ALAMANCE-BURLINGTON BOARD OF EDUCATION
Burlington, North Carolina

Financial Statements
For the Fiscal Year Ended
June 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Alamance-Burlington Board of Education
Burlington, 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 Alamance-Burlington Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Alamance-Burlington 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 Alamance-Burlington Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, 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 Alamance-Burlington 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 Alamance-Burlington 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 Alamance-Burlington 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 Alamance-Burlington Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of the Alamance-Burlington 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 Alamance-Burlington 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 Alamance-Burlington Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

December 13, 2024
Rockingham, North Carolina
(910) 997-1418

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

Financial Highlights

- For the fiscal year ended June 30, 2024, the Board's total government-wide net position increased by $31.4 million. Governmental activities net position increased by $32.1 million and business-type activities net position decreased by $638 thousand.
- The General Fund reported a $2.8 million decrease in fund balance for the fiscal year ended June 30, 2024, while the School Food Service Fund reported a decrease in net position of $967 thousand.

Overview of the Financial Statements

The audited financial statements of the Alamance-Burlington 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 and other schedules for governmental and enterprise funds.*

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

The second set of statements included in the basic financial statements is the *Fund Financial Statements,* which are presented for the Board's governmental funds and proprietary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near-term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary 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.

Alamance-Burlington Board of Education has two types of funds:

Governmental funds: Most of the Board's basic services are included in the governmental funds, which generally focus on two things – 1) how cash and other assets that can readily be converted to cash flow in and out, and 2) the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the coming year to finance the Board's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental fund statements, in the form of a reconciliation, explains the relationship (or differences) between the government-wide and the fund financial statements. The Board has several governmental funds: the General Fund, the State Public School Fund, the Federal Grants Fund, the Other Special Revenue Fund, the Capital Outlay Fund and the Individual Schools 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 Alamance-Burlington Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care Fund. The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Financial Analysis of the Board as a Whole

Total liabilities and deferred inflows of resources exceeded total assets and deferred outflows of resources by $35.5 million as of June 30, 2024 as compared to $67.0 million as of June 30, 2023, an improvement of $31.4 million.

Following is a summary of the Statement of Net Position at June 30, 2024 and 2023:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current and other assets	$ 11,091,921	$ 9,600,388	$ 8,049,010	$ 8,355,385	$ 19,140,931	$ 17,955,773
Capital assets	252,238,084	226,100,678	682,955	699,776	252,921,039	226,800,454
Total assets	263,330,005	235,701,066	8,731,965	9,055,161	272,061,970	244,756,227
Deferred outflows of resources	126,325,348	120,996,360	3,938,932	3,585,336	130,264,280	124,581,696
Current liabilities	13,361,275	10,247,532	316,751	252,449	13,678,026	10,499,981
Long-term liabilities	343,504,838	318,909,872	10,476,778	9,182,858	353,981,616	328,092,730
Total liabilities	356,866,113	329,157,404	10,793,529	9,435,307	367,659,642	338,592,711
Deferred inflows of resources	68,066,913	94,899,077	2,122,384	2,812,028	70,189,297	97,711,105
Net investment in capital assets	245,733,847	218,700,212	682,955	699,776	246,416,802	219,399,988
Restricted net position	5,428,216	5,250,908	-	-	5,428,216	5,250,908
Unrestricted net position (deficit)	(286,439,736)	(291,310,175)	(927,971)	(306,614)	(287,367,707)	(291,616,789)
Total net position (deficit)	$ (35,277,673)	$ (67,359,055)	$ (245,016)	$ 393,162	$ (35,522,689)	$ (66,965,893)

Net position is an indicator of the fiscal health of the Board. The net position of the Board's governmental activities increased $32.1 million during the year, from $(67.4) million at June 30, 2023 to $(35.3) million at June 30, 2024, indicating an improvement in the financial condition of the Board. Restricted net position increased by $177 thousand while unrestricted net position increased $4.9 million over the prior year. Net investment in capital assets increased $27.0 million during the year, primarily due to various construction and renovation projects in progress throughout the district. 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.

Net position of the Board's business-type activities decreased $638 thousand during the year. This decrease is the combined net loss incurred by our school food service and child care operations during the 2024 fiscal year.

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

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Revenues:						
Program revenues:						
Charges for services	$ 3,229,319	$ 3,018,760	$ 3,323,366	$ 3,305,943	$ 6,552,685	$ 6,324,703
Operating grants and contributions	217,861,986	192,032,586	12,031,450	11,256,941	229,893,436	203,289,527
Capital grants and contributions	302,808	367,572	-	-	302,808	367,572
General revenues:						
County appropriations	90,813,142	98,649,075	-	-	90,813,142	98,649,075
State appropriations	7,763,978	5,906,409	-	-	7,763,978	5,906,409
Other revenues	3,815,613	4,273,263	30,003	82,249	3,845,616	4,355,512
Total revenues	323,786,846	304,247,665	15,384,819	14,645,133	339,171,665	318,892,798
Expenses:						
Governmental activities:						
Instructional services	207,112,969	189,763,051	-	-	207,112,969	189,763,051
System-wide support services	70,823,345	33,212,846	-	-	70,823,345	33,212,846
Ancillary services	193,821	56,103	-	-	193,821	56,103
Payments to other governments	7,473,509	4,302,937	-	-	7,473,509	4,302,937
Interest on long-term debt	250,279	269,455	-	-	250,279	269,455
Unallocated depreciation	5,804,956	5,203,395	-	-	5,804,956	5,203,395
Business-type activities:						
School food service	-	-	15,181,788	13,891,138	15,181,788	13,891,138
Child care	-	-	887,794	1,404,176	887,794	1,404,176
Total expenses	291,658,879	232,807,787	16,069,582	15,295,314	307,728,461	248,103,101
Excess (deficiency) of revenues over expenses before transfers	32,127,967	71,439,878	(684,763)	(650,181)	31,443,204	70,789,697
Transfers in (out)	(46,585)	(70,323)	46,585	70,323	-	-
Increase (decrease) in net position	32,081,382	71,369,555	(638,178)	(579,858)	31,443,204	70,789,697
Beginning net position (deficit)	(67,359,055)	(138,728,610)	393,162	973,020	(66,965,893)	(137,755,590)
Ending net position (deficit)	$ (35,277,673)	$ (67,359,055)	$ (245,016)	$ 393,162	$ (35,522,689)	$ (66,965,893)

Total governmental activities generated revenues of $323.8 million while expenses in this category totaled $291.7 million for the year ended June 30, 2024, resulting in an increase in net position of $32.1 million (including transfers to business-type activities of $47 thousand). Comparatively, revenues were $304.2 million, expenses totaled $232.8 million and transfers out were $70 thousand for the year ended June 30, 2023, resulting in an increase in net position of $71.4 million. In comparing the two years, revenues increased $19.5 million, or 6.4%, while expenses increased $58.9 million, or 25.3%. Revenues in the State Public School Fund and Federal Grants Fund increased by a combined total of $26.0 million in 2024 compared to 2023, which accounted for the majority of the change in operating grants and contributions. These increased State and federal revenues were used primarily for instructional and system-wide support services costs. During the 2023-2024 year, mold was detected in various district school sites and in the district's central services building. Mold remediation efforts cost the district over $25 million during the year. These costs were funded primarily from County revenue sources. Instructional and system-wide support services expenses were also significantly impacted by a $24.7

million year-over-year increase in pension and OPEB expenses, due to changes in actuarial valuations and allocation percentages of those plans.

The Board's primary sources of revenues were funding from the State of North Carolina, Alamance County, and the United States Government, which respectively comprised 54.2%, 27.8% and 14.4% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 71.0% of our total expenses during the most recent fiscal year. Of the remaining 29.0% of our total expenses, 24.3% was attributable to system-wide support services.

Our business-type activities generated revenues of $15.4 million, expenses of $16.1 million and reported transfers in from governmental activities of $47 thousand for the year ended June 30, 2024. For the year, net position decreased by $638 thousand. Comparatively, revenues were $14.6 million, expenses were $15.3 million and transfers in from governmental activities totaled $70 thousand for the year ended June 30, 2023, resulting in a decrease in net position of $580 thousand. In comparing the two periods, revenues increased $740 thousand, or 5.1%, primarily due to an increase in USDA reimbursements received. Expenses rose by $774 thousand, or 5.1%, largely due to inflationary increases related to food and labor costs.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of Alamance-Burlington 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 $3.5 million at June 30, 2024, a decrease of $1.6 million from the $5.2 million reported at June 30, 2023. Revenues were $324.5 million for the year ended June 30, 2024, compared to $305.1 million in the prior year, an increase of $19.3 million, or 6.3%. Expenditures were $326.3 million for the current year, compared to $310.0 million in the prior year, an increase of $16.3 million, or 5.3%. The increases in both revenues and expenditures were largely due to a combined $26.0 million increase in State and federal funding through the State Public School Fund and Federal Grants Fund. These revenues were primarily used for instructional and system-wide support services costs.

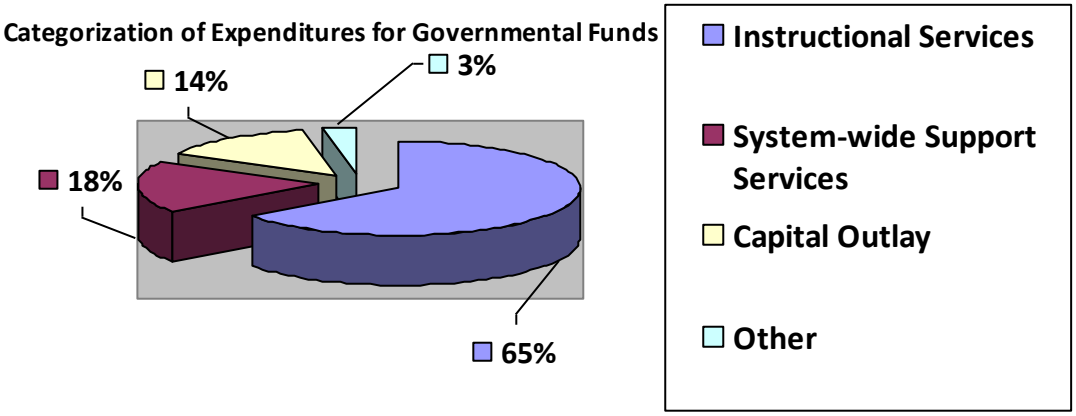
The Board's General Fund reported a decrease in fund balance of $2.8 million during the 2023-2024 year compared to a decrease of $2.4 million in the 2022-2023 year. Revenues increased by $2.0 million, or 4.2%, while expenditures reported an increase of $2.5 million, or 4.9%.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues are expended in the year received. As previously noted, combined revenues (and expenditures) in these funds increased $26.0 million over the prior year. This change was primarily due to a $19.5 million increase in COVID-19 federal grants received and expended during the year.

The Other Special Revenue Fund reported an increase in fund balance for the year ended June 30, 2024 of $1.8 million compared to a decrease of $1.7 million in 2023. Revenues declined $751 thousand due primarily to a decline in indirect cost and contracted services revenues. Expenditures decreased $4.3 million, primarily in instructional services costs.

The Capital Outlay Fund reported a decrease in fund balance for the year of $600 thousand compared to a decrease of $597 thousand in the previous year. Revenues decreased $8.1 million while expenditures reported a decrease of $8.0 million. Virtually all of the Board's capital outlay funding is provided by the County.

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Funds: The Board's business-type funds, the School Food Service and Child Care funds, reported a combined decrease in net position of $638 thousand for the current year compared to a combined decrease of $580 thousand for the year ended June 30, 2023. See the section above *Financial Analysis of the Board as a Whole*, for more detailed discussion regarding School Food Service and Child Care program operating results for the year.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in program allocations and expenditure expectations. For the year ended June 30, 2024, the Board budgeted to use $542 thousand of fund balance but actually used $2.8 million, ending the year with negative fund balance of $1.6 million. Total expenditures exceeded budget by $2.3 million for the year.

Capital Assets

Total primary government capital assets were $252.9 million at June 30, 2024 compared to $226.8 million at June 30, 2023, an increase of $26.1 million. The increase was attributable to an excess of capital additions over depreciation and amortization expense for the year, primarily for various construction and renovation projects throughout the district. More detailed information about the Board's capital assets is contained in Note 3 to the financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2024 and 2023:

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Right to use asset	$ -	$ 568,254	$ -	$ -	$ -	$ 568,254
Land	7,647,048	7,647,048	-	-	7,647,048	7,647,048
Construction in progress	110,875,035	99,304,228	-	-	110,875,035	99,304,228
Buildings	53,983,598	56,595,352	-	-	53,983,598	56,595,352
Improvements to land and buildings	75,133,787	56,911,255	-	-	75,133,787	56,911,255
Equipment and furniture	1,895,115	2,086,022	682,955	699,776	2,578,070	2,785,798
Vehicles	2,703,501	2,988,519	-	-	2,703,501	2,988,519
Total	$ 252,238,084	$ 226,100,678	$ 682,955	$ 699,776	$ 252,921,039	$ 226,800,454

Debt Outstanding

During the year, the Board's long-term debt decreased from $7.4 million at June 30, 2023 to $6.3 million at June 30, 2024. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. 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 Alamance County:

- As of June 30, 2024, Alamance County experienced an unemployment rate of 4.1% as compared to an unemployment rate of 3.8% at June 30, 2023. The unemployment rate for the State of North Carolina at June 30, 2024 was also 4.1%.
- 5 action pillars including preserving agriculture, world class education, smart growth and development, public health and safety, and government accountability and resource management have been developed that act as decision making priorities. The Strategic Plan Committee is continuing to develop a comprehensive strategic plan based around these pillars.
- Alamance County has a historically low cost of living index compared to the national average.

Requests for Information

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

Tony Messer, Chief Finance Officer
Alamance-Burlington Board of Education
1712 Vaughn Road
Burlington, NC 27217

GOVERNMENT-WIDE FINANCIAL STATEMENTS

ALAMANCE-BURLINGTON BOARD OF EDUCATION ***Exhibit 1***
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 11,899,834	$ 4,769,174	$ 16,669,008
Due from other governments	1,688,236	293,086	1,981,322
Receivables	75,983	42,520	118,503
Internal balances	(2,572,132)	2,572,132	-
Inventories	-	372,098	372,098
Capital assets:			
Land and construction in progress	118,522,083	-	118,522,083
Other capital assets, net of depreciation	133,716,001	682,955	134,398,956
Total capital assets	252,238,084	682,955	252,921,039
Total assets	263,330,005	8,731,965	272,061,970
Deferred Outflows of Resources			
Pension and OPEB plans	126,325,348	3,938,932	130,264,280
Liabilities			
Accounts payable and accrued expenses	2,814,686	25,692	2,840,378
Accrued salaries and wages payable	2,273,826	-	2,273,826
Due to other governments	2,457,680	-	2,457,680
Unearned revenue	-	147,387	147,387
Accrued interest payable	17,662	-	17,662
Long-term liabilities:			
Due within one year	5,797,421	143,672	5,941,093
Due in more than one year	343,504,838	10,476,778	353,981,616
Total liabilities	356,866,113	10,793,529	367,659,642
Deferred Inflows of Resources			
Pension and OPEB plans	68,066,913	2,122,384	70,189,297
Net position			
Net investment in capital assets	245,733,847	682,955	246,416,802
Restricted for:			
Stabilization by State statute	2,054,354	-	2,054,354
School capital outlay	465,795	-	465,795
Instructional services	1,137,950	-	1,137,950
Individual schools activities	1,770,117	-	1,770,117
Unrestricted (deficit)	(286,439,736)	(927,971)	(287,367,707)
Total net position (deficit)	$ (35,277,673)	$ (245,016)	$ (35,522,689)

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Exhibit 2

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	$ 117,412,447	$ -	$ 103,764,954	$ -	$ (13,647,493)	$ -	$ (13,647,493)
Special populations	35,026,522	-	34,533,006	-	(493,516)	-	(493,516)
Alternative programs	16,809,053	-	15,284,259	-	(1,524,794)	-	(1,524,794)
School leadership	14,778,642	-	11,686,145	-	(3,092,497)	-	(3,092,497)
Co-curricular	3,968,884	2,894,436	-	-	(1,074,448)	-	(1,074,448)
School-based support	19,117,421	-	16,831,448	-	(2,285,973)	-	(2,285,973)
System-wide support services:							
Support and development	2,752,251	-	1,964,786	-	(787,465)	-	(787,465)
Special population support and development	242,224	-	160,087	-	(82,137)	-	(82,137)
Alternative programs and services support and development	266,335	-	273,106	-	6,771	-	6,771
Technology support	2,084,379	-	406,063	-	(1,678,316)	-	(1,678,316)
Operational support	59,051,710	334,883	29,685,274	302,808	(28,728,745)	-	(28,728,745)
Financial and human resource services	4,327,032	-	1,764,995	-	(2,562,037)	-	(2,562,037)
Accountability	36,503	-	-	-	(36,503)	-	(36,503)
System-wide pupil support	287,720	-	-	-	(287,720)	-	(287,720)
Policy, leadership and public relations	1,775,191	-	606,330	-	(1,168,861)	-	(1,168,861)
Ancillary services	193,821	-	207,330	-	13,509	-	13,509
Payments to other governments	7,473,509	-	694,203	-	(6,779,306)	-	(6,779,306)
Interest on long-term debt	250,279	-	-	-	(250,279)	-	(250,279)
Unallocated depreciation expense**	5,804,956	-	-	-	(5,804,956)	-	(5,804,956)
Total governmental activities	291,658,879	3,229,319	217,861,986	302,808	(70,264,766)	-	(70,264,766)
Business-type activities:							
School food service	15,181,788	2,108,425	12,031,450	-	-	(1,041,913)	(1,041,913)
Child care	887,794	1,214,941	-	-	-	327,147	327,147
Total business-type activities	16,069,582	3,323,366	12,031,450	-	-	(714,766)	(714,766)
Total primary government	$ 307,728,461	$ 6,552,685	$ 229,893,436	$ 302,808	(70,264,766)	(714,766)	(70,979,532)
		General revenues:					
		Unrestricted county appropriations - operating			49,114,205	-	49,114,205
		Unrestricted county appropriations - capital			41,698,937	-	41,698,937
		Unrestricted State appropriations - operating			5,787,612	-	5,787,612
		Unrestricted State appropriations - capital			1,976,366	-	1,976,366
		Investment earnings (loss), unrestricted			5,135	25,059	30,194
		Miscellaneous, unrestricted			3,810,478	4,944	3,815,422
		Transfers			(46,585)	46,585	-
		Total general revenues and transfers			102,346,148	76,588	102,422,736
		Change in net position			32,081,382	(638,178)	31,443,204
		Net position (deficit) - beginning			(67,359,055)	393,162	(66,965,893)
		Net position (deficit) - ending			$ (35,277,673)	$ (245,016)	$ (35,522,689)

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

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

FUND FINANCIAL STATEMENTS

ALAMANCE-BURLINGTON BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

Exhibit 3

	Major Funds						
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 8,171,186	$ -	$ -	$ 1,569,523	$ 389,008	$ 1,770,117	$ 11,899,834
Due from other governments	76,357	-	-	1,580,241	31,638	-	1,688,236
Accounts receivable	75,908	-	-	75	-	-	75,983
Due from other funds	-	-	-	120,312	259,947	-	380,259
Total assets	$ 8,323,451	$ -	$ -	$ 3,270,151	$ 680,593	$ 1,770,117	$ 14,044,312
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	$ 2,329,487	$ -	$ -	$ 270,401	$ 214,798	$ -	$ 2,814,686
Accrued salaries and wages payable	2,273,826	-	-	-	-	-	2,273,826
Due to other funds	2,934,681	-	-	17,710	-	-	2,952,391
Due to other governments	2,429,883	-	-	27,797	-	-	2,457,680
Total liabilities	9,967,877	-	-	315,908	214,798	-	10,498,583
Fund balances:							
Restricted:							
Stabilization by State statute	152,265	-	-	1,902,089	-	-	2,054,354
School capital outlay	-	-	-	-	465,795	-	465,795
Instructional services	-	-	-	1,137,950	-	-	1,137,950
Individual schools	-	-	-	-	-	1,770,117	1,770,117
Unassigned	(1,796,691)	-	-	(85,796)	-	-	(1,882,487)
Total fund balances (deficits)	(1,644,426)	-	-	2,954,243	465,795	1,770,117	3,545,729
Total liabilities and fund balances	$ 8,323,451	$ -	$ -	$ 3,270,151	$ 680,593	$ 1,770,117	$ 14,044,312

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION ***Exhibit 3 (continued)***

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

June 30, 2024

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

Total fund balances of governmental funds	$ 3,545,729
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	252,238,084
Deferred outflows of resources related to pensions	79,917,367
Deferred outflows of resources related to OPEB	46,407,981
Some liabilities, including those for compensated absences, leases, installment purchases and accrued interest are not due and payable in the current period and therefore are not reported in the funds.	(18,234,403)
Net pension liability	(136,875,449)
Net OPEB liability	(194,210,069)
Deferred inflows of resources related to pensions	(4,686,222)
Deferred inflows of resources related to OPEB	(63,380,691)
Net position (deficit) of governmental activities	$ (35,277,673)

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION ***Exhibit 4***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

	Major Funds						
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	Total Governmental Funds
Revenues:							
State of North Carolina	$ -	$ 173,349,956	$ -	$ 100,000	$ 2,279,174	$ -	$ 175,729,130
Alamance County:							
Local current expense	48,827,151	-	-	-	-	-	48,827,151
Other	-	-	-	-	41,285,502	-	41,285,502
U.S. Government	-	-	46,467,467	106,116	-	-	46,573,583
Other	1,373,877	-	-	7,349,618	447,752	2,894,436	12,065,683
Total revenues	50,201,028	173,349,956	46,467,467	7,555,734	44,012,428	2,894,436	324,481,049
Expenditures:							
Current:							
Instructional services:							
Regular instructional	13,323,245	101,898,592	5,173,692	374,246	-	-	120,769,775
Special populations	2,624,278	25,418,116	5,606,725	2,317,968	-	-	35,967,087
Alternative programs	324,534	4,447,994	10,836,265	1,488,030	-	-	17,096,823
School leadership	3,356,883	11,889,973	5,115	-	-	-	15,251,971
Co-curricular	1,028,579	-	-	-	70,597	2,917,174	4,016,350
School-based support	1,693,651	13,917,528	3,650,147	357,658	-	-	19,618,984
System-wide support services:							
Support and development	848,484	1,919,681	45,105	-	-	-	2,813,270
Special population support and development	171,232	159,845	242	-	-	-	331,319
Alternative programs and services support and development	3,653	-	273,106	-	-	-	276,759
Technology support	168,901	1,658,607	-	304,335	-	-	2,131,843
Operational support	16,490,870	9,627,267	20,058,007	151,516	265,872	-	46,593,532
Financial and human resource services	2,603,846	1,759,438	5,557	-	-	-	4,368,841
Accountability	36,513	-	-	-	-	-	36,513
System-wide pupil support	304,851	-	-	-	-	-	304,851
Policy, leadership and public relations	1,245,489	606,330	-	-	-	-	1,851,819
Ancillary services	-	-	119,303	28,868	45,650	-	193,821
Non-programmed charges	7,473,509	-	694,203	-	-	-	8,167,712
Debt service:							
Principal retirement	1,072,091	-	-	-	302,808	-	1,374,899
Interest and fees	251,679	-	-	-	-	-	251,679
Capital outlay	-	-	-	717,868	44,191,509	-	44,909,377
Total expenditures	53,022,288	173,303,371	46,467,467	5,740,489	44,876,436	2,917,174	326,327,225
Revenues over (under) expenditures	(2,821,260)	46,585	-	1,815,245	(864,008)	(22,738)	(1,846,176)
Other financing sources (uses):							
Transfers to other funds	-	(46,585)	-	-	-	-	(46,585)
Installment purchase obligations issued	-	-	-	-	263,872	-	263,872
Total other financing sources (uses)	-	(46,585)	-	-	263,872	-	217,287
Net change in fund balance	(2,821,260)	-	-	1,815,245	(600,136)	(22,738)	(1,628,889)
Fund balances:							
Beginning of year	1,176,834	-	-	1,138,998	1,065,931	1,792,855	5,174,618
End of year	$ (1,644,426)	$ -	$ -	$ 2,954,243	$ 465,795	$ 1,770,117	$ 3,545,729

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

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds	$ (1,628,889)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	26,739,513
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.	(568,254)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	24,091,988
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	9,907,368
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	254,882
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.	1,111,027
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:	
Difference in accrued interest payable and interest expensed on fund statements	1,400
Pension (expense) benefit	(34,233,755)
OPEB (expense) benefit	6,364,895
Compensated absences	75,060
Loss on disposal of capital assets	(33,853)
Total changes in net position of governmental activities	$ 32,081,382

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

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

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Alamance County	$ 48,827,151	$ 48,827,151	$ 48,827,151	$ -
Other	996,000	1,346,000	1,373,877	27,877
Total revenues	49,823,151	50,173,151	50,201,028	27,877
Expenditures:				
Current:				
Instructional services:				
Regular instructional	11,729,615	12,891,110	13,323,245	(432,135)
Special populations	2,656,590	2,663,181	2,624,278	38,903
Alternative programs	417,800	418,276	324,534	93,742
School leadership	2,874,000	3,374,000	3,356,883	17,117
Co-curricular	1,220,000	1,220,000	1,028,579	191,421
School-based support	2,827,270	1,720,270	1,693,651	26,619
Total instructional services	21,725,275	22,286,837	22,351,170	(64,333)
System-wide support services:				
Support and development	1,782,130	927,823	848,484	79,339
Special population support and development	279,500	279,500	171,232	108,268
Alternative programs and services support and development	6,695	6,695	3,653	3,042
Technology support	1,481,400	181,400	168,901	12,499
Operational support	15,331,650	16,407,338	16,490,870	(83,532)
Financial and human resource services	2,441,176	2,608,365	2,603,846	4,519
Accountability	45,000	45,000	36,513	8,487
System-wide pupil support	247,150	312,150	304,851	7,299
Policy, leadership and public relations	1,224,957	1,249,957	1,245,489	4,468
Total system-wide support services	22,839,658	22,018,228	21,873,839	144,389
Nonprogrammed charges	4,453,800	5,103,800	7,473,509	(2,369,709)
Debt service:				
Principal retirement	1,346,480	1,072,091	1,072,091	-
Interest and fees	-	233,701	251,679	(17,978)
Total debt service	1,346,480	1,305,792	1,323,770	(17,978)
Total expenditures	50,365,213	50,714,657	53,022,288	(2,307,631)
Revenues over (under) expenditures	(542,062)	(541,506)	(2,821,260)	(2,279,754)
Fund balance appropriated	542,062	541,506	-	(541,506)
Net change in fund balance	$ -	$ -	(2,821,260)	$ (2,821,260)
Fund balances:				
Beginning of year			1,176,834	
End of year			$ (1,644,426)	

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

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

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	$ 153,432,471	$ 179,806,367	$ 173,349,956	$ (6,456,411)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	99,550,903	106,394,226	101,898,592	4,495,634
Special populations	22,993,572	25,429,397	25,418,116	11,281
Alternative programs	4,607,539	5,848,151	4,447,994	1,400,157
School leadership	10,591,072	12,052,606	11,889,973	162,633
School-based support	8,653,200	14,017,261	13,917,528	99,733
Total instructional services	146,396,286	163,741,641	157,572,203	6,169,438
System-wide support services:				
Support and development	1,176,631	2,119,631	1,919,681	199,950
Special population support and development	146,000	166,000	159,845	6,155
Technology support	-	1,665,306	1,658,607	6,699
Operational support	3,812,554	9,638,011	9,627,267	10,744
Financial and human resource services	1,283,000	1,819,193	1,759,438	59,755
Policy, leadership and public relations	573,000	610,000	606,330	3,670
Total system-wide support services	6,991,185	16,018,141	15,731,168	286,973
Total expenditures	153,387,471	179,759,782	173,303,371	6,456,411
Revenues over expenditures	45,000	46,585	46,585	-
Other financing uses:				
Transfers to other funds	(45,000)	(46,585)	(46,585)	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
End of year			$ -	

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

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

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	$ 50,772,959	$ 57,708,231	$ 46,467,467	$ (11,240,764)
Expenditures:				
Current:				
Instructional services:				
Regular instructional	9,438,621	6,875,878	5,173,692	1,702,186
Special populations	302,627	5,663,917	5,606,725	57,192
Alternative programs	11,985,449	14,840,612	10,836,265	4,004,347
School leadership	32,449	5,115	5,115	-
School-based support	1,971,445	4,026,368	3,650,147	376,221
Total instructional services	23,730,591	31,411,890	25,271,944	6,139,946
System-wide support services:				
Support and development	58,711	47,351	45,105	2,246
Special population support and development	-	-	242	(242)
Alternative programs and services support and development	393,909	345,345	273,106	72,239
Operational support	25,736,920	24,808,788	20,058,007	4,750,781
Financial and human resource services	15,000	10,000	5,557	4,443
Total system-wide support services	26,204,540	25,211,484	20,382,017	4,829,467
Ancillary services:				
Nutrition	136,770	119,303	119,303	-
Nonprogrammed charges	701,058	965,554	694,203	271,351
Total expenditures	50,772,959	57,708,231	46,467,467	11,240,764
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
End of year			$ -	

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

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

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	$ -	$ 100,000	$ 100,000	$ -
U.S. Government	-	80,142	106,116	25,974
Other	1,898,000	4,208,189	7,349,618	3,141,429
Total revenues	1,898,000	4,388,331	7,555,734	3,167,403
Expenditures:				
Current:				
Instructional services:				
Regular instructional	2,271,205	578,428	374,246	204,182
Special populations	4,396	2,058,990	2,317,968	(258,978)
Alternative programs	141,499	1,542,586	1,488,030	54,556
School-based support	72	412,203	357,658	54,545
Total instructional services	2,417,172	4,592,207	4,537,902	54,305
System-wide support services:				
Technology support	-	325,000	304,335	20,665
Operational support	13,675	168,675	151,516	17,159
Total system-wide support services	13,675	493,675	455,851	37,824
Ancillary services:				
Nutrition	55,044	96,486	28,868	67,618
Capital outlay	827,894	927,894	717,868	210,026
Total expenditures	3,313,785	6,110,262	5,740,489	369,773
Revenues over (under) expenditures	(1,415,785)	(1,721,931)	1,815,245	3,537,176
Fund balance appropriated	1,415,785	1,721,931	-	(1,721,931)
Net change in fund balance	$ -	$ -	1,815,245	$ 1,815,245
Fund balances:				
Beginning of year			1,138,998	
End of year			$ 2,954,243	

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION ***Exhibit 7***
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2024

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Assets			
Current assets:			
Cash and cash equivalents	$ 3,824,721	$ 944,453	$ 4,769,174
Due from other governments	293,086	-	293,086
Receivables	42,520	-	42,520
Due from other funds	2,427,349	265,095	2,692,444
Inventories	372,098	-	372,098
Total current assets	6,959,774	1,209,548	8,169,322
Noncurrent assets:			
Capital assets:			
Furniture and equipment, net	580,949	102,006	682,955
Total assets	7,540,723	1,311,554	8,852,277
Deferred Outflows of Resources			
Pension and OPEB plans	3,640,237	298,695	3,938,932
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	25,651	41	25,692
Due to other funds	120,312	-	120,312
Compensated absences	139,132	4,540	143,672
Unearned revenue	147,387	-	147,387
Total current liabilities	432,482	4,581	437,063
Noncurrent liabilities:			
Net pension liability	3,944,250	323,642	4,267,892
Net OPEB liability	5,596,424	459,210	6,055,634
Compensated absences	148,738	4,514	153,252
Total noncurrent liabilities	9,689,412	787,366	10,476,778
Total liabilities	10,121,894	791,947	10,913,841
Deferred Inflows of Resources			
Pension and OPEB plans	1,961,440	160,944	2,122,384
Net position			
Investment in capital assets	580,949	102,006	682,955
Unrestricted (deficit)	(1,483,323)	555,352	(927,971)
Total net position (deficit)	$ (902,374)	$ 657,358	$ (245,016)

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION ***Exhibit 8***
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Operating revenues:			
Food sales	$ 2,108,425	$ -	$ 2,108,425
Child care fees	-	1,214,941	1,214,941
Other	4,944	-	4,944
Total operating revenues	2,113,369	1,214,941	3,328,310
Operating expenses:			
Food cost:			
Purchase of food	5,198,549	2,970	5,201,519
Donated commodities	925,274	-	925,274
Salaries and benefits	7,611,589	715,169	8,326,758
Indirect costs	459,399	12,497	471,896
Materials and supplies	451,746	124,782	576,528
Repairs and maintenance	143,807	-	143,807
Depreciation	156,976	15,688	172,664
Non-capitalized equipment	16,064	3,685	19,749
Contracted services	111,147	560	111,707
Other	107,237	12,443	119,680
Total operating expenses	15,181,788	887,794	16,069,582
Operating income (loss)	(13,068,419)	327,147	(12,741,272)
Nonoperating revenues:			
Federal grants and reimbursements	11,056,314	-	11,056,314
Federal commodities	925,274	-	925,274
State grants and reimbursements	49,072	-	49,072
Interest income	23,199	1,860	25,059
Contributions and donations	790	-	790
Total nonoperating revenues	12,054,649	1,860	12,056,509
Income (loss) before transfers	(1,013,770)	329,007	(684,763)
Transfers from other funds	46,585	-	46,585
Change in net position	(967,185)	329,007	(638,178)
Net position, beginning of year	64,811	328,351	393,162
Net position (deficit), end of year	$ (902,374)	$ 657,358	$ (245,016)

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION ***Exhibit 9***
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

	Enterprise		
	Major Funds		
	School Food Service	Child Care	Totals
Cash flows from operating activities:			
Cash received from customers	$ 2,118,429	$ 1,214,941	$ 3,333,370
Cash paid for goods and services	(6,489,573)	(156,896)	(6,646,469)
Cash paid to employees for services	(7,128,817)	(880,165)	(8,008,982)
Other operating revenue	4,944	-	4,944
Net cash provided (used) by operating activities	(11,495,017)	177,880	(11,317,137)
Cash flows from noncapital financing activities:			
Due to other funds	52,322	-	52,322
Due from other funds	(30,276)	-	(30,276)
Federal and State reimbursements	11,192,884	-	11,192,884
Contributions and donations	790	-	790
Net cash provided (used) by noncapital financing activities	11,215,720	-	11,215,720
Cash flows from capital and related financing activities:			
Purchase of capital assets	(65,786)	(90,057)	(155,843)
Cash flows from investing activities:			
Interest income	23,199	1,860	25,059
Net decrease in cash and cash equivalents	(321,884)	89,683	(232,201)
Cash and cash equivalents, beginning of year	4,146,605	854,770	5,001,375
Cash and cash equivalents, end of year	$ 3,824,721	$ 944,453	$ 4,769,174
Reconciliation of operating income (loss) to net cash used by operating activities:			
Operating income (loss)	$ (13,068,419)	$ 327,147	$ (12,741,272)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	156,976	15,688	172,664
Donated commodities	925,274	-	925,274
Salaries paid by special revenue fund	46,585	-	46,585
Changes in assets, liabilities, deferred outflows and deferred inflows of resources:			
Increase in accounts receivable	(8,095)	-	(8,095)
Increase in inventories	(27,275)	-	(27,275)
Increase in accounts payable and accrued liabilities	25,651	41	25,692
Increase in unearned revenue	18,099	-	18,099
Increase (decrease) in net pension liability	558,247	(44,189)	514,058
Increase (decrease) in net OPEB liability	822,043	(59,444)	762,599
(Increase) decrease in deferred outflows	(406,222)	52,626	(353,596)
Decrease in deferred inflows	(575,043)	(114,601)	(689,644)
Increase in compensated absences payable	37,162	612	37,774
Total adjustments	1,573,402	(149,267)	1,424,135
Net cash provided (used) by operating activities	$ (11,495,017)	$ 177,880	$ (11,317,137)

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

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of $925,274 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 $46,585 to administrative personnel of the School Food Service Fund during the fiscal year. The payment is reflected as a transfer in and an operating expense on Exhibit 8.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Alamance-Burlington 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 Alamance-Burlington 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 Alamance 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. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

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

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

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

The Board reports the following major enterprise funds:

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

Child Care Fund. The Child Care Fund is used to account for the afterschool care program at the elementary schools within the school system. The costs associated with these programs are recovered by user charges.

C. Measurement Focus and Basis of Accounting

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

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

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Any revisions that alter the total expenditures of any fund or require a transfer between purpose codes within a fund must be approved by the Board of Education prior to any expenditures being made. All amendments must be approved by the Board of Education. The Board has authorized the Superintendent to transfer appropriations within a fund under the following conditions:

a. Amounts may be transferred between sub-functions and objects of expenditures within a function without limitations and without a report to the Board being required.

b. Amounts may be transferred between functions of the same fund with a report on such transfers being made at the next meeting of the Board of Education.

c. Amounts may not be transferred between funds nor from any contingency appropriation within a fund without Board of Education approval.

During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

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

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

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments with original maturities of three months or less 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. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

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

It is the policy of the Board to capitalize all vehicles costing more than $20,000 and all other capital assets costing more than $5,000 with an estimated useful life of two or more years. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

The Board's capital assets also include certain 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.

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

	Years
Buildings and improvements	20 - 50
Equipment and furniture	5 - 15
Vehicles	8 - 12

5. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net 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.

6. Long-term Obligations

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

7. Compensated Absences

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

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

8. Net Position/Fund Balances

Net Position
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 three classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

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

Restricted for Stabilization by State statute – North Carolina G.S. 115C-425(a) prohibits boards of education from budgeting or spending a portion of their fund balance. Restricted by State statute (RSS) is calculated at the end of each fiscal year. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget year. RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding encumbrances are included within RSS.

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

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

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

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. All appropriations shall be paid first from revenues restricted as to use, and second 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.

9. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of $(38,823,402) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets at historical cost on government-wide statement in governmental activities column)	$ 423,789,797
Less accumulated depreciation and amortization	(171,551,713)
Net capital assets	252,238,084
Deferred outflows of resources related to pensions	79,917,367
Deferred outflows of resources related to OPEB	46,407,981
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	(6,289,439)
Compensated absences	(11,927,302)
Accrued interest payable	(17,662)
Net pension liability	(136,875,449)
Net OPEB liability	(194,210,069)
Deferred inflows of resources related to pensions	(4,686,222)
Deferred inflows of resources related to OPEB	(63,380,691)
Total adjustment	$ (38,823,402)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of $33,710,271 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	$ 33,241,161
Depreciation and amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(7,069,902)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(263,872)
Principal payments on debt owed and lease liabilities are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	1,374,899
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	24,091,988
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	9,907,368
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	254,882
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	(34,233,755)
OPEB (expense) benefit	6,364,895
Loss on disposal of assets	(33,853)
Difference in interest expense between fund statements and government-wide statements	1,400
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	75,060
Total adjustment	$ 33,710,271

10. Defined Benefit Pension Plans

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

has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations

During the fiscal year ended June 30, 2024, the Board reported expenditures within the General and Other Special Revenue funds that violated State law [G.S. 115C-441] because they exceeded the amount appropriated in the budget ordinance as follows:

	Violation Amount
General Fund:	
Instructional services:	
Regular	$ 432,135
System-wide support services:	
Operational support	83,532
Non-programmed charges	2,369,709
Debt service - interest and fees	17,978
Total	$ 2,903,354
Other Special Revenue Fund:	
Instructional services:	
Special populations	$ 258,978

Management will monitor budgets monthly and make necessary amendments to avoid expenditures in excess of appropriations.

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 capacity for the Board, these deposits are considered to be held by the agent in the entity’s name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of $16,652,797 and with the State Treasurer of $-0-. The bank balances with the financial institutions and the State Treasurer were $16,896,367 and $4,399,348, respectively. Of these balances, $2,057,831 was covered by federal depository insurance and $19,237,884 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2024, the Board had $9,203 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAm by Standard and Poor's and is classified in Level 1 of the fair value hierarchy. Additionally, at June 30 2024, the Board had $6,890 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2024. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability. The Board also had $118 of cash on hand at year-end.

3. Accounts Receivable

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

	Due from other funds (Internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	$ (2,934,681)	$ 76,357	$ 75,908	$ (2,782,416)
Other governmental activities	362,549	1,611,879	75	1,974,503
Total governmental activities	$ (2,572,132)	$ 1,688,236	$ 75,983	$ (807,913)
Business-type activities:				
School Food Service Fund	$ 2,307,037	$ 293,086	$ 42,520	$ 2,642,643
Child Care Fund	265,095	-	-	265,095
Total business-type activities	$ 2,572,132	$ 293,086	$ 42,520	$ 2,907,738

Due from other governments consists of the following:

Governmental activities:		
General Fund	$ 76,357	Amounts due from County
Other Special Revenue Fund	1,580,241	Federal funds
Capital Outlay Fund	31,638	Amounts due from County
Total	$ 1,688,236	
Business-type activities:		
School Food Service Fund	$ 293,086	Federal funds

4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Intangible assets:				
Capital assets not being depreciated:				
Land	$ 7,647,048	$ -	$ -	$ 7,647,048
Construction in progress	99,304,228	30,488,609	18,917,802	110,875,035
Total capital assets not being depreciated	106,951,276	30,488,609	18,917,802	118,522,083
Capital assets being depreciated:				
Buildings	153,807,190	-	-	153,807,190
Improvements to land and buildings	103,554,076	21,070,001	-	124,624,077
Equipment and furniture	10,615,946	154,826	-	10,770,772
Vehicles	15,730,579	445,527	110,431	16,065,675
Total capital assets being depreciated	283,707,791	21,670,354	110,431	305,267,714
Less accumulated depreciation for:				
Buildings	97,211,838	2,611,754	-	99,823,592
Improvements to land and buildings	46,642,821	2,847,469	-	49,490,290
Equipment and furniture	8,529,924	345,733	-	8,875,657
Vehicles	12,742,060	696,692	76,578	13,362,174
Total accumulated depreciation	165,126,643	6,501,648	76,578	171,551,713
Total capital assets being depreciated, net	118,581,148			133,716,001
Capital assets being amortized:				
Leased equipment	1,704,760	-	1,704,760	-
Less accumulated amortization for:				
Leased equipment	1,136,506	568,254	1,704,760	-
Capital assets being amortized, net	568,254			-
Governmental activity capital assets, net	$ 226,100,678			$ 252,238,084

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	$ 9,150,353	$ 65,786	$ -	$ 9,216,139
Less accumulated depreciation for:				
Equipment and furniture	8,478,214	156,976	-	8,635,190
School Food Service capital assets, net	672,139			580,949
Child Care Fund:				
Capital assets being depreciated:				
Equipment and furniture	130,322	90,057	-	220,379
Less accumulated depreciation for:				
Equipment and furniture	102,685	15,688	-	118,373
Child Care Fund capital assets, net	27,637			102,006
Business-type activities capital assets, net	$ 699,776			$ 682,955

Amortization of $568,254 was charged to operational support services. Depreciation was charged to governmental functions as follows:

Operational support services	$ 696,692
Unallocated depreciation	5,804,956
Total	$ 6,501,648

5. Construction and Other Significant Commitments

As of June 30, 2024, the Board had several construction and renovation projects in progress throughout the district. At year-end, the Board's commitments with contractors for the remaining portion of the contracts related to these projects totaled approximately $7.7 million.

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2024 was 17.63% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were $24,843,196 for the year ended June 30, 2024.

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

At June 30, 2024, the Board reported a liability of $141,143,341 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.8466% and 0.8788%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of $35,380,975. At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 11,506,521	$ 1,041,737
Changes of assumptions	4,956,768	-
Net difference between projected and actual earnings on pension plan investments	39,308,410	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	1,794,363	3,790,605
Board contributions subsequent to the measurement date	24,843,196	-
Total	$ 82,409,258	$ 4,832,342

$24,843,196 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ 17,130,882
2026	9,692,970
2027	24,230,732
2028	1,679,136
Total	$ 52,733,720

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

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated

for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

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

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

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	$ 242,310,042	$ 141,143,341	$ 57,684,094

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.

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2024, the Board contributed 7.14% of covered payroll, which amounted to $10,061,283 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling $35.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled $262,830.

At June 30, 2024, the Board reported a liability of $200,068,770 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 07508% and 0.7735%, respectively.

$10,061,283 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	$ (11,716,315)
2026	(12,469,513)
2027	(5,586,374)
2028	1,773,117
Total	$ (27,999,085)

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

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

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

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

	1% decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Net OPEB liability	$ 236,019,309	$ 200,068,770	$ 170,789,631

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

		Healthcare Trend Rates	
	1% Decrease (Medical - 4.00-5.50%, Pharmacy - 4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00-7.50%, Pharmacy - 6.00-11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	$ 165,174,793	$ 200,068,770	$ 245,064,063

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

2. Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024, employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were $155,006 for the year ended June 30, 2024. The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2024, the Board reported a liability of $196,933 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2023 and 2022, the Board's proportion was 0.7405% and 0.7716%, respectively.

$155,006 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	$ 91,108
2026	54,946
2027	83,412
2028	26,054
2029	14,677
Thereafter	10,666
Total	$ 280,863

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	$ 236,740	$ 196,933	$ 156,400

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

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

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

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

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

	RHBF	DIPNC	Total
OPEB expense (benefit)	$ (6,479,958)	$ 269,339	$ (6,210,619)
OPEB liability (asset)	200,068,770	196,933	200,265,703
Proportionate share of the net OPEB liability / asset	0.7508%	0.7405%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	$ 2,203,149	$ 172,586	$ 2,375,735
Changes of assumptions	21,673,538	14,350	21,687,888
Net difference between projected and actual earnings on plan investments	1,598,252	257,221	1,855,473
Changes in proportion and differences between Board contributions and proportionate share of contributions	11,716,625	3,012	11,719,637
Board contributions subsequent to the measurement date	10,061,283	155,006	10,216,289
Total deferred outflows of resources	$ 47,252,847	$ 602,175	$ 47,855,022
Deferred Inflows of Resources:			
Differences between expected and actual experience	$ 196,027	$ 109,077	$ 305,104
Changes of assumptions	53,376,733	33,617	53,410,350
Changes in proportion and differences between Board contributions and proportionate share of contributions	11,617,889	23,612	11,641,501
Total deferred inflows of resources	$ 65,190,649	$ 166,306	$ 65,356,955

2. Accounts Payable

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

	Vendors and Other	Salaries and benefits	Total
Governmental activities:			
General Fund	$ 2,329,487	$ 2,273,826	$ 4,603,313
Other governmental activities	485,199	-	485,199
Total governmental activities	$ 2,814,686	$ 2,273,826	$ 5,088,512
Business-type activities:			
School Food Service Fund	$ 25,651	$ -	$ 25,651
Child Care Fund	41	-	41
Total business-type activities	$ 25,692	$ -	$ 25,692

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)	$ 147,387

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 13,882,256	$ 1,346,841
Changes of assumptions	26,644,656	53,410,350
Net difference between projected and actual earnings on pension and OPEB plan investments	41,163,883	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	13,514,000	15,432,106
Board contributions subsequent to the measurement date	35,059,485	-
Total	$ 130,264,280	$ 70,189,297

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 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 Comprehensive Major Medical Plan.

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time are performance bonded through a commercial surety bond. The finance officer is bonded for $50,000. The remaining employees that have access to funds are bonded under a blanket bond for $100,000.

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 several legal claims. The Board's management and the Board's attorneys have been unable to determine the amount of loss, if any, the Board might incur as a result of these legal matters.

7. Long-Term Obligations

a. Leases

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

The agreement was executed on August 1, 2019, to lease copier machines and required 59 monthly payments of $49,953. There were no variable payment components of the lease. The lease liability was measured at an imputed discount rate of 3.50%. The lease expired during the year ended June 30, 2024.

b. Direct Placement Installment Purchases

The Board is authorized by State law [G.S.115C-47(28a)] to enter into direct placement installment purchase contracts to finance energy conservation measures that will reduce its operating costs. In December 2019, the Board entered into such a contract to reduce energy costs throughout the district. The property is pledged as collateral for the debt while the debt is outstanding. The contract amount totaled $8,060,925 and requires principal and interest payments for fifteen years beginning in the fiscal year 2019-2020 with an interest rate of 3.471 percent.

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through special third-party direct placement financing arrangements. During current and prior fiscal years, the Board entered into several such contracts for the purchase of school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The original amount of the outstanding installment purchase contracts totaled $468,878 at June 30, 2024. The contracts each require four equal principal-only payments with the first payment due within ten days of receipt of the buses and the following three payments due on each of the three subsequent November 15th dates.

The future minimum installment purchase payments at June 30, 2024, including interest, are as follows:

Years Ending June 30:	Governmental Activities Principal	Governmental Activities Interest
2025	$ 617,952	$ 204,048
2026	584,153	186,393
2027	536,251	168,121
2028	554,948	149,213
2029	574,300	129,646
2030 - 2034	3,186,333	329,977
2035	235,502	1,904
Totals	$ 6,289,439	$ 1,169,302

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, 2024:

	July 1, 2023	Increases	Decreases	June 30, 2024	Current Portion
Governmental activities:					
Direct placement installment purchases	$ 6,812,241	$ 263,872	$ 786,674	$ 6,289,439	$ 617,952
Lease liabilities	588,225	-	588,225	-	-
Net pension liability	126,682,722	10,192,727	-	136,875,449	-
Net OPEB liability	178,627,022	15,583,047	-	194,210,069	-
Compensated absences	12,002,362	9,080,042	9,155,102	11,927,302	5,179,469
Total	$ 324,712,572	$ 35,119,688	$ 10,530,001	$ 349,302,259	$ 5,797,421
Business-type activities:					
Net pension liability	$ 3,753,834	$ 514,058	$ -	$ 4,267,892	$ -
Net OPEB liability	5,293,035	762,599	-	6,055,634	-
Compensated absences	259,150	316,160	278,386	296,924	143,672
Total	$ 9,306,019	$ 1,592,817	$ 278,386	$ 10,620,450	$ 143,672

Compensated absences, 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.

d. Leases – Commitment / Subsequent Event

In June 2024, the Board entered into an agreement to lease copier machines. The machines were not received by the Board until subsequent to June 30, 2024. The agreement does not become effective until the machines are in the possession of the school district. The agreement requires 60 monthly payments of $42,285.79 (total of $2,537,147.40). The lease agreement qualifies as an other than short-term lease under GASB 87 and, therefore, will be recorded at the present value of the future minimum lease payments during the fiscal year ended June 30, 2025.

C. Interfund Balances and Activity

1. Transfers to/from other Funds

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

The State Public School Fund transferred $46,585 to the School Food Service Fund. This transfer was made at the request of the State of North Carolina to ensure that the State was in compliance with State matching requirements contained within the National School Lunch Program grant agreement.

2. Interfund Balances

The composition of interfund balances as of June 30, 2024 is as follows:

	Amount
Due from the School Food Service Fund to the Other Special Revenue Fund for indirect cost	$ 120,312
Due from the Other Special Revenue Fund to the School Food Service Fund for grant revenues held at year-end	$ 17,710
Due from the General Fund to the School Food Service Fund for investment proceeds and accrued interest held at year-end	$ 2,408,327
Due from the General Fund to the Child Care Fund for investment proceeds held at year-end	$ 265,095
Due from the General Fund to the Capital Outlay Fund for proceeds received from a bank for a fraud claim	$ 259,947
Due from the General Fund to the School Food Service Fund for training reimbursements	$ 1,312

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	$ 252,238,084
Less:	
Installment purchase obligations	(6,289,439)
Capital Outlay Fund - accounts payable	(214,798)
Net investment in capital assets, governmental activities	$ 245,733,847

2. Fund Balance

The following schedule provides management and citizens with information on the portion of General fund balance that is unassigned and available for appropriation at June 30, 2024:

Total fund balance (deficit) - General Fund	$ (1,644,426)
Less:	
Stabilization by State statute	(152,265)
Unassigned fund balance (deficit)	$ (1,796,691)

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Encumbrances outstanding at June 30, 2024 are as follows:

	Encumbrances
Federal Grants Fund	$ 2,763,846
Other Special Revenue Fund	201,461
Capital Outlay Fund	3,050,834

NOTE 4 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2024 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursement program	$ 3,508,182
Contracted services revenue	1,563,624
Indirect costs allocated	1,166,119
Interest income	16,036
Activity bus revenue	266,401
Private grants and programs	117,877
Rental of school property	200,390
Tuition and fees	134,493
Other	376,496
Total other revenues	$ 7,349,618

NOTE 5 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Schedule of Board Contributions
Retiree Health Benefit Fund

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

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	2024	2023	2022	2021	2020
Board's proportion of the net pension liability/asset	0.847%	0.879%	0.826%	0.842%	0.841%
Board's proportionate share of the net pension liability (asset)	$ 141,143,341	$ 130,436,556	$ 38,675,943	$ 101,677,254	$ 87,178,852
Board's covered payroll	$ 139,318,297	$ 135,541,142	$ 126,909,926	$ 125,599,322	$ 122,798,007
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	101.31%	96.23%	30.48%	80.95%	70.99%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%

	2019	2018	2017	2016	2015
Board's proportion of the net pension liability/asset	0.839%	0.851%	0.882%	0.858%	0.842%
Board's proportionate share of the net pension liability (asset)	$ 83,526,609	$ 67,543,516	$ 81,095,241	$ 31,609,417	$ 9,868,150
Board's covered payroll	$ 117,467,706	$ 114,561,390	$ 110,760,219	$ 110,731,966	$ 106,132,900
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	71.11%	58.96%	73.22%	28.55%	9.30%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Contractually required contribution	$ 24,843,196	$ 24,213,520	$ 22,201,639	$ 18,757,287	$ 16,290,232
Contributions in relation to the contractually required contribution	24,843,196	24,213,520	22,201,639	18,757,287	16,290,232
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 140,914,328	$ 139,318,297	$ 135,541,142	$ 126,909,926	$ 125,599,322
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 15,091,875	$ 12,663,019	$ 11,433,227	$ 10,134,560	$ 10,131,975
Contributions in relation to the contractually required contribution	15,091,875	12,663,019	11,433,227	10,134,560	10,131,975
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 122,798,007	$ 117,467,706	$ 114,561,390	$ 110,760,219	$ 110,731,966
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

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

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.751%	0.774%	0.719%	0.738%	0.736%
Board's proportionate share of the net OPEB liability (asset)	$ 200,068,770	$ 183,690,533	$ 222,393,016	$ 204,763,530	$ 232,858,984
Board's covered payroll	$ 139,318,297	$ 135,541,142	$ 126,909,926	$ 125,599,322	$ 122,798,007
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	143.61%	135.52%	175.24%	163.03%	189.63%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.73%	10.58%	7.72%	6.92%	4.40%

	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.755%	0.787%	0.773%
Board's proportionate share of the net OPEB liability (asset)	$ 215,029,271	$ 257,905,302	$ 336,184,984
Board's covered payroll	$ 117,467,706	$ 114,561,390	$ 110,760,219
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	183.05%	225.12%	303.53%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	4.40%	3.52%	2.41%

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

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Contractually required contribution	$ 10,061,283	$ 9,599,031	$ 8,525,538	$ 8,477,583	$ 8,126,276
Contributions in relation to the contractually required contribution	10,061,283	9,599,031	8,525,538	8,477,583	8,126,276
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 140,914,328	$ 139,318,297	$ 135,541,142	$ 126,909,926	$ 125,599,322
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 7,699,435	$ 7,106,796	$ 6,656,017	$ 6,202,572	$ 6,079,185
Contributions in relation to the contractually required contribution	7,699,435	7,106,796	6,656,017	6,202,572	6,079,185
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 122,798,007	$ 117,467,706	$ 114,561,390	$ 110,760,219	$ 110,731,966
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

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

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.741%	0.772%	0.733%	0.741%	0.747%
Board's proportionate share of the net OPEB liability (asset)	$ 196,933	$ 229,524	$ (119,643)	$ (364,557)	$ (322,356)
Board's covered payroll	$ 139,318,297	$ 135,541,142	$ 126,909,926	$ 125,599,322	$ 122,798,007
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.14%	0.17%	0.09%	0.29%	0.26%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.61%	90.34%	105.18%	115.57%	113.00%

	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.747%	0.756%	0.793%
Board's proportionate share of the net OPEB liability (asset)	$ (226,900)	$ (462,263)	$ (492,677)
Board's covered payroll	$ 117,467,706	$ 114,561,390	$ 110,760,219
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.19%	0.40%	0.44%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	108.47%	116.23%	116.06%

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

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

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020
Contractually required contribution	$ 155,006	$ 139,318	$ 121,987	$ 114,219	$ 125,599
Contributions in relation to the contractually required contribution	155,006	139,318	121,987	114,219	125,599
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 140,914,328	$ 139,318,297	$ 135,541,142	$ 126,909,926	$ 125,599,322
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 171,917	$ 164,455	$ 435,333	$ 454,117	$ 454,001
Contributions in relation to the contractually required contribution	171,917	164,455	435,333	454,117	454,001
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 122,798,007	$ 117,467,706	$ 114,561,390	$ 110,760,219	$ 110,731,966
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%

INDIVIDUAL FUND SCHEDULES

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

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Alamance County:			
County appropriation	$ 48,827,151	$ 48,827,151	$ -
Other:			
Fines and forfeitures	975,000	1,084,368	109,368
Local sales tax	371,000	287,054	(83,946)
Interest income	-	2,455	2,455
Total other	1,346,000	1,373,877	27,877
Total revenues	50,173,151	50,201,028	27,877
Expenditures:			
Current:			
Instructional services:			
Regular instructional	12,891,110	13,323,245	(432,135)
Special populations	2,663,181	2,624,278	38,903
Alternative programs	418,276	324,534	93,742
School leadership	3,374,000	3,356,883	17,117
Co-curricular	1,220,000	1,028,579	191,421
School-based support	1,720,270	1,693,651	26,619
Total instructional services	22,286,837	22,351,170	(64,333)
System-wide support services:			
Support and development	927,823	848,484	79,339
Special population support and development	279,500	171,232	108,268
Alternative programs and services support and development	6,695	3,653	3,042
Technology support	181,400	168,901	12,499
Operational support	16,407,338	16,490,870	(83,532)
Financial and human resource services	2,608,365	2,603,846	4,519
Accountability	45,000	36,513	8,487
System-wide pupil support	312,150	304,851	7,299
Policy, leadership and public relations	1,249,957	1,245,489	4,468
Total system-wide support services	22,018,228	21,873,839	144,389

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued):			
Current:			
Non-programmed charges:			
Payments to other governments	5,103,800	7,473,509	(2,369,709)
Debt service:			
Principal retirement	1,072,091	1,072,091	-
Interest and fees	233,701	251,679	(17,978)
Total debt service	1,305,792	1,323,770	(17,978)
Total expenditures	50,714,657	53,022,288	(2,307,631)
Revenues under expenditures	(541,506)	(2,821,260)	(2,279,754)
Fund balance appropriated	541,506	-	(541,506)
Net change in fund balance	$ -	(2,821,260)	$ (2,821,260)
Fund balance:			
Beginning of year		1,176,834	
End of year		$ (1,644,426)	

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2024

	Revenues and Transfers in	Expenditures	Net change in fund balance	Fund balances 6/30/2023	Fund balances 6/30/2024
Alexander Wilson Elementary	$ 134,149	$ 144,119	$ (9,970)	$ 135,331	$ 125,361
Altamahaw Ossipee Elementary	67,444	69,684	(2,240)	27,630	25,390
R. Homer Andrews Elementary	8,213	4,706	3,507	30,744	34,251
Eastlawn Elementary	21,442	15,906	5,536	6,908	12,444
Elon Elementary	12,040	14,363	(2,323)	42,890	40,567
Garrett Elementary	34,968	33,943	1,025	37,615	38,640
Grove Park Elementary	32,970	29,945	3,025	21,966	24,991
Haw River Elementary	19,278	13,488	5,790	3,770	9,560
Hillcrest Elementary	32,723	23,095	9,628	19,710	29,338
Highland Elementary	33,312	28,870	4,442	34,057	38,499
E.M. Holt Elementary	68,823	70,462	(1,639)	76,119	74,480
B. Everett Jordan Elementary	6,904	17,135	(10,231)	74,226	63,995
Newlin Elementary	13,666	10,453	3,213	6,271	9,484
North Graham Elementary	15,641	15,042	599	22,600	23,199
Pleasant Grove Elementary	17,793	17,380	413	7,438	7,851
Marvin B. Smith Elementary	28,838	27,032	1,806	27,786	29,592
South Graham Elementary	13,684	14,001	(317)	8,043	7,726
South Mebane Elementary	23,986	20,280	3,706	11,220	14,926
Sylvan Elementary	36,270	42,210	(5,940)	51,452	45,512
E.M. Yoder Elementary	46,885	38,217	8,668	40,748	49,416
Broadview Middle	28,492	29,504	(1,012)	18,117	17,105
Graham Middle	46,892	60,949	(14,057)	31,340	17,283
Hawfields Middle	104,007	105,284	(1,277)	30,923	29,646
Southern Middle	51,804	38,131	13,673	69,560	83,233
Turrentine Middle	42,497	55,326	(12,829)	29,357	16,528
Western Middle	91,283	100,837	(9,554)	95,081	85,527
Woodlawn Middle	42,665	51,334	(8,669)	54,920	46,251
Cummings High	121,879	149,859	(27,980)	63,593	35,613
Eastern Alamance High	308,507	296,193	12,314	120,163	132,477
Graham High	98,383	134,807	(36,424)	88,432	52,008
Southern Alamance High	380,216	383,737	(3,521)	194,826	191,305
Western Alamance High	336,778	322,476	14,302	144,527	158,829
Walter Williams High	219,248	233,731	(14,483)	142,712	128,229
Southeast High	315,618	274,265	41,353	-	41,353
Burlington Middle College	22,510	21,586	924	8,960	9,884
Ray Street Academy	2,522	2,528	(6)	3,354	3,348
Career and Technical Ed Center	12,106	6,296	5,810	10,466	16,276
Totals	$ 2,894,436	$ 2,917,174	$ (22,738)	$ 1,792,855	$ 1,770,117

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

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
Lottery Capital Funds	$ 2,813,390	$ 1,976,366	$ (837,024)
State appropriations - buses	500,000	302,808	(197,192)
K-12 Athletic Facilities Grant	151,377	-	(151,377)
Total State of North Carolina	3,464,767	2,279,174	(1,185,593)
Alamance County:			
Local bond revenues	28,330,026	13,056,168	(15,273,858)
General county appropriations	4,547,372	4,547,372	-
Restricted sales tax	25,517,783	23,681,962	(1,835,821)
Total Alamance County	58,395,181	41,285,502	(17,109,679)
Other:			
Local sales tax	-	413,435	413,435
Interest income	-	2,680	2,680
Miscellaneous	-	31,637	31,637
Total other	-	447,752	447,752
Total revenues	61,859,948	44,012,428	(17,847,520)
Expenditures:			
Current:			
Instructional services:			
Co-curricular	75,802	70,597	5,205
System-wide support services:			
Operational support	400,000	265,872	134,128
Ancillary services:			
Nutrition	96,000	45,650	50,350
Debt service:			
Principal retirement	500,000	302,808	197,192
Capital outlay	61,959,647	44,191,509	17,768,138
Total expenditures	63,031,449	44,876,436	18,155,013
Revenues under expenditures	(1,171,501)	(864,008)	307,493
Other financing sources:			
Installment purchase obligations issued	400,000	263,872	(136,128)
Fund balance appropriated	771,501	-	(771,501)
Net change in fund balance	$ -	(600,136)	$ (600,136)
Fund balance:			
Beginning of year		1,065,931	
End of year		$ 465,795	

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

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	$ 2,205,000	$ 2,108,425	$ (96,575)
Other	11,000	4,944	(6,056)
Total operating revenues	2,216,000	2,113,369	(102,631)
Operating expenditures:			
Business support services:			
Purchase of food		5,225,824	
Donated commodities		925,274	
Salaries and benefits		7,175,402	
Indirect costs		459,399	
Materials and supplies		451,746	
Repairs and maintenance		143,807	
Non-capitalized equipment		16,064	
Contracted services		111,147	
Other		107,237	
Capital outlay		65,786	
Total operating expenditures	15,736,000	14,681,686	1,054,314
Operating loss	(13,520,000)	(12,568,317)	951,683
Nonoperating revenues:		.	
Federal grants and reimbursements	12,450,000	11,056,314	(1,393,686)
Federal commodities	1,000,000	925,274	(74,726)
State grants and reimbursements	15,000	49,072	34,072
Interest income	10,000	23,199	13,199
Contributions and donations	-	790	790
Total nonoperating revenues	13,475,000	12,054,649	(1,420,351)
Revenues under expenditures	(45,000)	(513,668)	(468,668)
Other financing sources:			
Transfers from other funds	45,000	46,585	1,585
Net change in fund balance	$ -	(467,083)	$ (467,083)
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(156,976)	
Equipment purchases		65,786	
Net pension liability		(558,247)	
Net OPEB liability		(822,043)	
Deferred outflows - pension and OPEB		406,222	
Deferred inflows - pension and OPEB		575,043	
Increase in compensated absences payable		(37,162)	
Increase in inventory		27,275	
Change in net position (full accrual)		$ (967,185)	

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
CHILD CARE FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Child care fees	$ 1,310,000	$ 1,214,941	$ (95,059)
Operating expenditures:			
Instructional services - regular:			
Salaries and benefits		99,958	
Materials and supplies		74,315	
Non-capitalized equipment		3,685	
Contracted servcies		560	
Other		5,923	
Capital outlay		90,057	
Total regular instructional	500,000	274,498	225,502
Instructional services - school leadership:			
Salaries and benefits	160,000	153,573	6,427
Regular community services:			
Purchase of food		2,970	
Salaries and benefits		626,634	
Indirect costs		12,497	
Materials and supplies		50,467	
Other		6,520	
Total regular community services	1,769,612	699,088	1,070,524
Total operating expenditures	2,429,612	1,127,159	1,302,453
Operating income (loss)	(1,119,612)	87,782	1,207,394
Nonoperating revenues:			
Interest earned	5,000	1,860	(3,140)
Revenues over (under) expenditures	(1,114,612)	89,642	1,204,254
Fund balance appropriated	1,114,612	-	(1,114,612)
Net change in fund balance	$ -	89,642	$ 89,642
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(15,688)	
Equipment purchases		90,057	
Net pension liability		44,189	
Net OPEB liability		59,444	
Deferred outflows - pension and OPEB		(52,626)	
Deferred inflows - pension and OPEB		114,601	
Increase in compensated absences payable		(612)	
Change in net position (full accrual)		$ 329,007	

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT

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

To the Alamance-Burlington Board of Education
Burlington, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Alamance-Burlington Board of Education, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises the Alamance-Burlington Board of Education, North Carolina's basic financial statements and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 24-01, 24-02 and 24-03 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 24-04 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Alamance-Burlington Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 24-01 and 24-02.

Alamance-Burlington Board of Education's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Board's response to the finding identified in our audit that is described in the accompanying schedule of findings and questioned costs. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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

Anderson Smith & Wike PLLC

December 13, 2024
Rockingham, North Carolina

INDEPENDENT AUDITOR'S REPORT

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

To the Alamance-Burlington Board of Education
Burlington, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Alamance-Burlington Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the

State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Alamance-Burlington Board of Education's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

December 13, 2024
Rockingham, North Carolina

INDEPENDENT AUDITOR'S REPORT

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

To the Alamance-Burlington Board of Education
Burlington, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

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

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

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Alamance-Burlington Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the

State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Alamance-Burlington Board of Education's compliance with the requirements of each major State program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

December 13, 2024
Rockingham, North Carolina

ALAMANCE-BURLINGTON BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance to GAAP:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	*Yes*
• Significant deficiency(ies) identified?	*Yes*
Noncompliance material to financial statements noted?	*Yes*

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	*No*
• Significant deficiency(ies) identified?	*None Identified for Reporting*
Type of auditor's report issued on compliance for major federal programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	*No*

Identification of major federal programs:

AL Number	Name of Federal Program or Cluster
	Child Nutrition Cluster:
10.555	National School Lunch Program (Commodities)
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	After School Snack Program
10.555	Supply Chain Assistance Funds
10.559	Summer Food Service Program for Children
10.582	Fresh Fruit and Vegetable Grant
84.425	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B Programs	*$ 1,756,655*
Auditee qualified as low-risk auditee?	*No*

Section I - Summary of Auditor's Results (Continued)

State Awards

Internal control over major State programs:

• Material weakness(es) identified?	*No*
• Significant deficiency(ies) identified?	*None Identified for Reporting*
Type of auditor's report issued on compliance for major State programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act?	*No*

Identification of major State programs:

Program Name

State Public School Fund
Career and Technical Education – State Months of Employment
Lottery Capital Funds

Dollar threshold used to distinguish between Major State Programs	*$ 500,000*
Auditee qualified as low-risk auditee?	*No*

Section II - Financial Statement Findings

Finding 24-01

MATERIAL WEAKNESS
Violations of The School Budget and Fiscal Control Act - Budget Violations

Criteria:	The School Budget and Fiscal Control Act (G.S. 115C-441) states that no obligation may be incurred by a local school administrative unit unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.
Condition:	During the year, the Board incurred expenditures within the General Fund and Other Special Revenue Fund that exceeded appropriations, as detailed in Footnote 2 of the financial statements.
Effect:	The Board is in violation of North Carolina General Statute 115C-441.
Cause:	Budget amendments were not prepared when needed due to lack of timely recordkeeping and oversight of the budgetary process.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, Finding 23-01.

Finding 24-01 (Continued)

Recommendation: We recommend that the budget process be monitored more closely by management and the Board. Management and the Board should ensure that no obligation is incurred by the district unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction for the current fiscal year.

Views of responsible officials and planned corrective actions:
The Board of Education agrees with this finding. Management will take the necessary actions as described in the Corrective Action Plan.

Finding 24-02

MATERIAL WEAKNESS
Violations of The School Budget and Fiscal Control Act – Purchasing Violations

Criteria: The School Budget and Fiscal Control Act states that if an obligation is evidenced by a contract or agreement requiring the payment of money or by a purchase order for supplies and materials, the contract, agreement, or purchase order shall include on its face a certificate stating that the instrument has been pre-audited by the finance officer to assure compliance with The School Budget and Fiscal Control Act.

Condition: Several instances were noted in our audit of expenditures made during the year for which a purchase order was not pre-audited by the finance officer until after the goods or services were received. One instance was noted of an expenditure made during the year for which no purchase order was completed.

In addition, it was noted that the Board of Education made a resolution request to the Board of County Commissioners in November 2023 for an additional appropriation of approximately $9.0 million to meet contractual obligations incurred during the mold remediation project. This resolution indicates that the mold remediation services were completed without an unencumbered balance available in the budget sufficient to pay the amounts obligated under mold remediation contracts entered into by the Board of Education.

Effect: The district was in violation of The School Budget and Fiscal Control Act. Goods and services were received by the district for which the finance officer did not first properly perform the preaudit function.

Cause: Staff with purchasing responsibility did not submit purchase orders to the finance department for approval prior to initiating a purchase. Contracts were entered into for mold remediation without properly performing the pre-audit function to verify that sufficient unencumbered funds were available in the budget to pay for the contracted services.

Identification of a repeat finding: This is not a repeat finding from the immediate previous audit.

Recommendation: We recommend that controls and procedures be put in place to ensure that staff with purchasing responsibility submit purchase orders to the finance department for approval prior to initiating a purchase. In addition, controls should be put in place to ensure that the finance officer properly performs the pre-audit function before allowing the district to enter into a contract for goods or services.

Finding 24-02 (Continued)

Views of responsible officials and planned corrective actions:
The Board of Education agrees with this finding. Management will take the necessary actions as described in the Corrective Action Plan.

Finding 24-03

MATERIAL WEAKNESS
Board Policy Violation

Criteria:	Board policy code 6420 "Contracts with the Board" states that any contract involving expenditures in excess of $100,000 must be reviewed by the Board attorney and approved in advance by the Board unless provided otherwise in Board policy.
Condition:	During the audit, we noted that the district entered into mold remediation contracts in excess of $100,000 and work was begun on those contracts prior to the Board of Education formally approving the contracts.
Effect:	The district was in violation of policy code 6420.
Cause:	Controls were not in place to ensure that policy code 6420 was adhered to. Per discussions with management, the urgent and emergency nature of the mold remediation work being performed contributed to the policy violation.
Identification of a repeat finding:	This is not a repeat finding from the immediate previous audit.
Recommendation:	We recommend that the Board implement controls and procedures to ensure that policy code 6420 is properly adhered to.

Views of responsible officials and planned corrective actions:
The Board of Education agrees with this finding. Management will take the necessary actions as described in the Corrective Action Plan.

Finding 24-04

SIGNIFICANT DEFICIENCY
Account Reconciliations

Criteria:	Controls should ensure that all general ledger accounts are properly reconciled in a timely manner each month to enable the Board to make timely decisions based upon accurate data.
Condition:	Management did not properly reconcile various School Food Service Fund general ledger accounts in a timely manner during the fiscal year**.**
Effect:	Various audit entries were required to adjust the School Food Service Fund general ledger to proper year-end balances. Since various general ledger account reconciliations were not completed in a proper and timely manner, management decisions could have been made while relying upon inaccurate financial reporting.
Cause:	Controls and procedures were not in place to ensure that general ledger accounts were reconciled and adjusted in a timely manner each month.

Finding 24-04 (Continued)

Identification of a repeat finding:	This is not a repeat finding from the immediate previous audit.
Recommendation:	We recommend that management implement controls and procedures to ensure that all School Food Service Fund general ledger accounts are reconciled in a timely manner each month.

Views of responsible officials and planned corrective actions:
The Board of Education agrees with this finding. Management will take the necessary actions as described in the Corrective Action Plan.

Section III - Federal Award Findings and Questioned Costs

None reported.

Section IV - State Award Findings and Questioned Costs

None reported.

Alamance-Burlington School System

CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2024

Finding 24-01

Name of Contact Person: Tony Messer, Chief Finance Officer

Corrective Action Plan: The Board of Education will implement controls and procedures to ensure that the budget process is monitored more closely by management and the Board, and that no obligation is incurred by the district unless the budget resolution includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay the sums obligated by the transaction for the current fiscal year.

Proposed Completion Date: Immediately

Finding 24-02

Name of Contact Person: Tony Messer, Chief Finance Officer

Corrective Action Plan: The Board of Education will implement controls and procedures to ensure that staff with purchasing responsibility submit purchase orders to the finance department for approval prior to initiating a purchase, and that the finance officer properly performs the pre-audit function before allowing the district to enter into a contract for goods or services.

Proposed Completion Date: Immediately

Finding 24-03

Name of Contact Person: Tony Messer, Chief Finance Officer

Corrective Action Plan: The Board of Education will implement controls and procedures to ensure that policy code 6420 is properly adhered to.

Proposed Completion Date: Immediately

Finding 24-04

Name of Contact Person: Tony Messer, Chief Finance Officer

Corrective Action Plan: The Board of Education will implement controls and procedures to ensure that all School Food Service Fund general ledger accounts are reconciled in a timely manner each month.

Proposed Completion Date: Immediately

Finding 23-01

Status: Not corrected. See Finding 24-01.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2024

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
U.S. Department of Agriculture			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	$ 925,274
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	2,427,160
National School Lunch Program	10.555	PRC 035	7,660,307
Supply Chain Assistance Funds	10.555	PRC 035	531,919
After School Snack Program	10.555	PRC 035	63,580
Summer Food Service Program for Children	10.559	PRC 035	198,015
Fresh Fruit and Vegetable Grant	10.582	PRC 035	175,333
Cash assistance subtotal			11,056,314
Total Child Nutrition Cluster			11,981,588
Local Food for Schools Cooperative Agreement Program	10.185		41,442
Total U.S. Department of Agriculture			12,023,030
U.S. Department of Defense			
Direct Program:			
ROTC	12.000		64,674
U.S. Department of Education			
Office of Elementary and Secondary Education			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050,105	8,125,229
Supporting Effective Instruction State Grant	84.367	PRC 103	1,218,241
Language Acquisition Grant	84.365	PRC 104,111	390,567
Education for Homeless Children and Youth	84.196	PRC 026	71,672
Student Support and Academic Enrichment Program	84.424	PRC 108	787,100
Mental Health Service Professional Demonstration Grant	84.184	PRC 143	18,214
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	5,769,501
Special Needs Targeted Assistance	84.027	PRC 118	8,449
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	131,657
COVID-19 - ARP - Preschool Grants - IDEA, Part B (619)	84.173	PRC 186	1,170
Total Special Education Cluster			5,910,777

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
COVID-19 - Education Stabilization Fund:			
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	1,604,064
COVID-19 - ESSER II - Supplemental Contracted Instructional Support Funding	84.425D	PRC 173	59,223
COVID-19 - ESSER II - School Nutrition COVID Support	84.425D	PRC 174	122,883
COVID-19 - ESSER II - Learning Loss Funding	84.425D	PRC 176	17,008
COVID-19 - ESSER II - Summer Career Accel. Program	84.425D	PRC 177	85,047
COVID-19 - ESSER II - Competency-Based Assessment	84.425D	PRC 178	26,900
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	26,799,939
COVID-19 - ESSER III - Homeless	84.425W	PRC 183	48,139
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	154,432
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	416,017
COVID-19 - ESSER III - Cyberbullying & Suicide Prevention Grants	84.425U	PRC 192	74,956
COVID-19 - ESSER III - District & School Turnaround Grants	84.425U	PRC 195	97,858
COVID-19 - ESSER III - Principal Retention Supplements	84.425U	PRC 206	5,115
Total COVID-19 - Education Stabilization Fund	84.425		29,511,581
Special Education - State Personnel Development	84.323	PRC 082	2,082
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	432,004
Total U.S. Department of Education			46,467,467
Total Federal Assistance			**58,555,171**
State Grants:			
N.C. Department of Public Instruction:			
Cash Assistance:			
State Public School Fund		Various	163,945,679
Career and Technical Education:			
State Months of Employment		PRC 013	7,750,376
Program Support Funds		PRC 014	881,238
Driver Training		PRC 012	506,483
School Technology Fund		PRC 015	266,180
K-12 Athletic Facilities Grant		PRC 440	112,562
Passed-through Alamance County:			
Lottery Capital Funds:			
Public School Building Capital Fund			1,851,153
Public School Building Repair & Renovation Fund			125,213
Total Lottery Capital Funds			1,976,366
Cash assistance subtotal			175,438,884

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Non-Cash Assistance:			
State Buses Appropriation		PRC 120	302,808
Total N.C. Department of Public Instruction			175,741,692
N.C. Department of Agriculture:			
State Reduced Breakfast Program			8,168
State Reduced Lunch Program			24,424
Total N.C. Department of Agriculture			32,592
N.C. Department of Health and Human Services:			
Division of Public Health:			
Passed-through Alamance County:			
State School Nurse Initiative			100,000
Child and Adult Care Food Program			16,480
Total State Assistance			**175,890,764**
Total Federal and State Assistance			**$234,445,935**

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

Note 1. Basis of Presentation

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

Note 2. Summary of Significant Accounting Policies

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

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