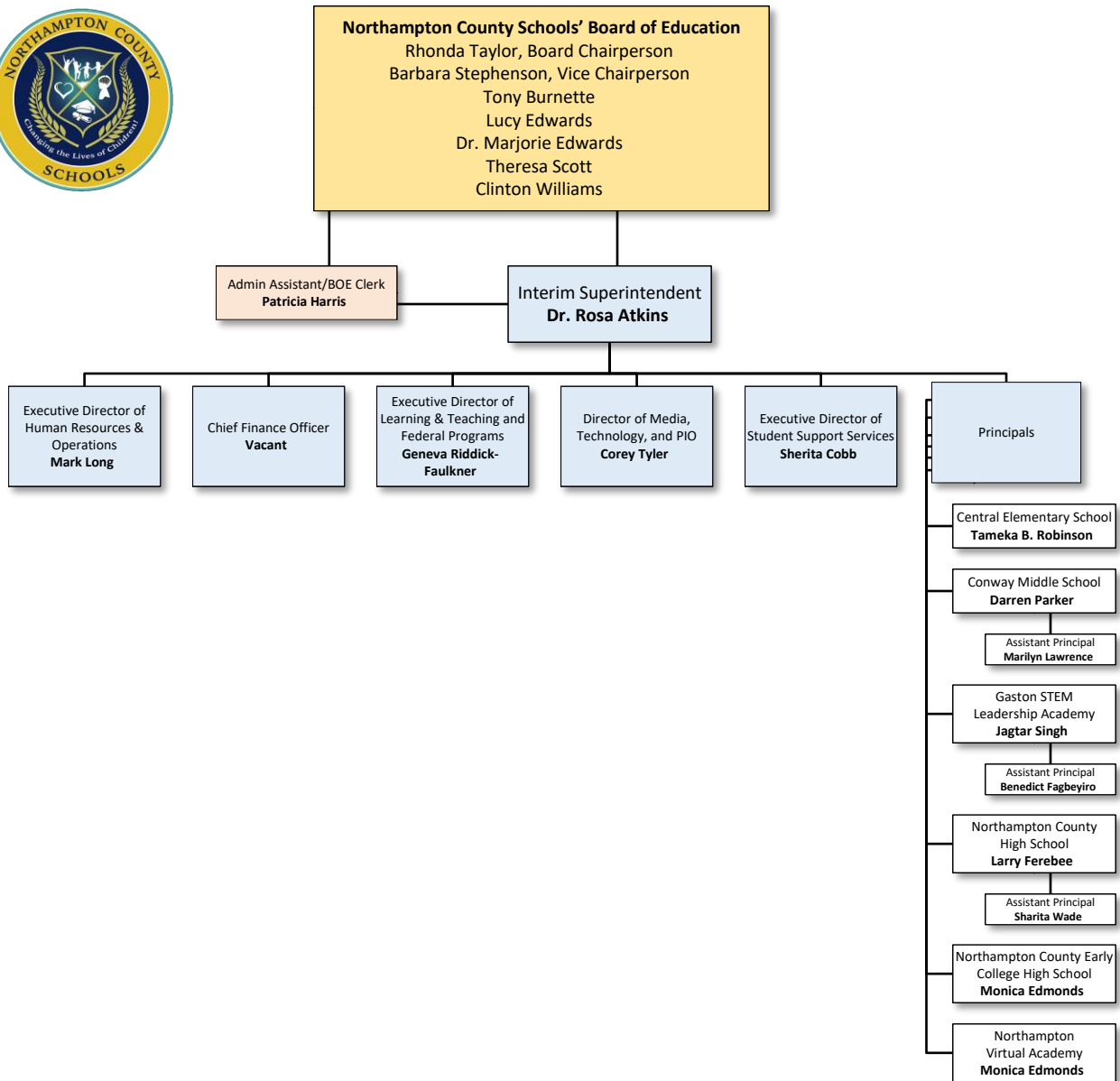
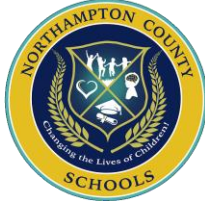
***Board Members***

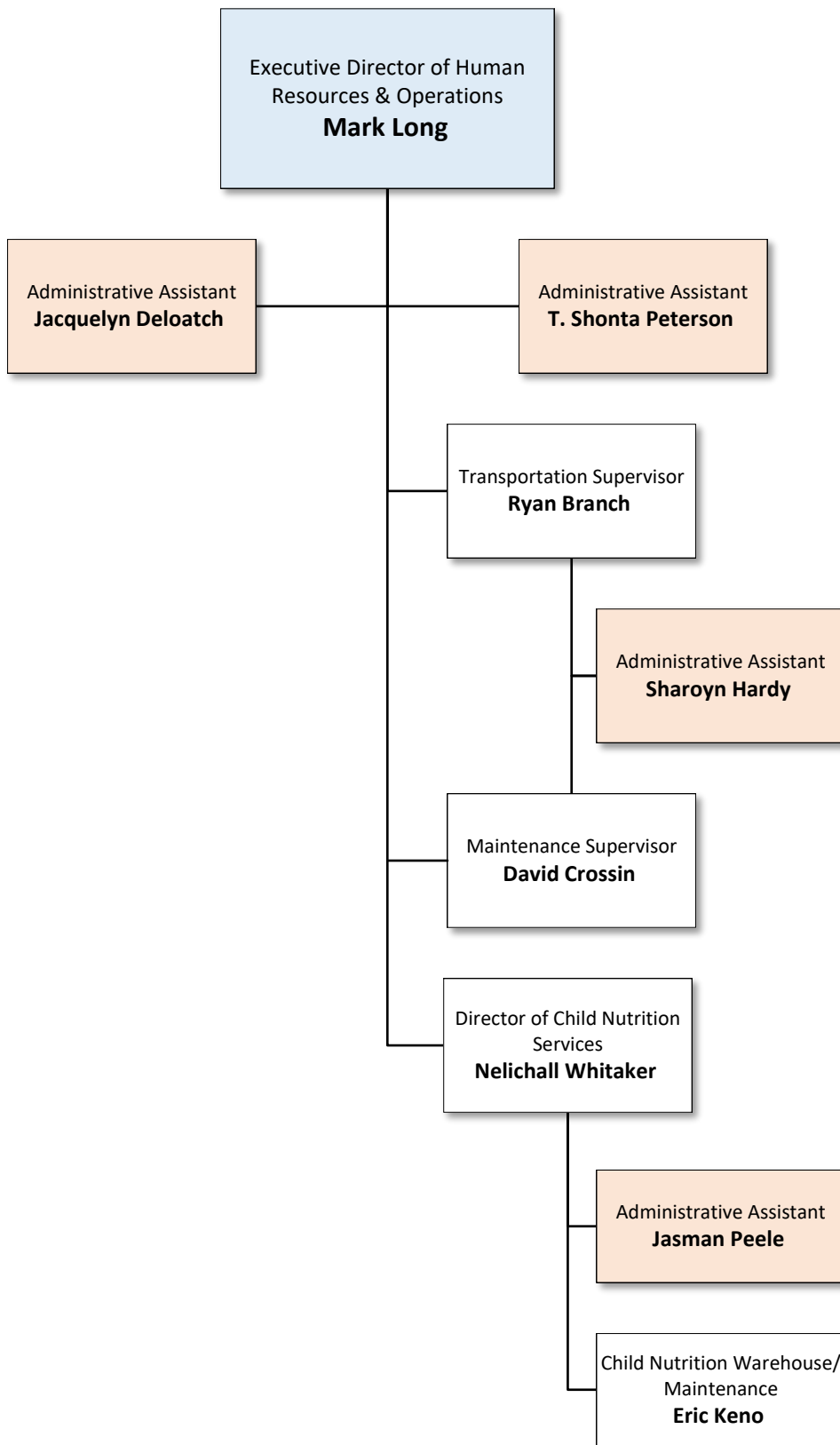
Rhonda Taylor, *Chairperson*  
Marjorie Edwards, *Vice Chairperson*

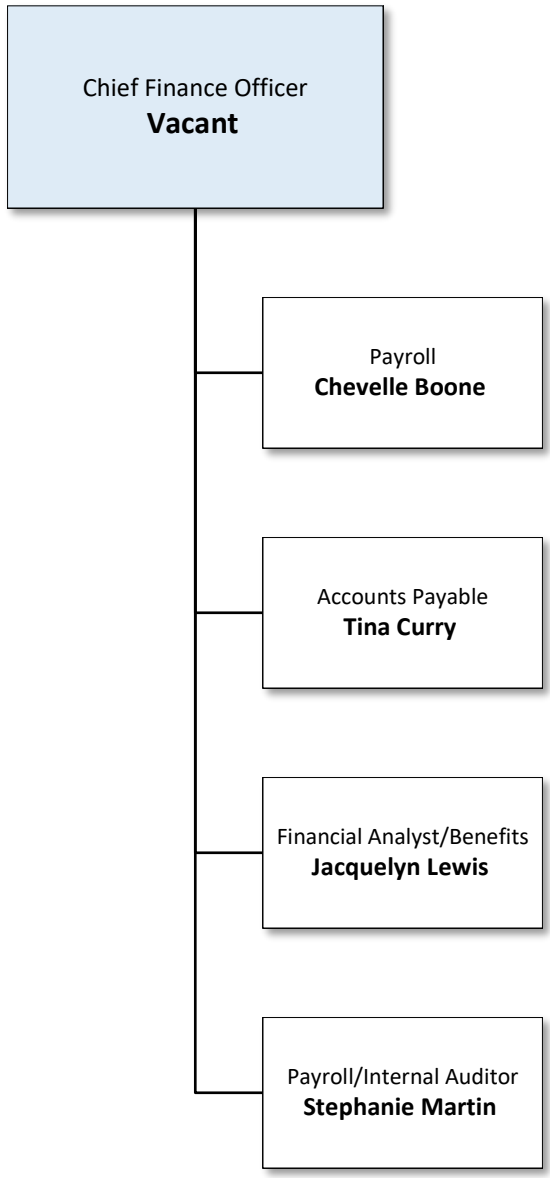
Clint Williams  
Lucy Edwards  
Theresa C. Scott  
Barbara A. Stephenson  
Tony A. Burnette

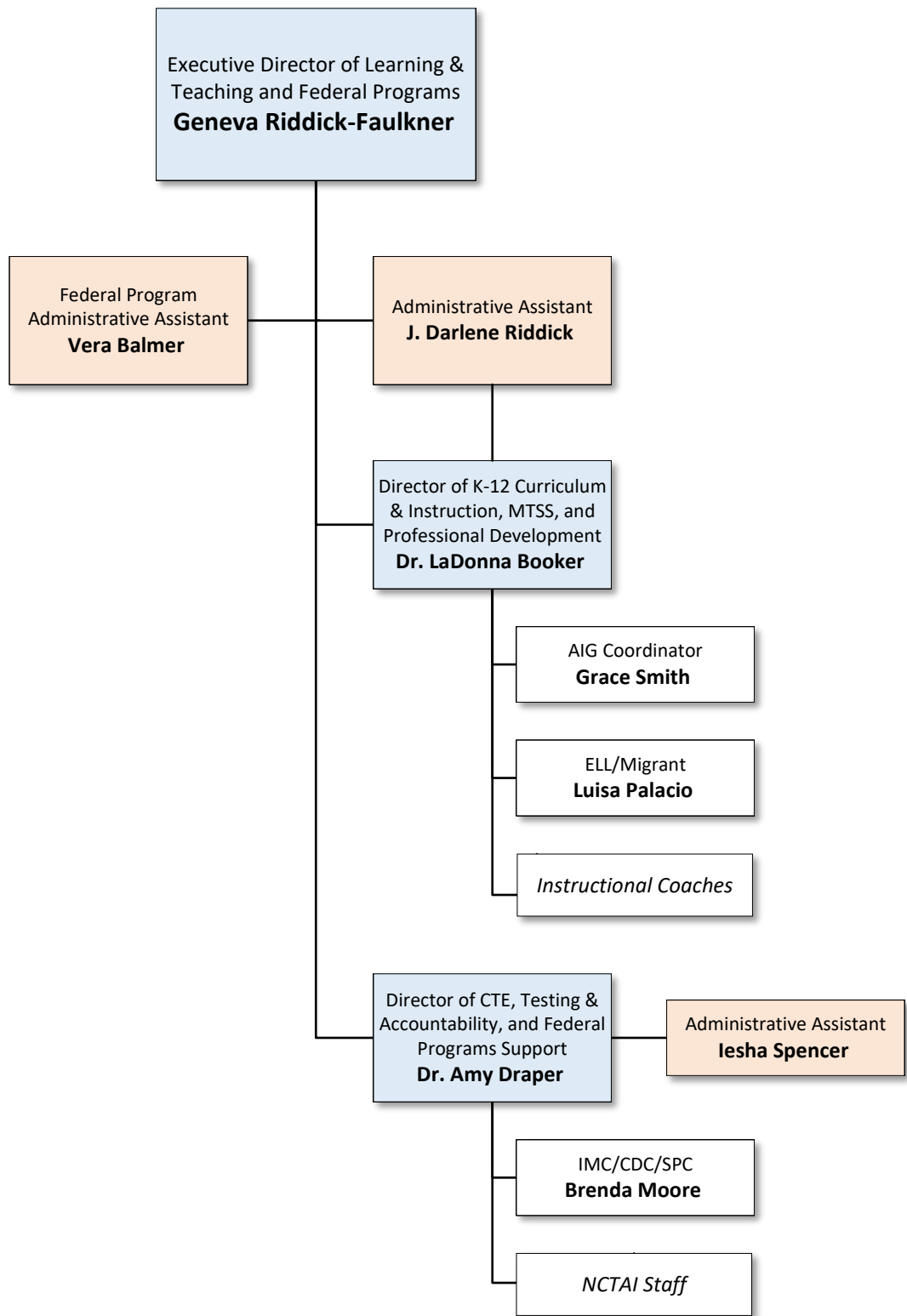
***Principal Officers***

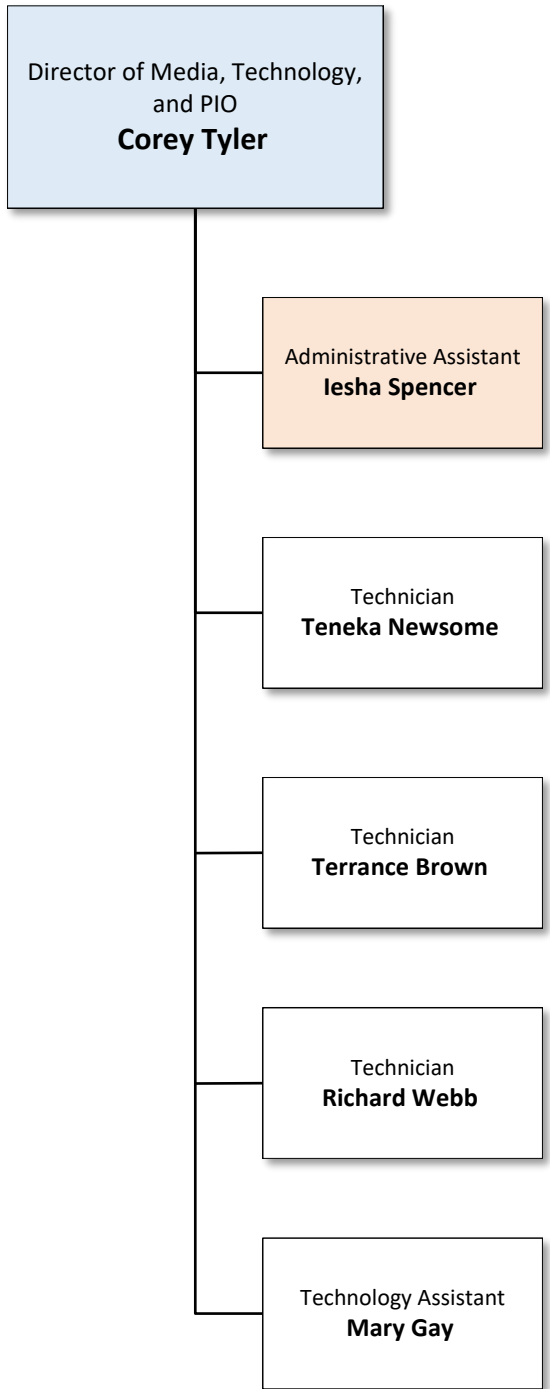
Dr. Rosa Atkins, *Interim Superintendent*

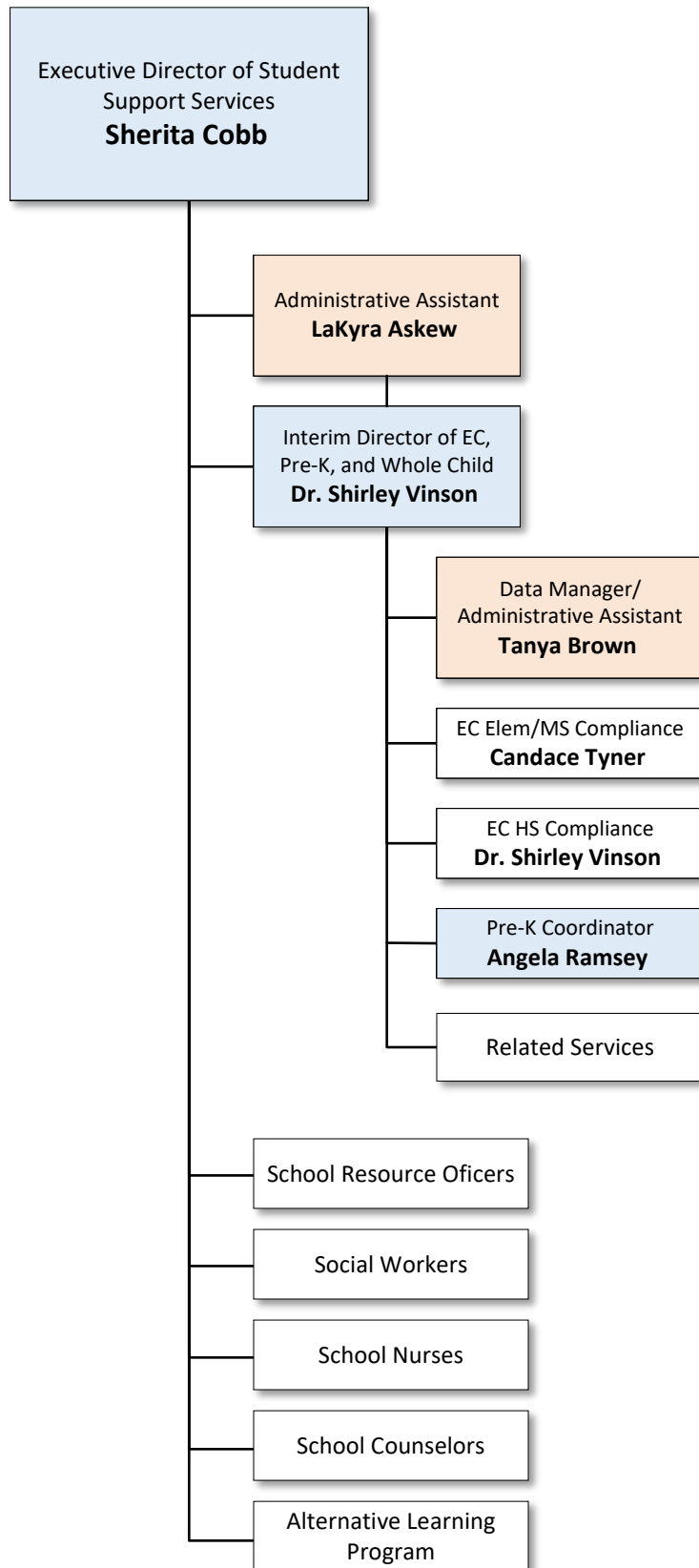














ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

## **Northampton County Board of Education**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended June 30, 2021.**

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

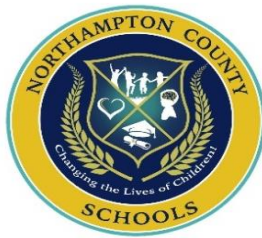


A handwritten signature in black ink, reading 'William A. Sutter'.

**William A. Sutter**  
**President**

A handwritten signature in black ink, reading 'David J. Lewis'.

**David J. Lewis**  
**Executive Director**



# Financial Section



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

## **INDEPENDENT AUDITOR'S REPORT**

To the Northampton County Board of Education  
Jackson, North Carolina

### **Report on the Audit of the Financial Statements**

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northampton County Board of Education, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Northampton County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Northampton County Board of Education, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Responsibilities of Management for the Financial Statements**

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northampton County Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northampton County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 10 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedules of Board Contributions on pages 52 through 57, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022, on our consideration of the Northampton County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northampton 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 Northampton County Board of Education's internal control over financial reporting and compliance.

*Anderson Smith & Wike PLLC*

November 29, 2022  
Rockingham, North Carolina

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

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This section of the Northampton 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, 2022. This information should be read in conjunction with the audited financial statements included in this report.

### ***Impact of Coronavirus on District***

During the fiscal year, the State and nation continued to be affected by the coronavirus (COVID-19) pandemic. Educational services in the district returned to the traditional classroom environment. The Board incurred additional expenses as a result of COVID-19 including: the purchase of personal protective equipment, remote learning educational tools, learning loss remediation due to online learning challenges and increases in salaries due to the Board's expansion of summer school programs. The Board received significant grants from the federal government to assist with these additional expenses incurred due to the pandemic.

### ***Financial Highlights***

For the fiscal year ended June 30, 2022, the Board's total government-wide net position increased by \$3.8 million. Governmental activities net position increased by \$3.9 million and business-type activities net position decreased by \$154,000.

- Total government-wide net investment in capital assets decreased by \$660,000 from the prior year. Governmental activities net investment in capital assets decreased by \$697,000 and business-type activities investment in capital assets increased by \$37,000.
- Total governmental activities restricted net position increased by \$32,000, over the prior year.
- The Board's total government-wide unrestricted net position at June 30, 2022 increased by \$4.1 million.

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

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

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

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

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

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

### **Government-wide Statements**

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

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

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

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

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

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

### **Fund Financial Statements**

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

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

Northampton County Board of Education has three types of funds:

*Governmental funds*: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine

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

whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Individual Schools Fund, the Capital Outlay Fund, the Other Special Revenue Fund and the Federal Grants Fund. The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

*Proprietary funds:* Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Northampton County Board of Education has one proprietary fund - an enterprise fund – the School Food Service Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

*Fiduciary funds:* The Board is the trustee, or fiduciary, for assets that belong to others, such as the Private Purpose Trust Fund. The Board is responsible for ensuring that the assets reported in this fund are used only for their intended purpose and by those to whom the assets belong. The Board excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations. The fiduciary fund statements are shown as Exhibits 10 and 11.

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

Total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by \$4.3 million as of June 30, 2022 as compared to \$7.8 million as of June 30, 2021.

Following is a summary of the Statement of Net Position at June 30, 2022 and 2021:

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Current and other assets	\$ 4,756,655	\$ 3,790,010	\$ 382,235	\$ 538,293	\$ 5,138,890	\$ 4,328,303
Capital assets	19,578,145	20,426,683	97,440	60,575	19,675,585	20,487,258
Total assets	24,334,800	24,216,693	479,675	598,868	24,814,475	24,815,561
Deferred outflows of resources	5,000,485	4,850,959	167,606	134,499	5,168,091	4,985,458
Current liabilities	1,935,828	2,014,268	37,259	56,324	1,973,087	2,070,592
Long-term liabilities	18,830,053	24,727,615	625,930	684,693	19,455,983	25,412,308
Total liabilities	20,765,881	26,741,883	663,189	741,017	21,429,070	27,482,900
Deferred inflows of resources	12,449,300	9,808,193	417,276	271,943	12,866,576	10,080,136
Net investment in capital assets	19,527,568	20,224,442	97,440	60,575	19,625,008	20,285,017
Restricted net position	597,140	565,203	1,737	1,768	598,877	566,971
Unrestricted net position (deficit)	(24,004,604)	(28,272,069)	(532,361)	(341,936)	(24,536,965)	(28,614,005)
Total net position	\$ (3,879,896)	\$ (7,482,424)	\$ (433,184)	\$ (279,593)	\$ (4,313,080)	\$ (7,762,017)

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased \$3.9 million during the year, from \$(7.5) million at June 30, 2021 to \$(3.9) million at June 30, 2022, indicating an improvement in the financial condition of the Board. Restricted net position

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

increased by \$32,000, while unrestricted net position increased \$4.3 million over the prior year. Net investment in capital assets decreased \$697,000 due to an excess of depreciation expense over capital additions for the year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 3 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities decreased \$154,000 during the year. This decrease is the net loss incurred by our school food service operations during the 2022 fiscal year.

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

**Table 2  
Condensed Statement of Activities  
For the Fiscal Years Ended June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Revenues:						
Program revenues:						
Charges for services	\$ 136,072	\$ 55,537	\$ 60,950	\$ 8,452	\$ 197,022	\$ 63,989
Operating grants and contributions	22,004,720	17,877,572	1,259,721	1,336,842	23,264,441	19,214,414
Capital grants and contributions	151,664	236,544	-	-	151,664	236,544
General revenues:						
County appropriations	4,265,800	3,824,250	-	-	4,265,800	3,824,250
State appropriations	1,342,034	1,685,102	-	-	1,342,034	1,685,102
Other revenues	64,489	119,887	1,219	2,629	65,708	122,516
Total revenues	<u>27,964,779</u>	<u>23,798,892</u>	<u>1,321,890</u>	<u>1,347,923</u>	<u>29,286,669</u>	<u>25,146,815</u>
Expenses:						
Governmental activities:						
Instructional services	14,759,012	15,990,585	-	-	14,759,012	15,990,585
System-wide support services	7,867,300	6,491,003	-	-	7,867,300	6,491,003
Ancillary services	204,473	6,504	-	-	204,473	6,504
Payments to other governments	1,099,885	837,845	-	-	1,099,885	837,845
Interest on long-term debt	8,557	-	-	-	8,557	-
Unallocated depreciation	30,865	35,895	-	-	30,865	35,895
Business-type activities:						
School food service	-	-	1,547,131	1,083,267	1,547,131	1,083,267
Total expenses	<u>23,970,092</u>	<u>23,361,832</u>	<u>1,547,131</u>	<u>1,083,267</u>	<u>25,517,223</u>	<u>24,445,099</u>
Excess (deficiency) before transfers	3,994,687	437,060	(225,241)	264,656	3,769,446	701,716
Transfers in (out)	<u>(71,650)</u>	<u>(51,085)</u>	<u>71,650</u>	<u>51,085</u>	-	-
Increase (decrease) in net position	<u>3,923,037</u>	<u>385,975</u>	<u>(153,591)</u>	<u>315,741</u>	<u>3,769,446</u>	<u>701,716</u>
Beginning net position (deficit), as previously reported	(7,482,424)	(7,868,399)	(279,593)	(595,334)	(7,762,017)	(8,463,733)
Restatement (Note 5)	<u>(320,509)</u>	-	-	-	<u>(320,509)</u>	-
Beginning net position (deficit), restated	<u>(7,802,933)</u>	<u>(7,868,399)</u>	<u>(279,593)</u>	<u>(595,334)</u>	<u>(8,082,526)</u>	<u>(8,463,733)</u>
Ending net position (deficit)	<u>\$ (3,879,896)</u>	<u>\$ (7,482,424)</u>	<u>\$ (433,184)</u>	<u>\$ (279,593)</u>	<u>\$ (4,313,080)</u>	<u>\$ (7,762,017)</u>

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

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Total governmental activities generated revenues of \$28.0 million while expenses in this category totaled \$24.0 million for the year ended June 30, 2022, resulting in the aforementioned increase in net position of \$3.9 million (including transfers out to business-type activities of \$72,000). Comparatively, revenues were \$23.8 million, expenses totaled \$23.4 million and transfers out were \$51,000 for the year ended June 30, 2021, resulting in an increase in net position of \$386,000. In comparing the two years, revenues increased \$4.2 million, or 17.5%, and expenses increased by \$608,000, or 2.6%. The increase in revenues was primarily due to COVID-19 federal grants received during the year.

The Board's primary sources of revenues were funding from the State of North Carolina, Northampton County, and the United States Government, which respectively comprised 55.7%, 14.9% and 25.6% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 61.6% of our total expenses during the most recent fiscal year. Of the remaining 38.4% of our total expenses, 32.8% was attributable to system-wide support services.

Our business-type activities generated revenues of \$1.3 million, and expenses totaled \$1.5 million for the year ended June 30, 2022. For the year, net position decreased by \$154,000 (including transfers in of \$72,000). Comparatively, for the year ended June 30, 2021 revenues were \$1.3 million, expenses were \$1.1 million and transfers in were \$51,000, resulting in an increase in net position of \$316,000. In comparing the two periods, revenues were comparable, decreasing slightly by \$26,000, or 1.9%. Total expenses increased \$464,000, due largely to a year-over-year increase of \$237,000 in pension and OPEB expense.

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

*Governmental Funds:* The focus of Northampton 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 \$3.4 million at June 30, 2022, an increase of \$1.1 million over the \$2.4 million restated balance reported at June 30, 2021. Revenues were \$28.6 million in 2022 compared to \$23.9 million in 2021, an increase of \$4.7 million, or 19.7%. Expenditures were \$27.6 million for the current year, compared to \$24.3 million in the prior year, an increase of \$3.2 million, or 13.2%. Federal funding from COVID-19 grants accounted for the majority of the increase in revenues.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. Combined revenues (and expenditures) in these two funds increased \$3.9 million over the previous year, or 21.5%. The district received various federal COVID-19 grants through these two funds which were used to pay for specific costs incurred by the district in response to the pandemic.

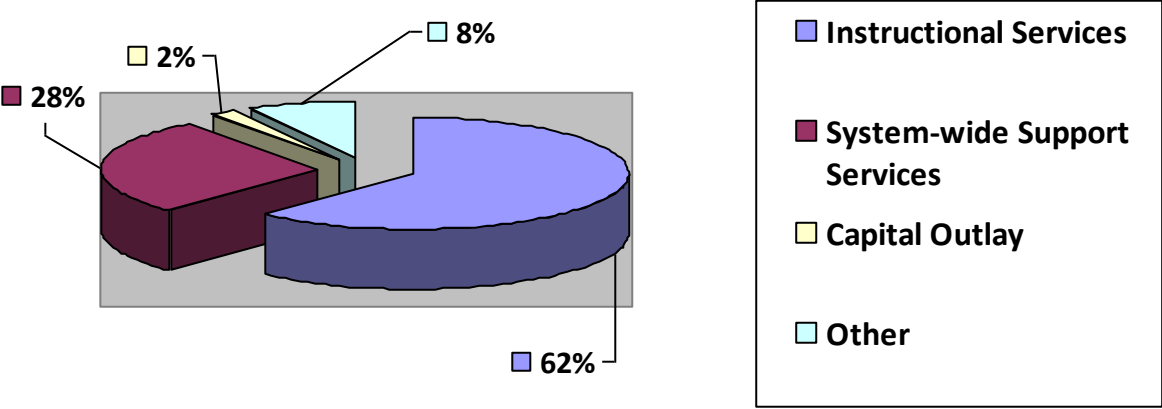
The Other Special Revenue Fund reported an increase in fund balance for the year ended June 30, 2022 of \$645,000 compared to a decrease of \$357,000 in 2021. The increase is primarily attributable to indirect cost revenues received on federal COVID-19 grant funding which rose significantly over the prior year.

The Capital Outlay Fund reported fund balance of \$446,000 at June 30, 2022, an increase of \$233,000 over the prior year. The most significant revenue reported in the Capital Outlay Fund was \$486,000 from Northampton County appropriations.

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

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**Categorization of Expenditures for Governmental Funds**



Expenditures presented on modified accrual basis of accounting.

*Proprietary Fund:* The Board’s business-type fund, the School Food Service Fund, reported a decrease in net position of \$154,000 for the fiscal year ended June 30, 2022 compared to an increase of \$316,000 for the same 2021 period. See the discussion above under “*Financial Analysis of the Board as a Whole*” for further details regarding the year-over-year change in operating results for the School Food Service Fund.

**General Fund Budgetary Highlights**

Over the course of the year, the Board revised the budget to account for changes in revenue expectations and program allocations. Since several revenue sources are either unknown or uncertain at the beginning of the fiscal year when the original budget is adopted, budget revisions are often necessary throughout the year to recognize these adjustments. The Board added \$182,000 to fund balance during year (including the increase in reserve for inventories) which was a positive overall variance. The timing of some revenues and expenditures is less predictable which leads to differences between the budgeted and actual amounts. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

**Capital Assets**

Total primary government capital assets were \$19.7 million at June 30, 2022 compared to \$20.5 million at June 30, 2021, a decline of 4.0%. The decrease is primarily attributable to an excess of depreciation expense over capital additions for the year. More detailed information about the Board’s capital assets is contained in Note 3 to the financial statements.

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

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2022 and 2021.

**Table 3  
Summary of Capital Assets  
As of June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Land	\$ 822,357	\$ 822,357	\$ -	\$ -	\$ 822,357	\$ 822,357
Buildings and improvements	17,625,720	18,319,008	-	-	17,625,720	18,319,008
Equipment and furniture	87,445	109,758	97,440	60,575	184,885	170,333
Vehicles	1,042,623	1,175,560	-	-	1,042,623	1,175,560
Total	<u>\$ 19,578,145</u>	<u>\$ 20,426,683</u>	<u>\$ 97,440</u>	<u>\$ 60,575</u>	<u>\$ 19,675,585</u>	<u>\$ 20,487,258</u>

**Debt Outstanding**

During the current year, the Board's long-term debt decreased from \$202,000 at June 30, 2021 to \$171,000 at June 30, 2022. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. More detailed information about the Board's outstanding debt is contained in Note 3 to the financial statements.

**Economic Factors**

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

- The unemployment rate in Northampton County at June 30, 2022 was 5.2% compared to 6.1% at June 30, 2021. The County's unemployment rate is above the N.C. statewide and national unemployment rates which were 4.1% and 3.8%, respectively, at June 30, 2022.
- County commissioners and members of the Board of Education, along with concerned citizens of the county are working diligently to explore ways to increase economic development and improve the education, health and human service standards of the children and citizens in Northampton County.

**Requests for Information**

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

Dr. Rosa Atkins, Interim Superintendent  
Northampton County Board of Education  
701 N. Church Street  
Jackson, NC 27845

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**June 30, 2022**

**Exhibit 1**

	Primary Government		Total
	Governmental Activities	Business-type Activities	
<b>Assets</b>			
Cash and cash equivalents	\$ 4,456,504	\$ 263,983	\$ 4,720,487
Due from other governments	3,112	64,489	67,601
Receivables	9,640	-	9,640
Net OPEB asset	8,456	283	8,739
Inventories	160,236	53,480	213,716
Right to use leased assets, net of amortization	118,707	-	118,707
Capital assets:			
Land	822,357	-	822,357
Other capital assets, net of depreciation	18,755,788	97,440	18,853,228
Total capital assets	19,578,145	97,440	19,675,585
Total assets	24,334,800	479,675	24,814,475
<b>Deferred Outflows of Resources</b>	5,000,485	167,606	5,168,091
<b>Liabilities</b>			
Bank overdraft	17,133	-	17,133
Accounts payable and accrued expenses	830,351	-	830,351
Accrued salaries and wages payable	359,958	-	359,958
Unearned revenue	-	1,734	1,734
Long-term liabilities:			
Due within one year	728,386	35,525	763,911
Due in more than one year	18,830,053	625,930	19,455,983
Total liabilities	20,765,881	663,189	21,429,070
<b>Deferred Inflows of Resources</b>	12,449,300	417,276	12,866,576
<b>Net position</b>			
Net investment in capital assets	19,527,568	97,440	19,625,008
Restricted for:			
Stabilization by State statute	12,752	-	12,752
School capital outlay	446,343	-	446,343
Instructional services	19,321	-	19,321
Individual schools activities	66,899	-	66,899
DIPNC OPEB plan	51,825	1,737	53,562
Unrestricted (deficit)	(24,004,604)	(532,361)	(24,536,965)
Total net position (deficit)	\$ (3,879,896)	\$ (433,184)	\$ (4,313,080)

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



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## **FUND FINANCIAL STATEMENTS**

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**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

**Exhibit 3**

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
<b>Assets</b>							
Cash and cash equivalents	\$ 1,814,786	\$ -	\$ -	\$ 2,128,476	\$ 446,343	\$ 66,899	\$ 4,456,504
Due from other governments	-	-	-	3,112	-	-	3,112
Accounts receivable	-	-	-	9,640	-	-	9,640
Due from other funds	-	26	17,107	-	-	-	17,133
Inventories	160,236	-	-	-	-	-	160,236
Total assets	<u>\$ 1,975,022</u>	<u>\$ 26</u>	<u>\$ 17,107</u>	<u>\$ 2,141,228</u>	<u>\$ 446,343</u>	<u>\$ 66,899</u>	<u>\$ 4,646,625</u>
<b>Liabilities and Fund balances</b>							
Liabilities:							
Bank overdraft	\$ -	\$ 26	\$ 17,107	\$ -	\$ -	\$ -	\$ 17,133
Accounts payable and accrued liabilities	830,237	-	-	114	-	-	830,351
Accrued salaries and wages payable	359,958	-	-	-	-	-	359,958
Due to other funds	17,133	-	-	-	-	-	17,133
Total liabilities	<u>1,207,328</u>	<u>26</u>	<u>17,107</u>	<u>114</u>	<u>-</u>	<u>-</u>	<u>1,224,575</u>
Fund balances:							
Nonspendable:							
Inventories	160,236	-	-	-	-	-	160,236
Restricted:							
Stabilization by State statute	-	-	-	12,752	-	-	12,752
School capital outlay	-	-	-	-	446,343	-	446,343
Instructional services	-	-	-	19,321	-	-	19,321
Individual schools	-	-	-	-	-	66,899	66,899
Assigned:							
Special revenues	-	-	-	2,109,041	-	-	2,109,041
Unassigned	607,458	-	-	-	-	-	607,458
Total fund balances	<u>767,694</u>	<u>-</u>	<u>-</u>	<u>2,141,114</u>	<u>446,343</u>	<u>66,899</u>	<u>3,422,050</u>
Total liabilities and fund balances	<u>\$ 1,975,022</u>	<u>\$ 26</u>	<u>\$ 17,107</u>	<u>\$ 2,141,228</u>	<u>\$ 446,343</u>	<u>\$ 66,899</u>	<u>\$ 4,646,625</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2022**

*Exhibit 3 (Continued)*

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

Total fund balances of governmental funds	\$ 3,422,050
Net OPEB asset	8,456
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	19,578,145
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	118,707
Deferred outflows of resources related to pensions	2,902,314
Deferred outflows of resources related to OPEB	2,098,171
Some liabilities, including those for compensated absences, leases and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(1,262,369)
Net pension liability	(2,799,997)
Net OPEB liability	(15,496,073)
Deferred inflows of resources related to pensions	(4,078,949)
Deferred inflows of resources related to OPEB	<u>(8,370,351)</u>
Net position (deficit) of governmental activities	<u>\$ (3,879,896)</u>

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit 4**

	Major Funds				Non-major Fund		Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 14,903,785	\$ -	\$ 660,245	\$ 367,800	\$ -	\$ 15,931,830
Northampton County:							
Local current expense	3,780,000	-	-	-	-	-	3,780,000
Other	-	-	-	-	485,800	-	485,800
U.S. Government	-	392,521	6,797,356	142,445	-	-	7,332,322
Other	47,524	-	-	884,971	1,388	136,072	1,069,955
Total revenues	<u>3,827,524</u>	<u>15,296,306</u>	<u>6,797,356</u>	<u>1,687,661</u>	<u>854,988</u>	<u>136,072</u>	<u>28,599,907</u>
Expenditures:							
Current:							
Instructional services:							
Regular instructional	52,824	6,218,993	1,393,027	122,227	-	-	7,787,071
Special populations	42,325	1,492,576	529,702	24,149	-	-	2,088,752
Alternative programs	47,450	656,840	2,226,346	478,398	-	-	3,409,034
School leadership	114,671	1,561,366	103,051	31,171	-	-	1,810,259
Co-curricular	164,341	-	-	-	-	142,286	306,627
School-based support	73,362	893,095	454,457	204,571	-	-	1,625,485
System-wide support services:							
Support and development	216,277	325,459	66,412	-	-	-	608,148
Special population support and development	61,684	122,502	87,293	-	-	-	271,479
Alternative programs and services support and development	-	-	24,291	-	-	-	24,291
Technology support	116,582	351,946	22,412	47,958	-	-	538,898
Operational support	903,312	2,548,858	1,036,868	114,900	-	-	4,603,938
Financial and human resource services	213,802	489,867	44,552	-	-	-	748,221
Accountability	5,721	-	-	-	-	-	5,721
System-wide pupil support	3,004	83,626	2,441	-	-	-	89,071
Policy, leadership and public relations	517,992	474,508	19,724	-	-	-	1,012,224
Ancillary services	3,052	31,670	151,652	18,099	-	-	204,473
Non-programmed charges	1,099,079	-	635,128	806	-	-	1,735,013
Debt service:							
Principal retirement	57,296	-	-	-	151,664	-	208,960
Interest and fees	8,557	-	-	-	-	-	8,557
Capital outlay	-	-	-	-	470,458	-	470,458
Total expenditures	<u>3,701,331</u>	<u>15,251,306</u>	<u>6,797,356</u>	<u>1,042,279</u>	<u>622,122</u>	<u>142,286</u>	<u>27,556,680</u>
Revenues over (under) expenditures	126,193	45,000	-	645,382	232,866	(6,214)	1,043,227
Other financing sources (uses):							
Transfers to other funds	-	(45,000)	-	-	-	-	(45,000)
Net change in fund balance	<u>126,193</u>	<u>-</u>	<u>-</u>	<u>645,382</u>	<u>232,866</u>	<u>(6,214)</u>	<u>998,227</u>
Fund balances:							
Beginning of year, as previously reported	905,890	-	-	1,495,732	213,477	73,113	2,688,212
Restatement (Note 5)	(320,509)	-	-	-	-	-	(320,509)
Beginning of year, as restated	585,381	-	-	1,495,732	213,477	73,113	2,367,703
Change in reserve for inventories	56,120	-	-	-	-	-	56,120
End of year	<u>\$ 767,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,141,114</u>	<u>\$ 446,343</u>	<u>\$ 66,899</u>	<u>\$ 3,422,050</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit 5**

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

Net changes in fund balances - total governmental funds	\$ 998,227
Change in fund balance due to change in reserve for inventory	56,120
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(848,538)
Governmental funds report right to use leased assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the life of the lease and reported as amortization expense. This is the amount by which amortization exceeded capitalized right to use leased asset expenditures in the current period.	(59,353)
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	1,694,613
Contributions to the OPEB plans in the current fiscal year are not included on the statement of activities	660,049
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	93,731
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	208,960
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	(516,027)
Net OPEB (expense) benefit	1,676,241
Compensated absences	<u>(40,986)</u>
Total change in net position of governmental activities	<u>\$ 3,923,037</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit 6**

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Northampton County	3,780,000	3,780,000	3,780,000	-
U.S. Government	-	-	-	-
Other	-	50,000	47,524	(2,476)
Total revenues	<u>3,780,000</u>	<u>3,830,000</u>	<u>3,827,524</u>	<u>(2,476)</u>
Expenditures:				
Current:				
Instructional services	708,924	584,911	494,973	89,938
System-wide support services	2,216,076	2,326,084	2,038,374	287,710
Ancillary services	5,000	3,152	3,052	100
Non-programmed charges	850,000	850,000	1,099,079	(249,079)
Debt service:				
Principal retirement	-	57,296	57,296	-
Interest and fees	-	8,557	8,557	-
Total debt service	-	65,853	65,853	-
Total expenditures	<u>3,780,000</u>	<u>3,830,000</u>	<u>3,701,331</u>	<u>128,669</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>126,193</u>	<u>\$ 126,193</u>
Fund balances:				
Beginning of year, as previously reported			905,890	
Restatement (Note 5)			<u>(320,509)</u>	
Beginning of year, as restated			585,381	
Change in reserve for inventories			<u>56,120</u>	
End of year			<u>\$ 767,694</u>	

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION** **Exhibit 6 (continued)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 13,148,693	\$ 15,313,390	\$ 14,903,785	\$ (409,605)
U.S. Government	-	392,521	392,521	-
Total revenues	<u>13,148,693</u>	<u>15,705,911</u>	<u>15,296,306</u>	<u>(409,605)</u>
Expenditures:				
Current:				
Instructional services	9,956,034	11,375,012	10,822,870	552,142
System-wide support services	3,147,872	4,241,817	4,396,766	(154,949)
Ancillary services	-	31,670	31,670	-
Non-programmed charges	-	12,626	-	12,626
Total expenditures	<u>13,103,906</u>	<u>15,661,125</u>	<u>15,251,306</u>	<u>409,819</u>
Revenues over (under) expenditures	44,787	44,786	45,000	214
Other financing uses:				
Transfers to other funds	<u>(44,787)</u>	<u>(44,786)</u>	<u>(45,000)</u>	<u>(214)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION** **Exhibit 6 (continued)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 3,020,419	\$ 17,672,143	\$ 6,797,356	\$ (10,874,787)
Expenditures:				
Current:				
Instructional services	1,520,419	11,326,162	4,706,583	6,619,579
System-wide support services	1,000,000	5,283,178	1,303,993	3,979,185
Ancillary services	-	552,296	151,652	400,644
Non-programmed charges	500,000	510,507	635,128	(124,621)
Total expenditures	3,020,419	17,672,143	6,797,356	10,874,787
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
End of year			<u>\$ -</u>	

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION** **Exhibit 6 (continued)**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS**  
**For the Fiscal Year Ended June 30, 2022**

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 666,615	\$ 687,463	\$ 660,245	\$ (27,218)
Northampton County	-	-	-	-
U.S. Government	66,000	66,000	142,445	76,445
Other	<u>60,797</u>	<u>1,051,897</u>	<u>884,971</u>	<u>(166,926)</u>
Total revenues	<u>793,412</u>	<u>1,805,360</u>	<u>1,687,661</u>	<u>(117,699)</u>
Expenditures:				
Current:				
Instructional services	864,370	1,027,370	860,516	166,854
System-wide support services	112,349	759,349	162,858	596,491
Ancillary services	15,641	18,641	18,099	542
Non-programmed charges	<u>-</u>	<u>-</u>	<u>806</u>	<u>(806)</u>
Total expenditures	<u>992,360</u>	<u>1,805,360</u>	<u>1,042,279</u>	<u>763,081</u>
Revenues over (under) expenditures	(198,948)	-	645,382	645,382
Other financing uses:				
Transfers to other funds	-	-	-	-
Fund balance appropriated	<u>198,948</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	645,382	<u>\$ 645,382</u>
Fund balances:				
Beginning of year			<u>1,495,732</u>	
End of year			<u>\$ 2,141,114</u>	

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND TYPE**  
**June 30, 2022**

**Exhibit 7**

	<u>Enterprise Fund</u>
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 263,983
Due from other governments	64,489
Inventories	<u>53,480</u>
Total current assets	<u>381,952</u>
Noncurrent assets:	
Net OPEB asset	283
Capital assets:	
Furniture and office equipment, net	<u>97,440</u>
Total noncurrent assets	<u>97,723</u>
Total assets	<u>479,675</u>
<b>Deferred Outflows of Resources</b>	<u>167,606</u>
<b>Liabilities</b>	
Current liabilities:	
Compensated absences	35,525
Unearned revenue	<u>1,734</u>
Total current liabilities	<u>37,259</u>
Noncurrent liabilities:	
Net pension liability	93,850
Net OPEB liability	519,398
Compensated absences	<u>12,682</u>
Total noncurrent liabilities	<u>625,930</u>
Total liabilities	<u>663,189</u>
<b>Deferred Inflows of Resources</b>	<u>417,276</u>
<b>Net position</b>	
Investment in capital assets	97,440
Restricted for DIPNC OPEB plan	1,737
Unrestricted (deficit)	<u>(532,361)</u>
Total net position (deficit)	<u>\$ (433,184)</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit 8**

	Enterprise Fund Major Fund School Food Service
Operating revenues:	
Food sales	\$ 60,950
Other	<u>1,219</u>
Total operating revenues	<u>62,169</u>
Operating expenses:	
Food cost:	
Purchase of food	406,147
Donated commodities	98,716
Salaries and benefits	888,949
Materials and supplies	66,089
Repairs and maintenance	17,812
Depreciation	12,035
Non-capitalized equipment	1,489
Contracted services	39,688
Other	<u>16,206</u>
Total operating expenses	<u>1,547,131</u>
Operating loss	<u>(1,484,962)</u>
Nonoperating revenues:	
Federal reimbursements	1,157,555
Federal commodities	98,716
State reimbursements	<u>3,450</u>
Total nonoperating revenues	<u>1,259,721</u>
Loss before transfers and contributions	(225,241)
Transfers from other funds	45,000
Capital contributions	<u>26,650</u>
Change in net position	(153,591)
Net position (deficit), beginning of year	<u>(279,593)</u>
Net position (deficit), end of year	<u>\$ (433,184)</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2022**

**Exhibit 9**

	Enterprise Fund
	<u>Major Fund</u>
	<u>School Food</u>
	<u>Service</u>
Cash flows from operating activities:	
Cash received from customers	\$ 61,390
Cash paid for goods and services	(556,691)
Cash paid to employees for services	(809,479)
Other	<u>1,219</u>
Net cash used by operating activities	<u>(1,303,561)</u>
Cash flows from noncapital financing activities:	
Due to other funds	(30,234)
Federal and State reimbursements	<u>1,148,287</u>
Net cash provided by noncapital financing activities	<u>1,118,053</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	<u>(22,250)</u>
Net decrease in cash and cash equivalents	(207,758)
Cash and cash equivalents, beginning of year	<u>471,741</u>
Cash and cash equivalents, end of year	<u>\$ 263,983</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	\$ <u>(1,484,962)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	12,035
Donated commodities	98,716
Salaries paid by special revenue fund	45,000
Changes in assets, deferred outflows, liabilities and deferred inflows:	
Decrease in net OPEB asset	512
Increase in inventories	(9,260)
Decrease in accrued salaries and wages payable	(15,123)
Increase in unearned revenue	440
Decrease in net pension liability	(133,173)
Increase in net OPEB liability	69,450
Increase in deferred outflows	(33,107)
Increase in deferred inflows	145,333
Increase in compensated absences payable	<u>578</u>
Total adjustments	<u>181,401</u>
Net cash used by operating activities	<u>\$ (1,303,561)</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE**  
**For the Fiscal Year Ended June 30, 2022**

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**Exhibit 9 (continued)**

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$98,716 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

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

School Food Service capital assets with a value of \$26,650 were purchased by the Federal Grants Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
June 30, 2022**

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**Exhibit 10**

	<u>Private Purpose Trust Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>30,102</u>
<b>Liabilities</b>	<u>-</u>
<b>Net position</b>	
Assets held in trust for private purpose	\$ <u>30,102</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**For the Fiscal Year Ended June 30, 2022**

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**Exhibit 11**

	<u>Private Purpose Trust Fund</u>
Additions:	
Contributions and other revenue	\$ <u>900</u>
Deductions:	
Instructional costs	<u>806</u>
Change in net position	94
Beginning net position	<u>30,008</u>
Ending net position	<u>\$ 30,102</u>

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

*Fund Financial Statements:* The fund financial statements provide information about the Board's funds, including its fiduciary fund. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary fund is presented separately. Interfund services provided and used are not eliminated in the process of consolidation.

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.

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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

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

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

The Board reports the following nonmajor governmental fund:

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

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

*Private Purpose Trust Fund.* The Private Purpose Trust Fund is used to account for scholarship money under the control of the Board for the benefit of students in the County.

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

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

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

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the private purpose trust fund and the individual schools special revenue fund, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The Board has authorized the Superintendent to move moneys within a function without the approval of the governing board. The Superintendent may transfer amounts between purpose codes of the same fund with a semi-annual report to the Board required. Amendments are required for any transfers between funds, transfers from contingency appropriations or revisions that alter total expenditures of any fund. All amendments must be approved by the governing board. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

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

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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materials and supplies which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is classified as nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Right to use assets

The Board has recorded right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

5. Capital Assets

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

For capital assets utilized in governmental activities, it is the policy of the Board to capitalize those assets costing more than \$5,000 with an estimated useful life of two or more years, while for capital assets utilized in business-type activities, it is the policy of the Board to capitalize those assets costing more than \$500 with an estimated useful life of two or more years. The cost of normal repairs that do not add to the value of the asset or materially extend asset lives is not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

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

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

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

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2022**

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7. 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.

8. 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, 2022 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.

9. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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Restricted for individual schools – revenue sources restricted for expenditures for the various clubs and organizations, athletic events, and various fundraising activities for which they were collected.

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

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

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

*Unassigned fund balance* – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance may be reported in other governmental funds if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will pay expenditures from restricted revenue sources first and then from general unrestricted revenues. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

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10. 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 funds 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 \$(7,301,946) consists of the following elements:

<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)	\$ 52,495,966
Less accumulated depreciation	<u>(32,917,821)</u>
Net capital assets	<u>19,578,145</u>
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the funds (total right to use leased assets at historical cost on government-wide statement in governmental activities column)	178,060
Less accumulated amortization	<u>(59,353)</u>
Right to use leased assets, net	<u>118,707</u>
Net OPEB asset	8,456
Deferred outflows of resources related to pensions	2,902,314
Deferred outflows of resources related to OPEB	2,098,171
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(50,577)
Lease liabilities	(120,764)
Compensated absences	(1,091,028)
Net pension liability	(2,799,997)
Net OPEB liability	(15,496,073)
Deferred inflows of resources related to pensions	(4,078,949)
Deferred inflows of resources related to OPEB	<u>(8,370,351)</u>
Total adjustment	<u>\$ (7,301,946)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$2,924,810 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 83,836
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(932,374)
Amortization expense for intangible assets, the allocation of those assets over their useful lives, that is recorded in the statement of activities but not in the fund statements	(59,353)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	208,960
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,694,613
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	660,049
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	93,731
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the funds:	
Pension (expense) benefit	(516,027)
OPEB (expense) benefit	1,676,241
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(40,986)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	56,120
Total adjustment	<u>\$ 2,924,810</u>

11. Defined Benefit Pension Plans

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

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**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

1. Violations of The School Budget and Fiscal Control Act

a. Expenditures in Excess of Approved Budget

During the fiscal year ended June 30, 2022, the Board reported expenditures within the General, State Public School, Federal Grants and Other Special Revenue funds that violated State law [G.S. 115C-441] because they exceeded the amount appropriated in the budget ordinance as summarized below:

	<u>Violation Amount</u>
General Fund:	
Non-programmed charges	\$ <u>249,079</u>
State Public School Fund:	
System-wide support services	\$ 154,949
Transfers to other funds	<u>214</u>
Total	<u>\$ 155,163</u>
Federal Grants Fund:	
Non-programmed charges	<u>\$ 124,621</u>
Other Special Revenue Fund:	
Non-programmed charges	<u>\$ 806</u>

b. Preaudit Requirement Violations

During the year, the district paid various invoices for which purchase orders were not submitted to and approved by the finance officer before the goods or services were received, resulting in violation of State preaudit requirements.

The Board of Education will implement controls and procedures to ensure that the district fully complies with the requirements of The School Budget and Fiscal Control Act.

2. Charter School Payments

It was determined during the current fiscal year that the Board had not transferred the proper amounts to charter schools during the current and three prior fiscal years, resulting in violation of NCGS 115C-218.105. The Board of Education will implement controls and procedures requiring that amounts owed to charter schools are calculated and transferred in accordance with NCGS 115C-218.105.

**NOTE 3 - DETAIL NOTES ON ALL FUNDS**

A. Assets

1. Deposits

All of the Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the Board's agents in the unit's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary

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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, 2022, the Board had deposits with banks and savings and loans with a carrying amount of \$4,152,259 and a bank overdraft with the State Treasurer of \$17,133. The bank balances with the financial institutions and the State Treasurer were \$4,337,957 and \$938,985, respectively. Of these balances, \$324,911 was covered by federal depository insurance and \$4,952,031 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30 2022, the Board had \$598,330 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, 2022. The Board has no investment balances in the NCCMT as of June 30, 2022. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2022 are as follows:

	Due from (to) other funds (Internal Balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ (17,133)	\$ -	\$ -	\$ (17,133)
Other governmental activities	17,133	3,112	9,640	29,885
Total governmental activities	<u>\$ -</u>	<u>\$ 3,112</u>	<u>\$ 9,640</u>	<u>\$ 12,752</u>
Business-type activities:				
School Food Service Fund	\$ -	\$ 64,489	\$ -	\$ 64,489

Due from other governments consists of the following:

Governmental activities:		
Other Special Revenue Fund	<u>\$ 3,112</u>	Federal grant funds
Business-type activities:		
School Food Service Fund	<u>\$ 64,489</u>	Federal grant funds

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4. Capital Assets

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 822,357	\$ -	\$ -	\$ 822,357
Capital assets being depreciated:				
Buildings and improvements	44,081,658	-	-	44,081,658
Equipment and furniture	1,095,881	8,552	-	1,104,433
Vehicles	6,412,234	75,284	-	6,487,518
Total capital assets being depreciated	<u>51,589,773</u>	<u>83,836</u>	<u>-</u>	<u>51,673,609</u>
Less accumulated depreciation for:				
Buildings and improvements	25,762,650	693,288	-	26,455,938
Equipment and furniture	986,123	30,865	-	1,016,988
Vehicles	5,236,674	208,221	-	5,444,895
Total accumulated depreciation	<u>31,985,447</u>	<u>932,374</u>	<u>-</u>	<u>32,917,821</u>
Total capital assets being depreciated, net	<u>19,604,326</u>	<u>(848,538)</u>	<u>-</u>	<u>18,755,788</u>
Governmental activity capital assets, net	<u>\$ 20,426,683</u>	<u>\$ (848,538)</u>	<u>\$ -</u>	<u>\$ 19,578,145</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment, furniture and vehicles	\$ 1,505,615	\$ 48,900	\$ -	\$ 1,554,515
Less accumulated depreciation for:				
Equipment, furniture and vehicles	<u>1,445,040</u>	<u>12,035</u>	<u>-</u>	<u>1,457,075</u>
School Food Service capital assets, net	<u>\$ 60,575</u>	<u>\$ 36,865</u>	<u>\$ -</u>	<u>\$ 97,440</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 693,288
System-wide support services	208,221
Unallocated depreciation	<u>30,865</u>
Total	<u>\$ 932,374</u>

5. Right to Use Leased Assets

The Board has recorded one right to use leased asset. The asset is a right to use asset for leased copiers. The related lease is discussed in the Leases subsection of the Liabilities section of the footnotes. The right to use leased asset is amortized on a straight-line basis over the terms of the related leases.

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Right to use asset activity for the year ended June 30, 2022, was as follows:

	Beginning Balances	Restatement	Increases	Decreases	Ending Balances
Right to use assets:					
Leased equipment	\$ -	\$ 178,060	\$ -	\$ -	\$ 178,060
Less accumulated amortization for:					
Leased equipment	-	-	59,353	-	59,353
Right to use assets, net	<u>\$ -</u>	<u>\$ 178,060</u>	<u>\$ (59,353)</u>	<u>\$ -</u>	<u>\$ 118,707</u>

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55,

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or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor’s Alternate Benefit for life or a return of the member’s contributions.

*Contributions.* Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board’s contractually required contribution rate for the period July 1, 2021 through December 31, 2021 was 14.78% of covered payroll and 17.98% for the period January 1, 2022 through June 30, 2022, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$1,751,413 for the year ended June 30, 2022.

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

At June 30, 2022, the Board reported a liability of \$2,893,847 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board’s proportion of the net pension liability was based on a projection of the Board’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. The Board’s proportion at June 30, 2021 and 2020 was 0.0618% and 0.0697%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of \$563,182. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 162,667	\$ 65,722
Changes of assumptions	1,085,513	-
Net difference between projected and actual earnings on pension plan investments	-	3,585,513
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	564,432
Board contributions subsequent to the measurement date	1,751,413	-
Total	\$ 2,999,593	\$ 4,215,667

\$1,751,413 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2023	\$ (581,934)
2024	(626,861)
2025	(659,029)
2026	<u>(1,099,663)</u>
Total	\$ <u>(2,967,487)</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 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	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	<u>100%</u>	

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

*Discount rate.* The discount rates used to measure the total pension liability reported at June 30, 2022 and 2021 was 6.50% and 7.00%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board’s proportionate share of the net pension liability (asset)	\$ 9,707,055	\$ 2,893,847	\$ (2,769,636)

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

**b. Other Postemployment Benefits**

**1. Healthcare Benefits**

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

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

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

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

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

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

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the period July 1, 2021 through December 31, 2021, the Board contributed 6.68% of covered payroll and 5.90% for the period January 1, 2022 through June 30, 2022, which amounted to \$672,551 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$96,873.

At June 30, 2022, the Board reported a liability of \$16,015,471 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB

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liability was based on a projection of the Board’s present value of future salary, actuarially determined. At June 30, 2021 and 2020, the Board’s proportion was 0.0518% and 0.0601%, respectively.

\$672,551 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, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2023	\$ (2,921,442)
2024	(1,787,421)
2025	(1,188,654)
2026	(967,255)
2027	(335,013)
Total	<u>\$ (7,199,785)</u>

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

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

Healthcare cost trend rates:

Medical	5.00-6.00%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	Pub-2010 Healthy Annuitant Mortality Table for males and females, adjusted for classification for some Participants, further adjusted with scaling factors varying by participant group, and projected for mortality improvement using Scale MP-2019

*Discount rate.* The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2022 and 2021 were 2.16% and 2.21%, 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 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

*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 (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	1% decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	\$ 19,050,170	\$ 16,015,471	\$ 13,557,706

*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

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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:

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.00%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.00%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 12,969,830	\$ 16,015,471	\$ 20,055,793

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

**2. Disability Benefits**

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

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

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

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

*Contributions.* Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by

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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, 2022, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$9,623 for the year ended June 30, 2022.

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, 2022, the Board reported an asset of \$8,739 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and 2020, the Board's proportion was 0.0535% and 0.0599%, respectively.

\$9,623 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, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>		
2023	\$	8,013
2024		6,193
2025		7,350
2026		4,330
2027		2,790
Thereafter		<u>6,524</u>
Total	\$	<u>35,200</u>

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB asset	\$ 5,517	\$ 8,739	\$ 11,719

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated

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through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The plan currently uses RP-2014 mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2021. The long-term expected rate of return was determined based on the combination of expected future real rates of return and expected inflation. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2021 is 1.3%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2022:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (1,613,900)	\$ 21,588	\$ (1,592,312)
OPEB liability (asset)	16,015,471	(8,739)	16,006,732
Proportionate share of the net OPEB liability (asset)	0.0518%	0.0535%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 94,553	\$ 22,281	\$ 116,834
Changes of assumptions	1,309,928	1,534	1,311,462
Net difference between projected and actual earnings on plan investments	-	853	853
Changes in proportion and differences between Board contributions and proportionate share of contributions	43,470	13,705	57,175
Board contributions subsequent to the measurement date	<u>672,551</u>	<u>9,623</u>	<u>682,174</u>
Total deferred outflows of resources	<u>\$ 2,120,502</u>	<u>\$ 47,996</u>	<u>\$ 2,168,498</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 298,122	\$ -	\$ 298,122
Changes of assumptions	3,892,107	3,173	3,895,280
Net difference between projected and actual earnings on plan investments	8,193	-	8,193
Changes in proportion and differences between Board contributions and proportionate share of contributions	<u>4,449,314</u>	<u>-</u>	<u>4,449,314</u>
Total deferred inflows of resources	<u>\$ 8,647,736</u>	<u>\$ 3,173</u>	<u>\$ 8,650,909</u>

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2. Accounts Payable

Accounts payable as of June 30, 2022 are as follows:

	<u>Vendors and Other</u>	<u>Salaries and Benefits</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 830,237	\$ 359,958	\$ 1,190,195
Other governmental activities	114	-	114
Total governmental activities	<u>\$ 830,351</u>	<u>\$ 359,958</u>	<u>\$ 1,190,309</u>

3. Unearned Revenues

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

Business-type activities:

Prepayments of meals (School Food Service Fund)	<u>\$ 1,734</u>
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4. Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 279,501	\$ 363,844
Changes of assumptions	2,396,975	3,895,280
Net difference between projected and actual earnings on pension and OPEB plan investments	853	3,593,706
Changes in proportion and differences between Board contributions and proportionate share of contributions	57,175	5,013,746
Board contributions subsequent to the measurement date	<u>2,433,587</u>	<u>-</u>
Total	<u>\$ 5,168,091</u>	<u>\$ 12,866,576</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1,000,000 each claim made / \$3,150,000 coverage period aggregate. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from Federal and local funds. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils

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contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

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

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$5,000.

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

6. Contingent Liabilities

As of the date of our report, the Board was a defendant to a lawsuit involving a former school administrator. The Board's management and the Board's attorney have been unable to determine the amount of loss, if any, the Board might incur as a result of this legal matter.

The Board has been assessed pension spiking liabilities totaling approximately \$251,000 by the TSERS for administrators who recently retired from the district. The Board's management and attorneys were unable to determine the amount of payments, if any, the Board might have to make as a result of these assessments.

The Board received various notices from the Internal Revenue Service during the year pertaining to Forms 941 filed by the district in current and prior years. The Board has recorded a liability of \$42,413 at June 30, 2022 relating to assessments in these notices. Management believes that all amounts owed to the IRS as of June 30, 2021 are reflected as liabilities in the General Fund.

7. Long-Term Obligations

a. Leases

The Board has entered into an agreement to lease certain equipment. The lease agreement qualifies as an other than short-term lease under GASB 87 and, therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception.

The agreement was executed on July 1, 2019, to lease copier machines and requires 60 monthly payments of \$5,218. There are no variable payment components of the lease. The lease liability is measured at an imputed discount rate of 3.50%. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$118,707 on June 30, 2022. The right to use asset is discussed in more detail in Note 1.

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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, 2022:

<u>Year Ending June 30:</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2023	\$ 59,334	\$ 3,281	\$ 62,615
2024	61,430	1,185	62,615
Totals	<u>\$ 120,764</u>	<u>\$ 4,466</u>	<u>\$ 125,230</u>

b. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third-party direct placement financing arrangements. During the prior fiscal year, the Board entered into such a contract for the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The gross amount of buses capitalized under the outstanding installment purchase contract totaled \$101,145 at June 30, 2022. The financing contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15<sup>th</sup> dates. The future minimum payments of the installment purchase are as follows:

<u>Year Ending June 30:</u>	<u>Governmental Activities</u>
	<u>Principal</u>
2023	\$ 25,288
2024	25,289
Totals	<u>\$ 50,577</u>

c. 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, 2022:

	<u>July 1, 2021</u>	<u>Restatement</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>	<u>Current Portion</u>
<b>Governmental activities:</b>						
Direct placement installment purchases	\$ 202,241	\$ -	\$ -	\$ 151,664	\$ 50,577	\$ 25,288
Lease liabilities	-	178,060	-	57,296	120,764	59,334
Net pension liability	8,188,088	-	-	5,388,091	2,799,997	-
Net OPEB liability	16,228,386	-	-	732,313	15,496,073	-
Compensated absences	1,050,042	-	660,566	619,580	1,091,028	643,764
Total	<u>\$ 25,668,757</u>	<u>\$ 178,060</u>	<u>\$ 660,566</u>	<u>\$ 6,948,944</u>	<u>\$ 19,558,439</u>	<u>\$ 728,386</u>
<b>Business-type activities:</b>						
Net pension liability	\$ 227,023	\$ -	\$ -	\$ 133,173	\$ 93,850	\$ -
Net OPEB liability	449,948	-	69,450	-	519,398	-
Compensated absences	47,629	-	35,677	35,099	48,207	35,525
Total	<u>\$ 724,600</u>	<u>\$ -</u>	<u>\$ 105,127</u>	<u>\$ 168,272</u>	<u>\$ 661,455</u>	<u>\$ 35,525</u>

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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Compensated absences and the net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases and lease liabilities are typically liquidated by the General and Capital Outlay funds.

C. Interfund Balances and Activity

1. Interfund Balances

The composition of interfund balances as of June 30, 2022 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
State Public School Fund	General Fund	26
Federal Grants Fund	General Fund	17,107
	Total	<u>\$ 17,133</u>

The above amounts are for expenditures transferred between funds but the related payments of cash did not occur before June 30, 2022. The amounts are expected to be paid prior to June 30, 2023.

2. Transfers to/from other Funds

Transfers to/from other funds at June 30, 2022 consist of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 45,000</u>
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D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 19,578,145
Less:	
Installment purchase obligations for school buses	<u>(50,577)</u>
Net investment in capital assets, governmental activities	<u>\$ 19,527,568</u>

2. Fund Balance

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

Total fund balance - General Fund	\$ 767,694
Less:	
Inventories	<u>(160,236)</u>
Unassigned fund balance	<u>\$ 607,458</u>

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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 – PRIOR PERIOD ADJUSTMENT**

During the year ended June 30, 2022, it was determined that the Board had not transferred the proper amounts to charter schools during the three prior fiscal years. As a result, the Board recorded an estimated liability of \$320,509 for the fiscal years 2018-2019 through 2020-2021. The adjustment to correct this misstatement had the effect of decreasing fund balance in the General Fund and governmental activities net position, as previously reported at June 30, 2021, by \$320,509.

**NOTE 6 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT**

The Board implemented Governmental Accounting Standards Board (GASB) statement 87, *Leases*, in the fiscal year ending June 30, 2022. The implementation of the statement required the Board to record beginning right to use leased assets and related lease liabilities. Implementation of this statement had no impact on the Board's June 30, 2021 net position, as previously reported.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

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

Schedule of Board Contributions  
*Retiree Health Benefit Fund*

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

Schedule of Board Contributions  
*Disability Income Plan of North Carolina*

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net pension liability (asset)	0.062%	0.070%	0.073%	0.077%	0.079%
Board's proportionate share of the net pension liability (asset)	\$ 2,893,847	\$ 8,415,111	\$ 7,598,979	\$ 7,638,311	\$ 6,227,743
Board's covered payroll	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849	\$ 12,040,844	\$ 12,348,659
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	25.94%	71.15%	61.81%	63.44%	50.43%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%	89.51%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Board's proportion of the net pension liability (asset)	0.079%	0.083%	0.088%	0.092%	
Board's proportionate share of the net pension liability (asset)	\$ 7,295,842	\$ 3,070,507	\$ 1,029,151	\$ 5,561,053	
Board's covered payroll	\$ 11,958,262	\$ 12,290,164	\$ 12,324,948	\$ 13,181,743	
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	61.01%	24.98%	8.35%	42.19%	
Plan fiduciary net position as a percentage of the total pension liability	87.32%	94.64%	98.24%	90.60%	

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

Note: This is a ten year schedule. However, GASB 68 was not adopted until the fiscal year ended June 30, 2015. Therefore, there are only nine years of data presented.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 1,751,413	\$ 1,648,771	\$ 1,533,898	\$ 1,510,914	\$ 1,298,003
Contributions in relation to the contractually required contribution	<u>1,751,413</u>	<u>1,648,771</u>	<u>1,533,898</u>	<u>1,510,914</u>	<u>1,298,003</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,692,387	11,155,419	11,826,507	12,293,849	12,040,844
Contributions as a percentage of covered payroll	16.38%	14.78%	12.97%	12.29%	10.78%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 1,232,396	\$ 1,094,181	\$ 1,124,550	\$ 1,071,038	\$ 1,100,792
Contributions in relation to the contractually required contribution	<u>1,232,396</u>	<u>1,094,181</u>	<u>1,124,550</u>	<u>1,071,038</u>	<u>1,100,792</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	12,348,657	\$ 11,958,262	\$ 12,290,164	\$ 12,324,948	\$ 13,214,792
Contributions as a percentage of covered payroll	9.98%	9.15%	9.15%	8.69%	8.33%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB liability (asset)	0.052%	0.060%	0.063%	0.068%	0.069%
Board's proportionate share of the net OPEB liability (asset)	\$ 16,015,471	\$ 16,678,334	\$ 19,777,685	\$ 19,339,852	\$ 22,572,008
Board's covered payroll	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849	\$ 12,040,844	\$ 12,348,659
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	143.57%	141.03%	160.87%	160.62%	182.79%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%
	<u>2017</u>				
Board's proportion of the net OPEB liability (asset)	0.068%				
Board's proportionate share of the net OPEB liability (asset)	\$ 29,757,165				
Board's covered payroll	\$ 11,958,262				
Board's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	248.84%				
Plan fiduciary net position as a percentage of the total OPEB liability	2.41%				

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 672,551	\$ 745,182	\$ 765,175	\$ 770,824	\$ 728,471
Contributions in relation to the contractually required contribution	<u>672,551</u>	<u>745,182</u>	<u>765,175</u>	<u>770,824</u>	<u>728,471</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849	\$ 12,040,844
Contributions as a percentage of covered payroll	6.29%	6.68%	6.47%	6.27%	6.05%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 721,799	\$ 670,012	\$ 672,296	\$ 664,291	\$ 700,384
Contributions in relation to the contractually required contribution	<u>721,799</u>	<u>670,012</u>	<u>672,296</u>	<u>664,291</u>	<u>700,384</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 12,348,657	\$ 11,958,262	\$ 12,290,164	\$ 12,324,948	\$ 13,214,792
Contributions as a percentage of covered payroll	5.81%	5.60%	5.49%	5.40%	5.30%

**NORTHAMPTON COUNTY BOARD OF EDUCATION  
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB ASSET  
DISABILITY INCOME PLAN OF NORTH CAROLINA  
LAST SIX FISCAL YEARS\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Board's proportion of the net OPEB asset	0.054%	0.060%	0.064%	0.067%	0.069%
Board's proportionate share of the net OPEB asset	\$ 8,739	\$ 29,467	\$ 27,547	\$ 20,397	\$ 42,020
Board's covered payroll	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849	\$ 12,040,844	\$ 12,348,659
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.08%	0.25%	0.22%	0.17%	0.34%
Plan fiduciary net position as a percentage of the total OPEB asset	105.18%	115.57%	113.00%	108.47%	116.23%
	<u>2017</u>				
Board's proportion of the net OPEB asset	0.070%				
Board's proportionate share of the net OPEB asset	\$ 43,638				
Board's covered payroll	\$ 11,958,262				
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.36%				
Plan fiduciary net position as a percentage of the total OPEB asset	116.06%				

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 9,623	\$ 10,040	\$ 11,827	\$ 17,211	\$ 16,857
Contributions in relation to the contractually required contribution	<u>9,623</u>	<u>10,040</u>	<u>11,827</u>	<u>17,211</u>	<u>16,857</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 10,692,387	\$ 11,155,419	\$ 11,826,507	\$ 12,293,849	\$ 12,040,714
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	0.14%	0.14%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 47,209	\$ 49,054	\$ 50,208	\$ 54,127	\$ 58,145
Contributions in relation to the contractually required contribution	<u>47,209</u>	<u>49,054</u>	<u>50,208</u>	<u>54,127</u>	<u>58,145</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 12,348,657	\$ 11,958,262	\$ 12,290,164	\$ 12,324,948	\$ 13,214,792
Contributions as a percentage of covered payroll	0.38%	0.41%	0.41%	0.44%	0.44%

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## **INDIVIDUAL FUND SCHEDULES**

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**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended June 30, 2022**

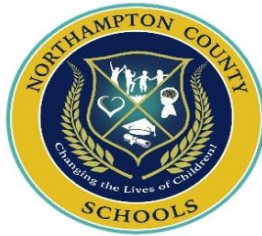
	Final Budget	Actual	Variance with Final Budget
Revenues:			
Northampton County:			
County appropriation	\$ 3,780,000	\$ 3,780,000	\$ -
Other:			
Fines and forfeitures	50,000	45,533	(4,467)
Interest earned on investment	-	1,209	1,209
Miscellaneous	-	782	782
Total other	<u>50,000</u>	<u>47,524</u>	<u>(2,476)</u>
Total revenues	<u>3,830,000</u>	<u>3,827,524</u>	<u>(2,476)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional		52,824	
Special populations		42,325	
Alternative programs		47,450	
School leadership		114,671	
Co-curricular		164,341	
School-based support		73,362	
Total instructional services	<u>584,911</u>	<u>494,973</u>	<u>89,938</u>
System-wide support services:			
Support and development		216,277	
Special population support and development		61,684	
Technology support		116,582	
Operational support		903,312	
Financial and human resource services		213,802	
Accountability		5,721	
System-wide pupil support		3,004	
Policy, leadership and public relations		517,992	
Total system-wide support services	<u>2,326,084</u>	<u>2,038,374</u>	<u>287,710</u>
Ancillary services:			
Nutrition	<u>3,152</u>	<u>3,052</u>	<u>100</u>
Non-programmed charges			
Payments to other governments	<u>850,000</u>	<u>1,099,079</u>	<u>(249,079)</u>
Debt service:			
Principal retirement	57,296	57,296	-
Interest and fees	<u>8,557</u>	<u>8,557</u>	<u>-</u>
Total debt service	<u>65,853</u>	<u>65,853</u>	<u>-</u>
Total expenditures	<u>3,830,000</u>	<u>3,701,331</u>	<u>128,669</u>
Net change in fund balance	<u>\$ -</u>	<u>126,193</u>	<u>\$ 126,193</u>
Fund balance:			
Beginning of year, as previously reported		905,890	
Restatement (Note 5)		<u>(320,509)</u>	
Beginning of year, as restated		585,381	
Change in reserve for inventories		<u>56,120</u>	
End of year		<u>\$ 767,694</u>	

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**CAPITAL OUTLAY FUND**  
**For the Fiscal Year Ended June 30, 2022**

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 151,664	\$ 151,664	\$ -
K-12 Athletic Facilities Grant	-	102,873	102,873
Public School Capital Fund - Lottery	274,401	113,263	(161,138)
Total State of North Carolina	<u>426,065</u>	<u>367,800</u>	<u>(58,265)</u>
Northampton County:			
County appropriations	<u>453,000</u>	<u>485,800</u>	<u>32,800</u>
Other:			
Miscellaneous	<u>-</u>	<u>1,388</u>	<u>1,388</u>
Total revenues	<u>879,065</u>	<u>854,988</u>	<u>(24,077)</u>
Expenditures:			
Debt service:			
Principal retirement	151,664	151,664	-
Capital outlay	<u>830,274</u>	<u>470,458</u>	<u>359,816</u>
Total expenditures	<u>981,938</u>	<u>622,122</u>	<u>359,816</u>
Revenues over (under) expenditures	(102,873)	232,866	335,739
Other financing sources:			
Installment purchase obligations issued	<u>102,873</u>	<u>-</u>	<u>(102,873)</u>
Net change in fund balance	<u>\$ -</u>	<u>232,866</u>	<u>\$ 232,866</u>
Fund balance:			
Beginning of year		<u>213,477</u>	
End of year		<u>\$ 446,343</u>	

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)**  
**SCHOOL FOOD SERVICE FUND**  
**For the Fiscal Year Ended June 30, 2022**

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 653,400	\$ 60,950	\$ (592,450)
Other	1,755	1,219	(536)
Total operating revenues	<u>655,155</u>	<u>62,169</u>	<u>(592,986)</u>
Operating expenditures:			
Business support services:			
Purchase of food		415,407	
Donated commodities		98,716	
Salaries and benefits		839,356	
Materials and supplies		66,089	
Repairs and maintenance		17,812	
Non-capitalized equipment		1,489	
Contracted services		39,688	
Other		16,206	
Capital outlay		22,250	
Total operating expenditures	<u>1,828,900</u>	<u>1,517,013</u>	<u>311,887</u>
Operating loss	<u>(1,173,745)</u>	<u>(1,454,844)</u>	<u>(281,099)</u>
Nonoperating revenues:			
Federal reimbursements and grants	1,029,245	1,157,555	128,310
Federal commodities	90,000	98,716	8,716
State reimbursements	54,500	3,450	(51,050)
Total nonoperating revenues	<u>1,173,745</u>	<u>1,259,721</u>	<u>85,976</u>
Revenues under expenditures	-	(195,123)	(195,123)
Other financing sources:			
Transfers from other funds	-	45,000	45,000
Net change in fund balance	<u>\$ -</u>	<u>(150,123)</u>	<u>\$ (150,123)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(12,035)	
Net OPEB asset		(512)	
Net pension liability		133,173	
Net OPEB liability		(69,450)	
Deferred outflows - pension and OPEB		33,107	
Deferred inflows - pension and OPEB		(145,333)	
Capital contributions		26,650	
Equipment purchases		22,250	
Increase in compensated absences payable		(578)	
Decrease in inventories		9,260	
Change in net position (full accrual)		<u>\$ (153,591)</u>	



# Statistical Section

## **STATISTICAL SECTION** **(Unaudited)**

The Statistical Section of the District's Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the District's overall financial outlook.

### **Sections**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and operations have changed over time.

#### **Operating Information**

These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

#### **Debt Capacity**

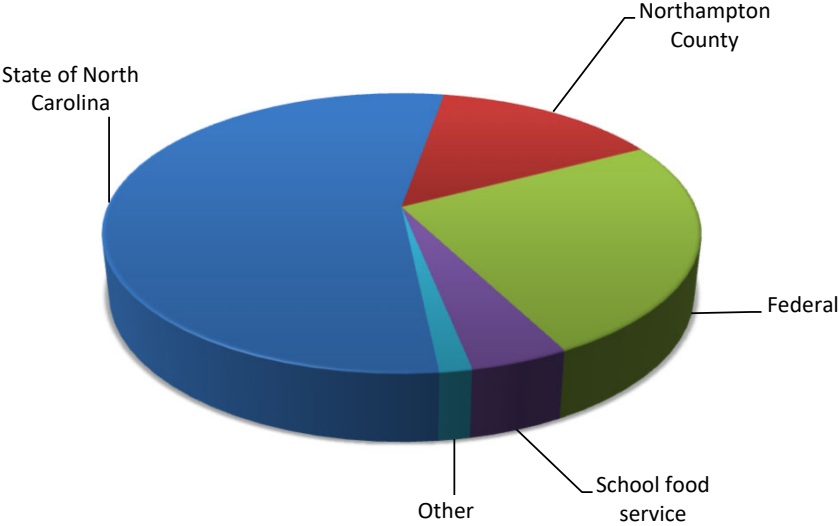
Since the District has no tax-levying or debt-issuing authority, the County of Northampton provides significant funding to the school system. Selected fiscal data from the County of Northampton has been included to help the reader better understand the school system and its financial operations.

#### **Revenue Capacity**

Since the District's local revenues are primarily provided by Northampton County, these schedules on the county's revenue sources are relevant to an understanding of Northampton County's most significant local revenue source, the property tax.

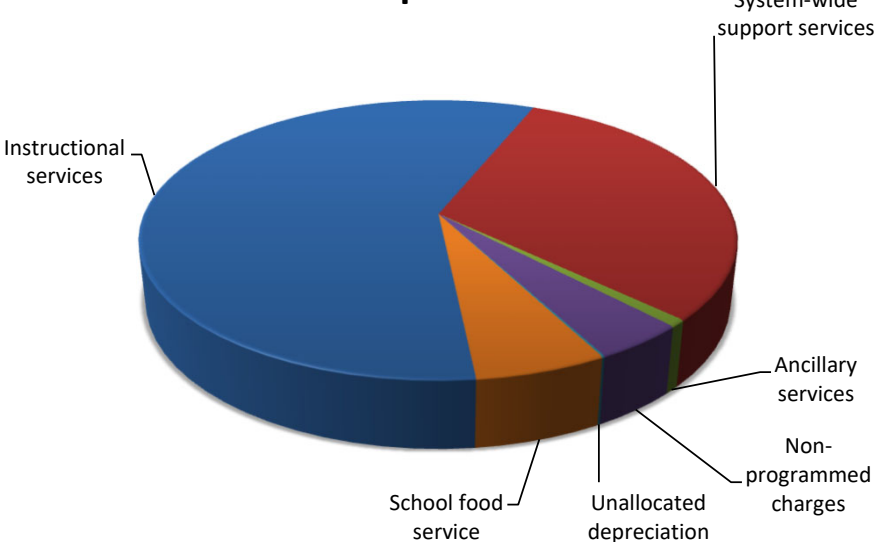
**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**Financial Perspective for**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2022**

**Revenue Sources**



State of North Carolina	\$	15,931,830
Northampton County		4,265,800
Federal		7,332,322
School food service		1,321,890
Other		434,827
<hr/>		
Total revenue sources	\$	<u><u>29,286,669</u></u>

**Expenses**



Instructional services	\$	14,759,012
System-wide support services		7,867,300
Ancillary services		204,473
Non-programmed charges		1,099,885
Unallocated depreciation		30,865
School food service		1,547,131
<hr/>		
Total expenses	\$	<u><u>25,517,223</u></u>

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

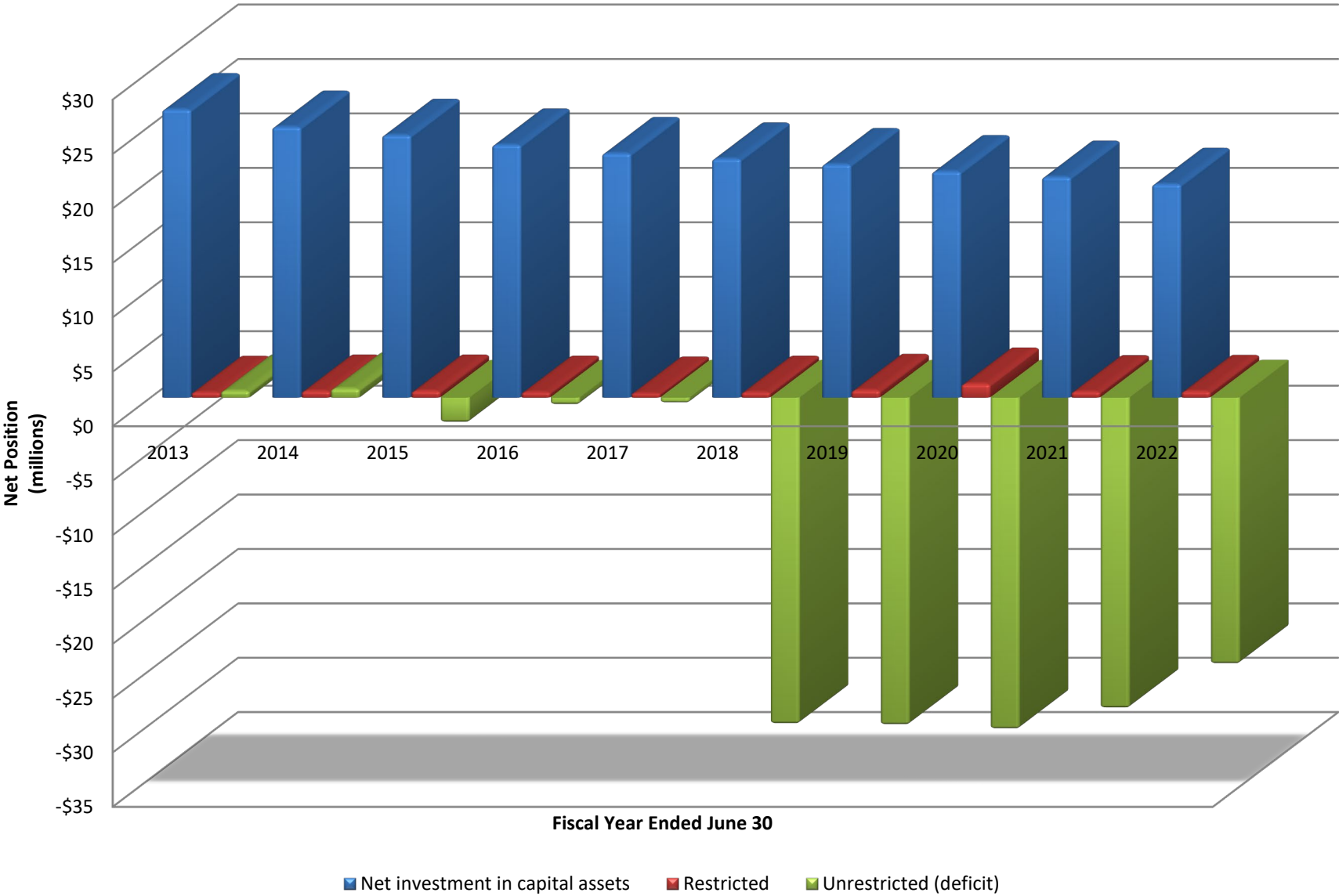
Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 26,285,272	\$ 24,726,234	\$ 24,009,756	\$ 23,158,852	\$ 22,409,165	\$ 21,917,539	\$ 21,358,908	\$ 20,718,194	\$ 20,224,442	\$ 19,527,568
Restricted	499,870	627,565	633,400	517,112	422,066	511,838	694,629	1,278,377	565,203	597,140
Unrestricted (deficit)	(44,728)	168,589	(3,073,270)	(1,323,833)	(984,871)	(29,448,901)	(29,451,562)	(29,864,970)	(28,272,069)	(24,004,604)
	<u>\$ 26,740,414</u>	<u>\$ 25,522,388</u>	<u>\$ 21,569,886</u>	<u>\$ 22,352,131</u>	<u>\$ 21,846,360</u>	<u>\$ (7,019,524)</u>	<u>\$ (7,398,025)</u>	<u>\$ (7,868,399)</u>	<u>\$ (7,482,424)</u>	<u>\$ (3,879,896)</u>
Business-type activities:										
Invested in capital assets	\$ 202,082	\$ 151,815	\$ 118,270	\$ 81,222	\$ 48,719	\$ 35,338	\$ 80,353	\$ 70,362	\$ 60,575	\$ 97,440
Restricted	-	-	-	-	-	2,615	3,089	2,570	1,768	1,737
Unrestricted (deficit)	687,680	672,319	720,816	595,223	438,045	(609,723)	(699,180)	(668,266)	(341,936)	(532,361)
	<u>\$ 889,762</u>	<u>\$ 824,134</u>	<u>\$ 839,086</u>	<u>\$ 676,445</u>	<u>\$ 486,764</u>	<u>\$ (571,770)</u>	<u>\$ (615,738)</u>	<u>\$ (595,334)</u>	<u>\$ (279,593)</u>	<u>\$ (433,184)</u>
District-wide:										
Net investment in capital assets	\$ 26,487,354	\$ 24,878,049	\$ 24,128,026	\$ 23,240,074	\$ 22,457,884	\$ 21,952,877	\$ 21,439,261	\$ 20,788,556	\$ 20,285,017	\$ 19,625,008
Restricted	499,870	627,565	633,400	517,112	422,066	514,453	697,718	1,280,947	566,971	598,877
Unrestricted (deficit)	642,952	840,908	(2,352,454)	(728,610)	(546,826)	(30,058,624)	(30,150,742)	(30,533,236)	(28,614,005)	(24,536,965)
	<u>\$ 27,630,176</u>	<u>\$ 26,346,522</u>	<u>\$ 22,408,972</u>	<u>\$ 23,028,576</u>	<u>\$ 22,333,124</u>	<u>\$ (7,591,294)</u>	<u>\$ (8,013,763)</u>	<u>\$ (8,463,733)</u>	<u>\$ (7,762,017)</u>	<u>\$ (4,313,080)</u>

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

Note: Net position for 2014 and before are not comparable to 2015 (and after) net position due to the implementation of GASB 68 for the year ended June 30, 2015. The standard requires the Board to record its proportionate share of the net pension liability associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

Note: Net position for 2017 and before are not comparable to 2018 (and after) net position due to the implementation of GASB 75 for the year ended June 30, 2018. The standard requires the Board to record its proportionate share of the net OPEB liability and net OPEB asset associated with its participation in the statewide Teachers' and State Employees' Retirement System (TSERS).

### Net Position by Component District-wide



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

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 18,403,499	\$ 18,327,207	\$ 16,612,572	\$ 16,038,784	\$ 17,564,919	\$ 17,550,889	\$ 15,865,791	\$ 16,321,868	\$ 15,990,585	\$ 14,759,012
System-wide support services	6,917,817	6,874,151	6,541,856	6,679,087	6,947,245	6,750,134	6,804,507	6,816,888	6,491,003	7,867,300
Ancillary services	29,036	38,405	16,010	17,887	20,816	33,057	71,518	143,284	6,504	204,473
Non-programmed charges	379,946	467,045	507,329	640,517	648,001	632,370	678,954	745,257	837,845	1,099,885
Interest on long-term debt	-	-	-	-	-	-	-	-	-	8,557
Unallocated depreciation expense	30,938	12,482	30,195	20,981	15,012	16,456	74,541	31,397	35,895	30,865
Total governmental activities expenses	25,761,236	25,719,290	23,707,962	23,397,256	25,195,993	24,982,906	23,495,311	24,058,694	23,361,832	23,970,092
Business-type activities:										
School food service	1,583,093	1,611,896	1,498,845	1,740,569	1,789,384	1,673,001	1,480,361	1,403,246	1,083,267	1,547,131
Total district-wide expenses	\$ 27,344,329	\$ 27,331,186	\$ 25,206,807	\$ 25,137,825	\$ 26,985,377	\$ 26,655,907	\$ 24,975,672	\$ 25,461,940	\$ 24,445,099	\$ 25,517,223
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Co-curricular services	\$ 391,395	\$ 397,014	\$ 311,586	\$ 287,283	\$ 258,615	\$ 274,542	\$ 269,459	\$ 220,156	\$ 55,537	\$ 136,072
Other	-	-	2,253	2,384	660	1,071	4,697	1,492	-	-
Operating grants and contributions	17,687,856	17,460,936	17,375,987	17,109,539	17,343,000	17,125,411	16,948,427	17,764,315	17,877,572	22,004,720
Capital grants and contributions	319,382	78,015	78,015	22,016	123,698	168,003	294,381	231,790	236,544	151,664
Total governmental activities program revenues	18,398,633	17,935,965	17,767,841	17,421,222	17,725,973	17,569,027	17,516,964	18,217,753	18,169,653	22,292,456
Business-type activities:										
Charges for services:										
Student meal services	187,907	176,447	101,543	95,688	147,842	85,388	75,563	86,386	8,452	60,950
Operating grants and contributions	1,317,439	1,327,505	1,469,902	1,405,824	1,402,492	1,286,784	1,259,812	1,290,092	1,336,842	1,259,721
Total business-type activities program revenues	1,505,346	1,503,952	1,571,445	1,501,512	1,550,334	1,372,172	1,335,375	1,376,478	1,345,294	1,320,671
Total district-wide program revenues	\$ 19,903,979	\$ 19,439,917	\$ 19,339,286	\$ 18,922,734	\$ 19,276,307	\$ 18,941,199	\$ 18,852,339	\$ 19,594,231	\$ 19,514,947	\$ 23,613,127
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (7,362,603)	\$ (7,783,325)	\$ (5,940,121)	\$ (5,976,034)	\$ (7,470,020)	\$ (7,413,879)	\$ (5,978,347)	\$ (5,840,941)	\$ (5,192,179)	\$ (1,677,636)
Business-type activities	(77,747)	(107,944)	72,600	(239,057)	(239,050)	(300,829)	(144,986)	(26,768)	262,027	(226,460)
Total district-wide net (expense) revenue	\$ (7,440,350)	\$ (7,891,269)	\$ (5,867,521)	\$ (6,215,091)	\$ (7,709,070)	\$ (7,714,708)	\$ (6,123,333)	\$ (5,867,709)	\$ (4,930,152)	\$ (1,904,096)

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

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 3,161,538	\$ 3,161,538	\$ 3,300,000	\$ 3,575,511	\$ 3,650,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,500,000	\$ 3,780,000
Unrestricted county appropriations - capital	241,851	351,385	358,214	619,489	707,321	756,830	354,453	347,403	324,250	485,800
Unrestricted State appropriations - operating	2,212,590	2,385,958	2,397,941	2,312,275	2,428,884	2,045,806	1,615,607	1,408,244	1,491,320	1,125,898
Unrestricted State appropriations - capital	112,946	214,700	214,100	75,000	-	142,000	108,000	-	193,782	216,136
Investment earnings, unrestricted	2,399	2,398	2,631	3,920	5,443	7,448	8,791	8,540	-	1,209
Miscellaneous, unrestricted	251,175	496,248	147,100	248,500	221,970	282,592	107,492	153,552	119,887	63,280
Transfers	(59,674)	(46,928)	(55,271)	(76,416)	(49,369)	(64,653)	(94,497)	(47,172)	(51,085)	(71,650)
Total governmental activities	5,922,825	6,565,299	6,364,715	6,758,279	6,964,249	6,670,023	5,599,846	5,370,567	5,578,154	5,600,673
Business-type activities:										
Miscellaneous, unrestricted	2,198	(4,612)	-	-	-	-	6,521	-	2,629	1,219
Transfers	59,674	46,928	55,271	76,416	49,369	64,653	94,497	47,172	51,085	71,650
Total business-type activities	61,872	42,316	55,271	76,416	49,369	64,653	101,018	47,172	53,714	72,869
Total district-wide	\$ 5,984,697	\$ 6,607,615	\$ 6,419,986	\$ 6,834,695	\$ 7,013,618	\$ 6,734,676	\$ 5,700,864	\$ 5,417,739	\$ 5,631,868	\$ 5,673,542
<b>Change in Net Position</b>										
Governmental activities	\$ (1,439,778)	\$ (1,218,026)	\$ 424,594	\$ 782,245	\$ (505,771)	\$ (743,856)	\$ (378,501)	\$ (470,374)	\$ 385,975	\$ 3,923,037
Business-type activities	(15,875)	(65,628)	127,871	(162,641)	(189,681)	(236,176)	(43,968)	20,404	315,741	(153,591)
Total district-wide change in net position	\$ (1,455,653)	\$ (1,283,654)	\$ 552,465	\$ 619,604	\$ (695,452)	\$ (980,032)	\$ (422,469)	\$ (449,970)	\$ 701,716	\$ 3,769,446

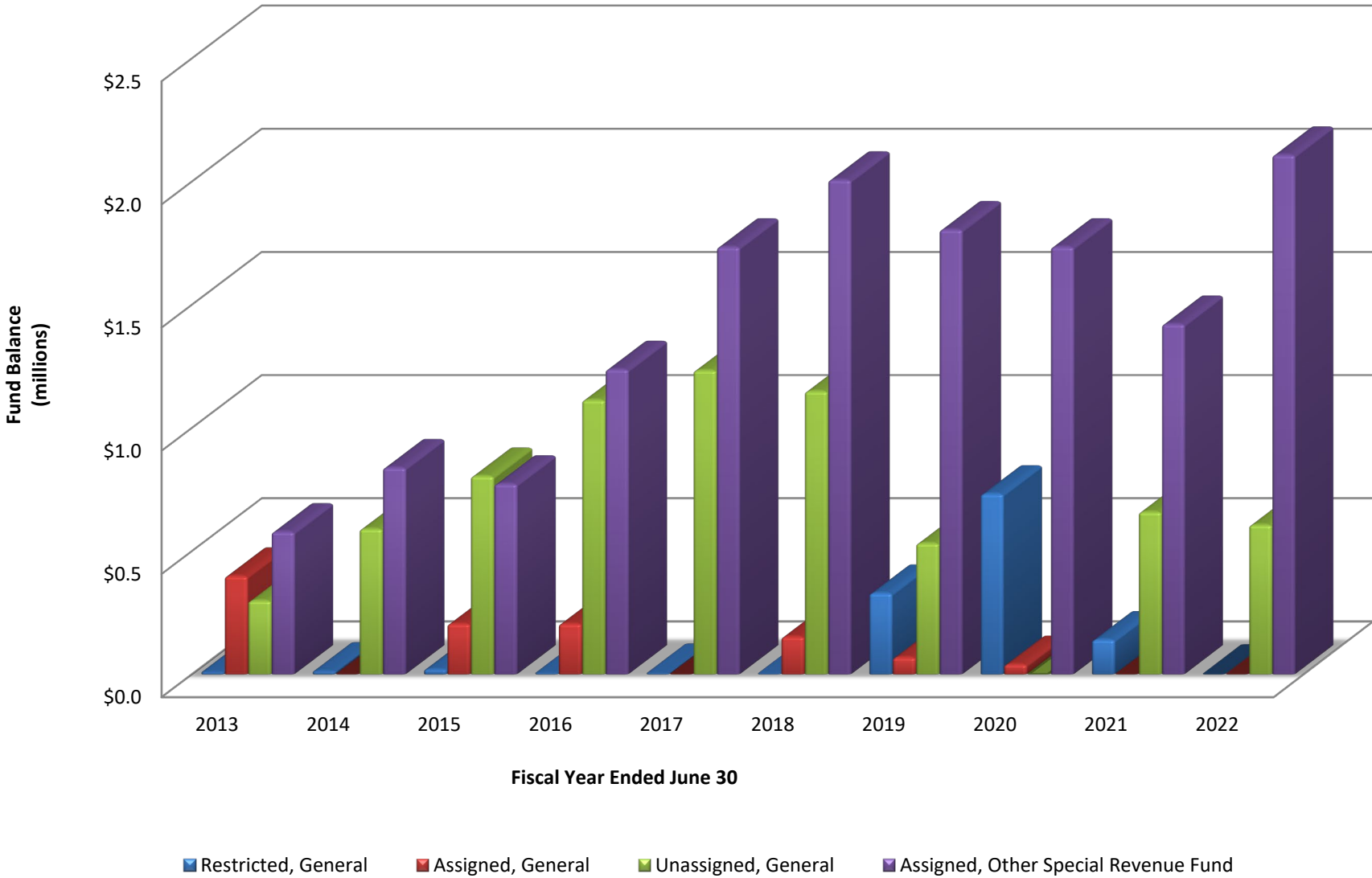
Source: Northampton County Board of Education, North Carolina, Annual Financial Reports.

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

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nondisposable	\$ 87,118	\$ 99,236	\$ 98,295	\$ 70,811	\$ 54,044	\$ 60,723	\$ 76,215	\$ 59,860	\$ 104,116	\$ 160,236
Restricted	10,272	12,903	21,049	6,373	5,248	3,744	330,595	733,382	141,653	-
Assigned	400,000	-	206,364	206,364	-	153,671	70,000	41,737	-	-
Unassigned	299,702	591,005	805,404	1,114,418	1,234,594	1,149,798	532,969	1,122	660,121	607,458
Total General Fund	<u>\$ 797,092</u>	<u>\$ 703,144</u>	<u>\$ 1,131,112</u>	<u>\$ 1,397,966</u>	<u>\$ 1,293,886</u>	<u>\$ 1,367,936</u>	<u>\$ 1,009,779</u>	<u>\$ 836,101</u>	<u>\$ 905,890</u>	<u>\$ 767,694</u>
All other governmental funds:										
Restricted	\$ 489,598	\$ 614,662	\$ 612,351	\$ 510,739	\$ 416,818	\$ 426,814	\$ 269,030	\$ 466,774	\$ 359,791	\$ 545,315
Assigned, reported in:										
Other Special Revenue Fund	579,586	839,952	773,966	1,238,869	1,735,753	2,007,780	1,805,967	1,735,826	1,422,531	2,109,041
Total all other governmental funds	<u>\$ 1,069,184</u>	<u>\$ 1,454,614</u>	<u>\$ 1,386,317</u>	<u>\$ 1,749,608</u>	<u>\$ 2,152,571</u>	<u>\$ 2,434,594</u>	<u>\$ 2,074,997</u>	<u>\$ 2,202,600</u>	<u>\$ 1,782,322</u>	<u>\$ 2,654,356</u>

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

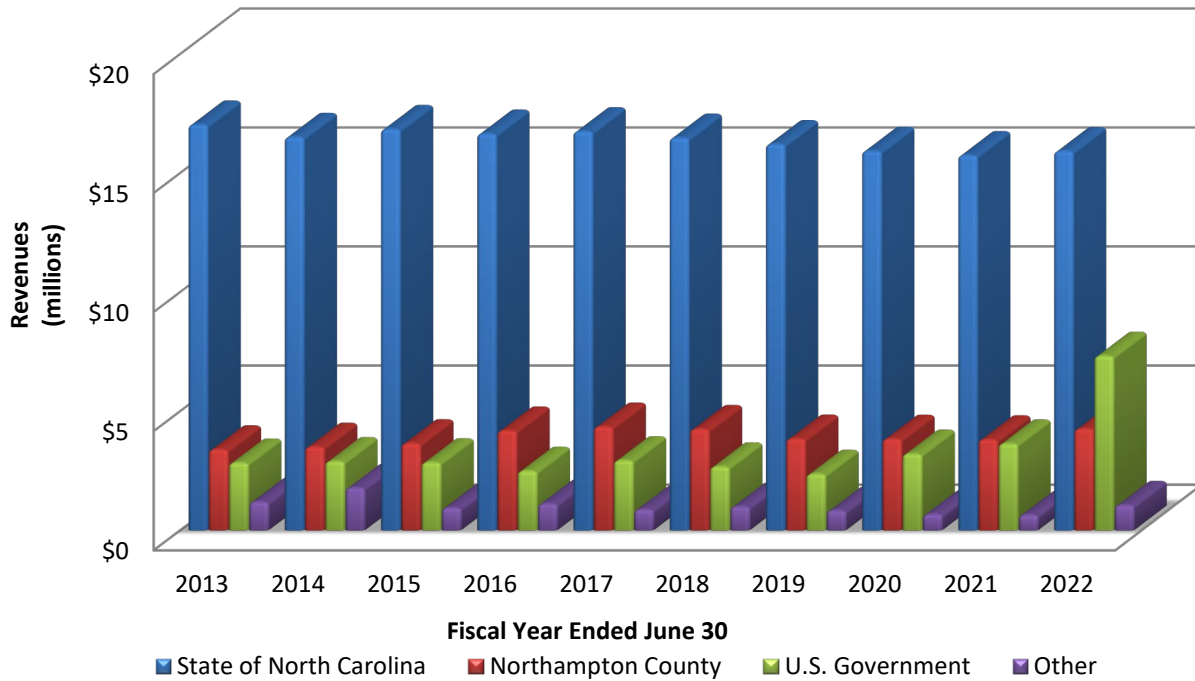
### Governmental Funds Fund Balances



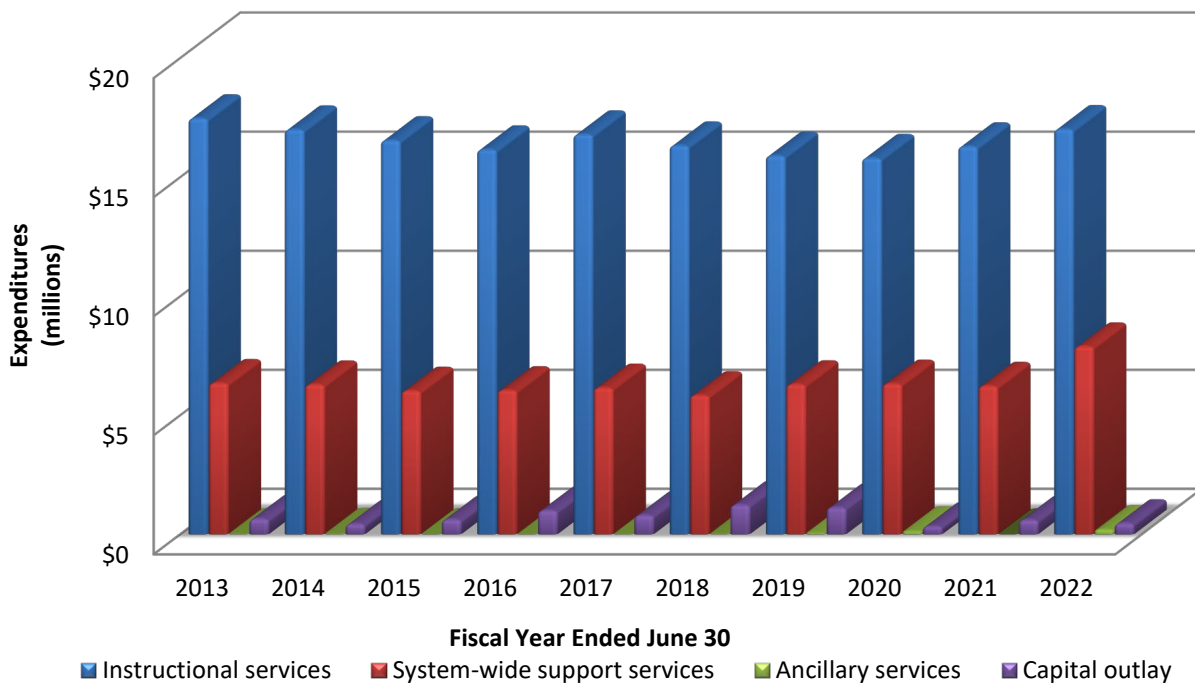
<b>NORTHAMPTON COUNTY BOARD OF EDUCATION</b>					
<b>Governmental Funds</b>					
<b>Changes in Fund Balances</b>					
<b>Last Ten Fiscal Years</b>					
Year Ended June 30	2013	2014	2015	2016	2017
<b>Revenues</b>					
State of North Carolina	\$ 17,046,175	\$ 16,524,841	\$ 16,857,316	\$ 16,664,772	\$ 16,761,779
Northampton County	3,403,389	3,512,923	3,658,214	4,195,000	4,357,321
U.S. Government	2,848,879	2,909,066	2,861,910	2,504,149	2,945,520
Other	1,209,968	1,799,112	961,718	1,130,053	889,268
Total revenues	<u>24,508,411</u>	<u>24,745,942</u>	<u>24,339,158</u>	<u>24,493,974</u>	<u>24,953,888</u>
<b>Expenditures</b>					
Instructional services	17,480,547	17,011,370	16,557,827	16,173,261	16,804,217
System-wide support services	6,363,033	6,303,014	6,039,231	6,062,244	6,168,186
Ancillary services	29,036	38,405	16,010	17,887	20,816
Non-programmed charges	459,934	545,067	602,660	722,174	745,316
Debt service:					
Principal retirement	250,967	78,015	78,015	22,016	123,698
Interest and fees	-	-	-	-	-
Capital outlay	660,741	443,779	629,532	1,012,712	808,766
Total expenditures	<u>25,244,258</u>	<u>24,419,650</u>	<u>23,923,275</u>	<u>24,010,294</u>	<u>24,670,999</u>
Revenues over (under) expenditures	(735,847)	326,292	415,883	483,680	282,889
<b>Other financing sources (uses)</b>					
Transfers to other funds	(59,674)	(46,928)	(55,271)	(76,416)	(49,369)
Installment purchase obligations	312,060	-	-	250,365	82,130
Total other financing sources (uses)	<u>252,386</u>	<u>(46,928)</u>	<u>(55,271)</u>	<u>173,949</u>	<u>32,761</u>
Net change in fund balances	<u>\$ (483,461)</u>	<u>\$ 279,364</u>	<u>\$ 360,612</u>	<u>\$ 657,629</u>	<u>\$ 315,650</u>
Ratio of debt service expenditures to total non-capital expenditures	1.03%	0.32%	0.33%	0.09%	0.51%
Year Ended June 30	2018	2019	2020	2021	2022
<b>Revenues</b>					
State of North Carolina	\$ 16,491,476	\$ 16,222,620	\$ 15,941,301	\$ 15,760,582	\$ 15,931,830
Northampton County	4,256,830	3,854,453	3,847,403	3,824,250	4,265,800
U.S. Government	2,687,352	2,376,530	3,219,934	3,649,480	7,332,322
Other	1,013,857	845,870	688,155	661,096	1,069,955
Total revenues	<u>24,449,515</u>	<u>23,299,473</u>	<u>23,696,793</u>	<u>23,895,408</u>	<u>28,599,907</u>
<b>Expenditures</b>					
Instructional services	16,339,244	15,912,329	15,812,405	16,301,720	17,027,228
System-wide support services	5,850,189	6,310,931	6,337,610	6,244,382	7,901,991
Ancillary services	33,057	71,518	143,284	6,504	204,473
Non-programmed charges	752,476	762,797	806,558	934,361	1,735,013
Debt service:					
Principal retirement	168,003	294,381	231,790	236,544	208,960
Interest and fees	-	-	-	-	8,557
Capital outlay	1,245,220	1,137,436	347,694	616,702	470,458
Total expenditures	<u>24,388,189</u>	<u>24,489,392</u>	<u>23,679,341</u>	<u>24,340,213</u>	<u>27,556,680</u>
Revenues over (under) expenditures	61,326	(1,189,919)	17,452	(444,805)	1,043,227
<b>Other financing sources (uses)</b>					
Transfers to other funds	(51,453)	(48,839)	(47,172)	(51,085)	(45,000)
Installment purchase obligations	339,521	505,512	-	101,145	-
Total other financing sources (uses)	<u>288,068</u>	<u>456,673</u>	<u>(47,172)</u>	<u>50,060</u>	<u>(45,000)</u>
Net change in fund balances	<u>\$ 349,394</u>	<u>\$ (733,246)</u>	<u>\$ (29,720)</u>	<u>\$ (394,745)</u>	<u>\$ 998,227</u>
Ratio of debt service expenditures to total non-capital expenditures	0.70%	1.25%	1.02%	0.98%	0.77%

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

### Governmental Funds Revenues by Source



### Governmental Funds Expenditures by Function

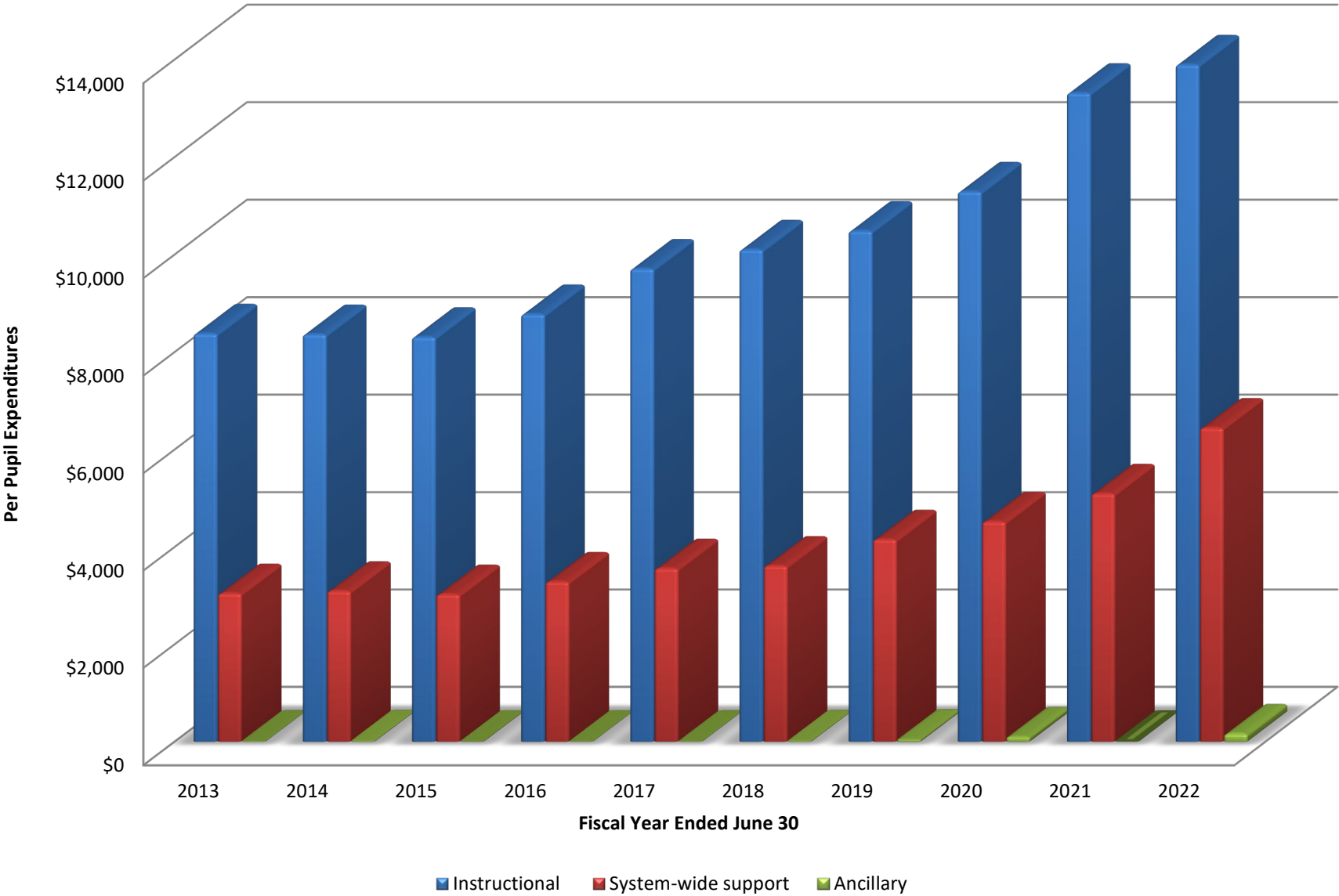


**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**Operational Expenditures Per Pupil**  
**Expenditures by Function**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Average Daily Membership	2,085	2,033	1,992	1,842	1730	1,617	1,517	1,400	1,224	1,225
Instructional	\$ 8,384	\$ 8,368	\$ 8,312	\$ 8,780	\$ 9,713	\$ 10,105	\$ 10,489	\$ 11,295	\$ 13,318	\$ 13,900
System-wide support	3,052	3,100	3,032	3,291	3,565	3,618	4,160	4,527	5,102	6,451
Ancillary	14	19	8	10	12	20	47	102	5	167
Total expenditures per pupil	<u>\$ 11,450</u>	<u>\$ 11,487</u>	<u>\$ 11,352</u>	<u>\$ 12,081</u>	<u>\$ 13,290</u>	<u>\$ 13,743</u>	<u>\$ 14,696</u>	<u>\$ 15,924</u>	<u>\$ 18,425</u>	<u>\$ 20,518</u>

Source: Northampton County Board of Education, North Carolina, Annual Financial Reports.  
 The above operational expenditures per pupil include all governmental funds.

### Operational Expenditures Per Pupil Expenditures by Function



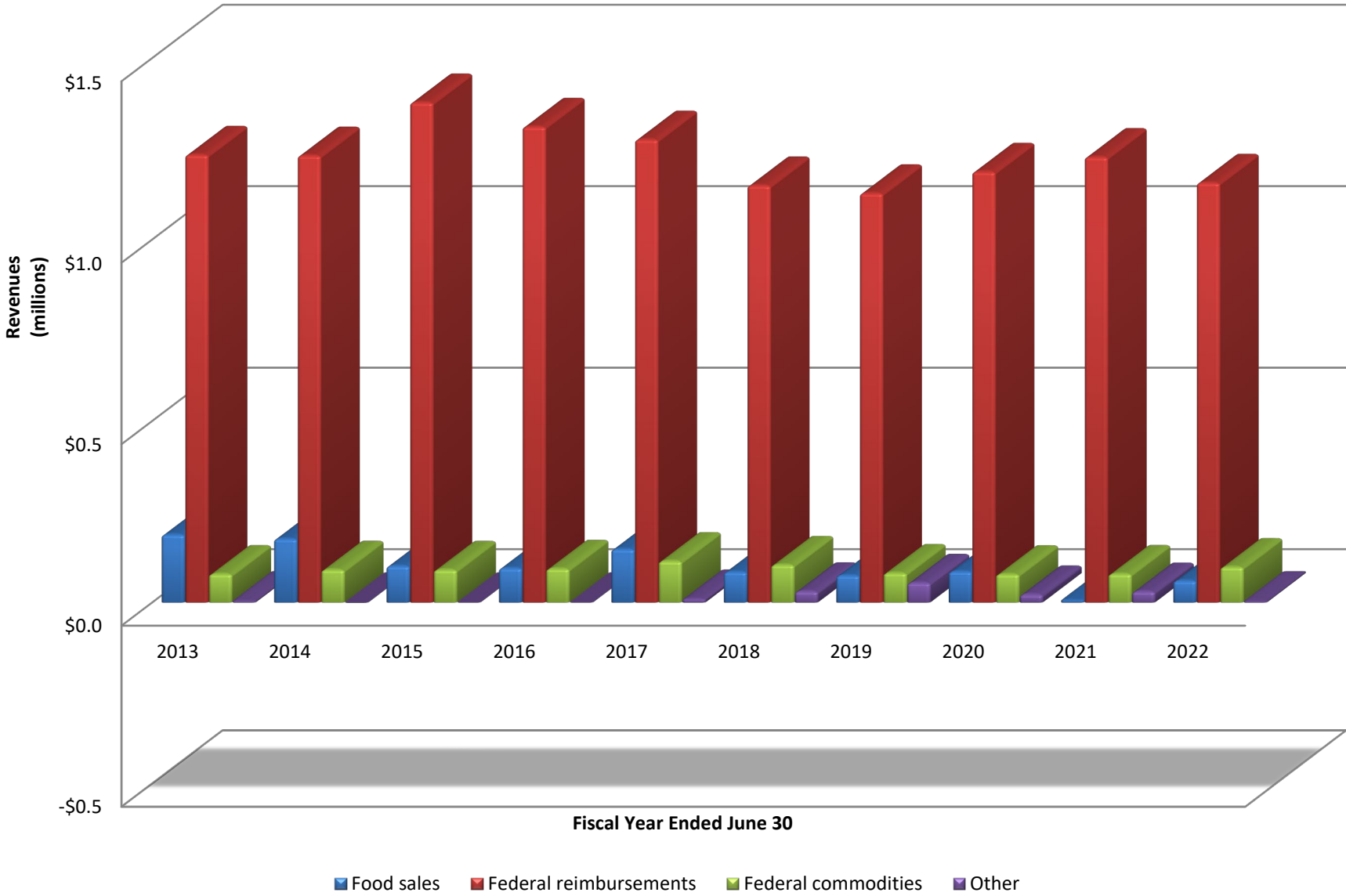
**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**Proprietary Fund - Food Services Operations**  
**Revenues by Source**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Food sales	\$ 187,907	\$ 176,447	\$ 101,543	\$ 95,688	\$ 147,842	\$ 85,388	\$ 75,563	\$ 86,386	\$ 8,452	\$ 60,950
Federal reimbursements	1,234,615	1,232,378	1,378,783	1,311,778	1,276,489	1,150,150	1,128,517	1,187,802	1,228,423	1,157,555
Federal commodities	79,499	91,310	91,119	94,046	115,057	104,755	82,405	79,050	79,761	98,716
Other	5,523	(795)	-	-	10,946	31,879	55,411	23,240	31,287	4,669
<b>Total revenues</b>	<b>\$ 1,507,544</b>	<b>\$ 1,499,340</b>	<b>\$ 1,571,445</b>	<b>\$ 1,501,512</b>	<b>\$ 1,550,334</b>	<b>\$ 1,372,172</b>	<b>\$ 1,341,896</b>	<b>\$ 1,376,478</b>	<b>\$ 1,347,923</b>	<b>\$ 1,321,890</b>

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

Note: Other revenue includes interest earned, State reimbursements, and other revenue.

### Proprietary Fund - Food Service Operations Revenues by Source



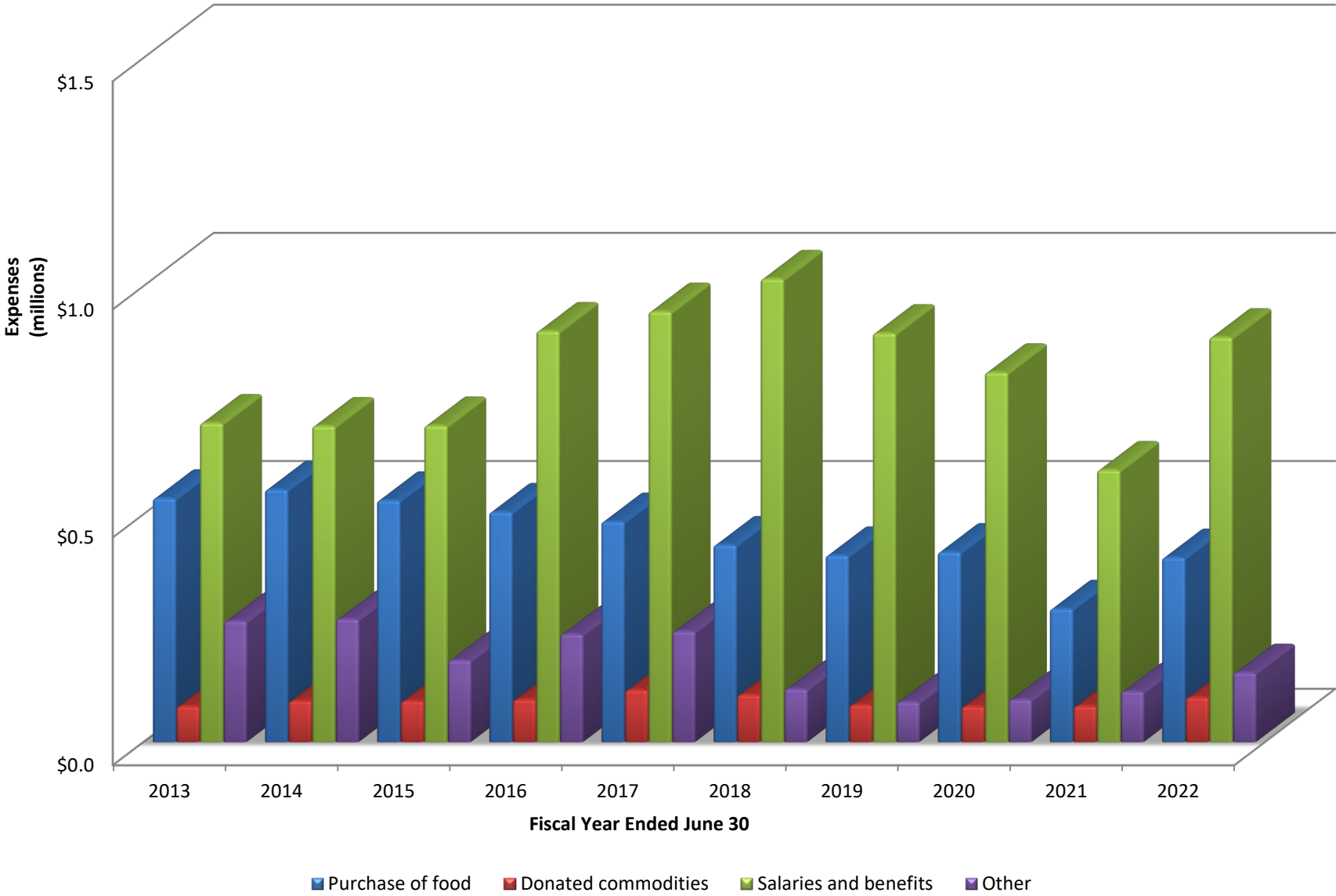
**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**Proprietary Fund - Food Services Operations**  
**Expenses by Category**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Purchase of food	\$ 536,097	\$ 555,174	\$ 531,644	\$ 506,130	\$ 484,975	\$ 433,795	\$ 410,753	\$ 418,186	\$ 293,581	\$ 406,147
Donated commodities	79,499	91,310	91,119	94,046	115,057	104,755	82,405	79,050	79,761	98,716
Salaries and benefits	701,035	694,411	695,430	902,643	945,222	1,016,968	897,983	811,980	598,093	888,949
Other	266,462	271,001	180,652	237,750	244,130	117,483	89,220	94,030	111,832	153,319
<b>Total expenses</b>	<b>\$ 1,583,093</b>	<b>\$ 1,611,896</b>	<b>\$ 1,498,845</b>	<b>\$ 1,740,569</b>	<b>\$ 1,789,384</b>	<b>\$ 1,673,001</b>	<b>\$ 1,480,361</b>	<b>\$ 1,403,246</b>	<b>\$ 1,083,267</b>	<b>\$ 1,547,131</b>

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

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

### Proprietary Fund - Food Services Operations Expenses by Category



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

<b>Year Ended June 30</b>	<b>Lease Liabilities</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2022	\$ 120,764	\$ 50,577	\$ 171,341	N/A	N/A
2021	-	202,241	202,241	N/A	\$ 12
2020	-	337,640	337,640	0.05%	18
2019	-	569,430	569,430	0.08%	29
2018	-	358,299	358,299	0.05%	18
2017	-	186,781	186,781	0.03%	9
2016	-	228,349	228,349	0.04%	11
2015	-	-	-	-	-
2014	-	78,015	78,015	0.01%	4
2013	-	156,030	156,030	0.02%	7

N/A = Not available

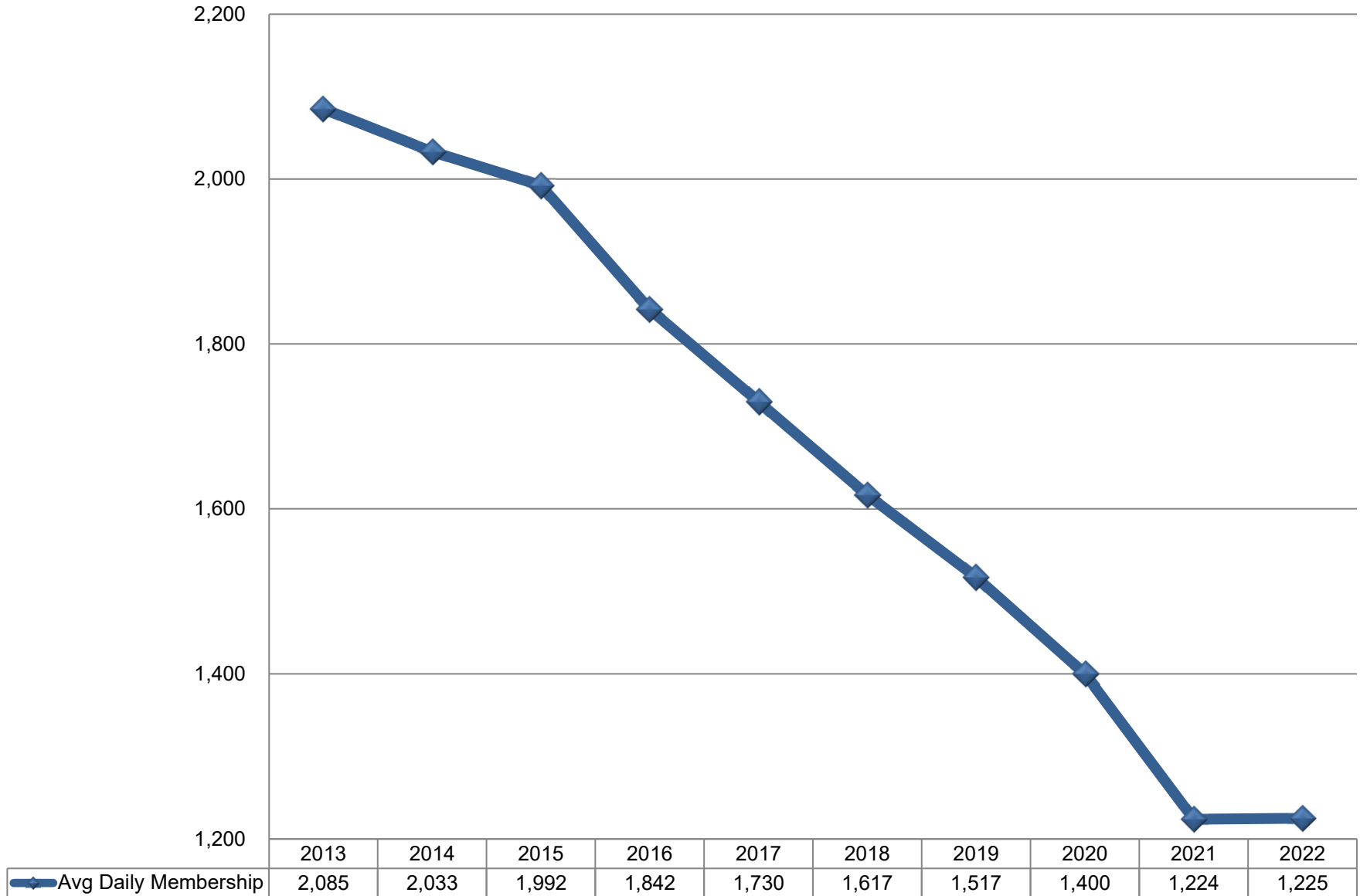
Source: Northampton County Board of Education, North Carolina, Annual Financial Reports.

Note: Northampton County School System cannot incur debt without obtaining prior approval from the Board.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2022 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2022 income based information will be shown above as "N/A", and the June 30, 2021 information will be reported for the year ended June 30, 2023, if applicable.

**NORTHAMPTON COUNTY BOARD OF EDUCATION  
Average Daily Membership  
Last Ten Fiscal Years**



**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**Student Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>Teaching Staff</b>	<b>Students</b>	<b>Teacher/ Pupil Ratio</b>	<b>Student Attendance Percentage<sup>(1)</sup></b>	<b>Percentage of Students Receiving Free/Reduced Lunch<sup>(2)</sup></b>
2022	94	1,225	1/12	85.06%	100%
2021	106	1,224	1/12	85.38%	100%
2020	114	1,400	1/12	94.21%	100%
2019	114	1,517	1/13	92.55%	100%
2018	121	1,617	1/13	91.96%	100%
2017	127	1,730	1/14	91.91%	100%
2016	128	1,842	1/14	93.16%	100%
2015	134	1,992	1/15	93.42%	100%
2014	147	2,033	1/14	94.03%	87%
2013	164	2,085	1/13	93.24%	89%

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

Year Ended June 30	Ethnic Distribution Percentage <sup>(3)</sup>				Graduates <sup>(3)</sup>	Percentage of Graduates Continuing Education <sup>(3)</sup>
	White	Black	Hispanic	Other		
2022	10%	81%	5%	4%	109	44%
2021	10%	81%	5%	4%	80	55%
2020	10%	80%	5%	5%	95	60%
2019	10%	81%	5%	4%	126	55%
2018	10%	82%	4%	4%	102	63%
2017	13%	80%	4%	3%	81	80%
2016	16%	76%	4%	4%	112	73%
2015	16%	77%	3%	4%	120	62%
2014	16%	78%	3%	3%	108	86%
2013	15%	80%	3%	2%	134	72%

Sources:

(1) NC Department of Public Instruction Average Daily Attendance(ADA):Average Daily Membership(ADM) Ratio Reports.

(2) NC Department of Public Instruction Free & Reduced Meals Application Data Reports. Information for 2022 obtained from Northampton County Board of Education Student Data.

(3) North Carolina Public Schools Statistical Profile (2013-2022 Editions).

Note: Percentage of students receiving free/reduced lunch for 2014 and before are not comparable to 2015 (and after) due to the implementation of the Community Eligibility Program, which provides free lunch to all students.

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

<b>Year Ended June 30</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Officials, admins, mgrs	11	10	11	12	11	11	10	12	13	12
Principals	8	8	7	6	7	7	7	7	7	6
Asst. Principals, non-teaching	7	6	4	7	5	6	4	5	3	2
Total administrators	26	24	22	25	23	24	21	24	23	20
Elementary teachers	108	63	66	93	91	87	78	76	73	51
Secondary teachers	36	81	64	33	35	33	33	36	33	42
Other teachers	20	3	4	2	1	1	3	2	0	1
Total teachers	164	147	134	128	127	121	114	114	106	94
Guidance	8	5	7	6	6	6	6	7	7	6
Psychological	-	-	-	-	-	1	1	1	-	-
Librarian, audiovisual	6	6	6	6	5	5	4	4	3	3
Consultant, supervisor	4	-	-	-	-	-	-	0	1	0
Other professionals	17	21	15	15	15	12	14	12	13	11
Total professionals	225	203	184	180	176	169	160	162	153	134
Teacher Assistants	48	40	46	37	39	46	44	43	35	29
Technicians	2	2	2	1	1	2	2	2	2	1
Clerical, secretarial	27	28	26	24	22	23	23	22	21	19
Service workers	80	58	33	26	27	27	25	31	30	25
Total employees	382	331	291	268	265	267	254	260	241	208

Source: North Carolina Public Schools Statistical Profile (2013-2022 Editions)

<b>NORTHAMPTON COUNTY BOARD OF EDUCATION</b> <b>Instructional Personnel</b> <b>Last Ten Fiscal Years</b>
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Year Ended June 30	Teacher Salaries <sup>(1)</sup>			Bachelors Degree <sup>(2)</sup>	Masters Degree <sup>(2)</sup>	Advanced Degree <sup>(2)</sup>	Doctorate Degree <sup>(2)</sup>
	Minimum	Maximum	Average				
2022	\$ 36,524	\$ 59,699	\$ 48,200	129	84	6	1
2021	35,000	59,740	47,370	68	31	4	-
2020	36,050	58,916	47,483	82	34	3	-
2019	36,050	58,916	47,483	104	41	-	-
2018	35,000	57,200	46,100	101	48	-	-
2017	35,000	62,220	44,200	112	26	-	-
2016	35,000	66,000	50,500	107	29	1	-
2015	33,000	61,000	47,000	111	27	2	-
2014	30,800	58,500	44,650	120	28	2	-
2013	30,800	58,500	44,650	118	31	2	-

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

- (a) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.
- (b) Payments of varying amounts for performing extra duties.
- (c) Bonus payments

Sources:

(1) Northampton County Board of Education Payroll Data.

(2) North Carolina Public Schools Statistical Profile (2013-2018 Editions). Information for 2019-2022 obtained from Northampton County Board of Education Personnel Data.

**NORTHAMPTON COUNTY BOARD OF EDUCATION**  
**School Building Data**  
**June 30, 2022**

<b>Site</b>	<b>Year Built</b>	<b>Capacity</b>	<b>Current Membership</b>	<b>Over/(Under) Capacity</b>	<b>Condition</b>
Central Elementary	2006	333	167	-50%	Good
Gaston Elementary	2000	375	256	-32%	Good
Willis Hare Elementary	1957	393	198	-50%	Good
Conway Middle	1990	535	172	-68%	Good
Northampton County High School	1964	850	252	-70%	Good
Northampton Early College <sup>(1)</sup>	N/A	N/A	163	N/A	N/A

N/A = Not Applicable

Source: Northampton County Board of Education N. C. Public Schools Facility Needs Report; 2022

Note:

(1) Early College is located at Halifax Community College

**NORTHAMPTON COUNTY, NORTH CAROLINA**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Population estimate (1)	20,839	20,463	20,426	20,000	19,862
Personal income (2)	\$694,110,000	\$635,207,000	\$632,608,000	\$642,866,000	\$659,520,000
Per capita income (2)	\$33,308	\$31,042	\$30,971	\$32,143	\$33,205
Median age (3)	44.17	44.41	44.67	45.52	45.69
School enrollment (4)	2,085	2,033	1,992	1,842	1,730
Unemployment rate (5)	10.7%	7.5%	8.4%	7.3%	5.8%
<b>Year Ended June 30</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Population estimate (1)	19,676	19,483	19,088	17,129	N/A
Personal income (2)	\$672,630,000	\$713,022,000	\$733,011,000	N/A	N/A
Per capita income (2)	\$34,185	\$36,597	\$38,402	N/A	N/A
Median age (3)	45.09	44.39	44.07	43.33	43.33
School enrollment (4)	1,617	1,517	1,400	1,224	1,225
Unemployment rate (5)	5.5%	6.0%	6.9%	6.1%	5.2%

N/A = Not Available

Sources:

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

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 and June 30, 2022 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2022 income based information will be shown above as "N/A", and the June 30, 2021 information will be reported for the year ended June 30, 2023, if applicable.

**NORTHAMPTON COUNTY, NORTH CAROLINA**  
**Principal Employers**  
**For Years Ended June 30, 2022 and 2013**

Employer	2022			2013		
	Employees <sup>(1)</sup>	Rank	Approximate Percentage of Total County Employment	Employees <sup>(1)</sup>	Rank	Approximate Percentage of Total County Employment
Lowes Home Centers Inc	500 - 999	1	11%	500 - 999	1	10%
Mcherrin Agricultural & Chem Co	500 - 999	2	11%	250 - 499	3	5%
Northampton County	250 - 499	3	5%	250 - 499	4	5%
Northampton County Schools	250 - 499	4	5%	250 - 499	2	5%
Kipp Enc Public Schools	250 - 499	5	5%	-		-
Enviva Management Company Llc	100 - 249	6	3%	-		-
Insource Performance Solutions LLC	100 - 249	7	3%	-		-
West Fraser Inc	100 - 249	8	3%	100 - 249	6	2%
Fx Gear	100 - 249	9	3%	-		-
Smithfield Foods Inc	50 - 99	10	1%	100-249	7	2%
State Of Nc Dept Of Correction	-		-	100 - 249	5	2%
Clements Mechanical Inc	-		-	100 - 249	8	2%
Gaston College Preparatory	-		-	50 - 99	9	1%
Kind Hearts Home Health Care Inc	-		-	50 - 99	10	1%
			50%			34%
Total County Employment <sup>(2)</sup>	6,834			7,625		

Sources:

(1) North Carolina Chamber of Commerce - current year data is as of March 31st

(2) North Carolina Employment Security Commission

**NORTHAMPTON COUNTY, NORTH CAROLINA**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year Ended June 30	Governmental Activities			Business -Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Capitalized Leases	Installment Purchases	General Obligation Bonds	Installment Purchases	General Obligation Bonds				
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	\$ -	\$ 8,677,175	\$ 2,437,000	\$ -	\$ 9,474,500	\$ 20,588,675	N/A	\$ 1,202	
2020	-	8,947,149	3,021,000	16,027	10,074,000	22,058,176	3.01%	1,156	
2019	-	9,277,494	3,636,000	32,055	10,336,000	23,281,549	3.27%	1,195	
2018	-	9,795,409	4,257,000	48,082	11,301,000	25,401,491	3.78%	1,291	
2017	-	9,645,959	4,894,000	-	11,537,000	26,076,959	3.95%	1,313	
2016	89,895	9,542,291	5,529,000	12,768	12,127,000	27,300,954	4.25%	1,365	
2015	178,426	10,158,642	6,163,000	44,104	13,107,500	29,651,672	4.69%	1,452	
2014	265,615	10,888,206	6,696,000	75,440	13,641,500	31,566,761	4.97%	1,543	
2013	-	11,498,661	6,870,000	55,701	8,996,500	27,420,862	3.95%	1,316	

N/A = Not Available

Source: Northampton County, North Carolina, Annual Financial Report for the year ended June 30, 2021.

Note: This table is a ten year schedule. However, the annual financials report for the year ended June 30, 2022 could not be obtained from Northampton County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2023, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2021 and June 30, 2022 income based information will be shown above as "N/A", and the June 30, 2021 information will be reported for the year ended June 30, 2023, if applicable.

**NORTHAMPTON COUNTY, NORTH CAROLINA**  
**Principal Property Taxpayers**  
**December 31, 2021 and December 31, 2013**

Taxpayer	Type of Business	2021			2013		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Dominion NC Power	Utility	\$ 176,780,690	1	7.50%	\$ 58,352,549	1	3.04%
Enviva Pellets Northampton, LLC	Pellet Manufacturing	89,295,943	2	3.79%	-	-	-
Lowe's Home Center	Warehousing	48,912,069	3	2.07%	43,350,351	2	2.26%
Atlantic Pipeline	Utility	40,938,191	4	1.74%	-	-	-
West Fraser Inc.	Wood Products	38,561,260	5	1.63%	17,150,791	5	0.89%
Severn Peanut	Agriculture/Nuts	37,561,260	6	1.59%	10,217,544	8	0.53%
Smithfield Carroll	Hog Processing	21,012,016	7	0.89%	22,720,214	3	1.18%
Georgia Pacific	Manufacturing	19,636,978	8	0.83%	20,615,996	4	1.07%
CSX	Railroad	16,907,841	9	0.72%	14,642,394	6	0.76%
Glover Construction Co. Inc.	Construction	13,700,490	10	0.58%	-	-	-
FIATP Timber, LLC	Railroad	-	-	-	14,202,316	7	0.74%
North Carolina and Virginia Railroad	Railroad	-	-	-	9,572,304	9	0.50%
Roanoke Electric Membership Corp.	Utility	-	-	-	7,926,246	10	0.41%
		<u>\$ 503,306,738</u>		<u>21.34%</u>	<u>\$ 218,750,705</u>		<u>11.38%</u>
Total Assessed Valuation		<u>\$ 2,358,513,299</u>			<u>\$ 1,920,550,527</u>		

Source: Northampton County, North Carolina, Annual Financial Report for the years ended June 30, 2013 and June 30, 2021.

Note: This table is a ten year schedule. However, the annual financial reports for the year ended June 30, 2022 could not be obtained from Northampton County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

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

EXPRESSED IN NOMINAL DOLLARS			
Year Ended June 30	Total Tax Levy	Current Tax Collections	Percent of Levy Collected
2022	N/A	N/A	N/A
2021	\$ 20,409,247	\$ 19,640,660	96.23%
2020	19,769,577	18,928,246	95.74%
2019	19,169,438	18,314,315	95.54%
2018	18,993,688	18,136,907	95.49%
2017	18,439,186	17,567,092	95.27%
2016	17,798,528	17,004,263	95.54%
2015	19,233,842	18,361,685	95.47%
2014	18,952,316	17,925,952	94.58%
2013	17,901,292	16,764,357	93.65%

Source: Northampton County, North Carolina, Annual Financial Report for the year ended June 30, 2022.

Note: This table is a ten year schedule. However, the annual financial reports for the years ended June 30, 2022 could not be obtained from Northampton County nor their auditors prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

*"Changing the Lives of Children"*

