North Carolina Central University
Statement of Net Position — *Exhibit A-1*
June 30, 2024

ASSETS	
Current Assets:	
Cash and Cash Equivalents	9,431,701
Restricted Cash and Cash Equivalents	17,830,047
Restricted Short-Term Investments	1,763,815
Receivables, Net (Note 5)	23,442,612
Due from University Component Unit	236,222
Inventories	682,553
Notes Receivable, Net (Note 5)	16,853
Leases Receivable, Net (Note10)	57,061
Total Current Assets	53,460,864
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	17,574,504
Endowment Investments	60,985,449
Notes Receivable, Net (Note 5)	1,009,561
Leases Receivable, Net (Note 10)	117,009
Other Receivable: Kitty Hawk	500,000
Capital Assets - Nondepreciable (Note 6)	21,293,893
Capital Assets - Depreciable, Net (Note 6)	404,992,908
Total Noncurrent Assets	506,473,324
Total Assets	559,934,188
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	32,489,430
Deferred Outflows Related to Other Postemployment Benefits (Note 15)	20,583,885
Total Deferred Outflows of Resources	53,073,315
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities (Note 8)	13,643,806
Funds Held for Others	236,222
Unearned Revenue	11,444,020
Interest Payable	957,470
Long-Term Liabilities - Current Portion (Note 9)	7,797,555
Total Current Liabilities	34,079,073
Noncurrent Liabilities:	
Deposits Payable	400
Funds Held for Others	258,258
Other: Kity Hawk	2,323,189
Long-Term Liabilities, Net (Note 9)	259,628,438
Total Noncurrent Liabilities	262,210,285
Total Liabilities	296,289,358

North Carolina Central University
Statement of Net Position
June 30, 2024

DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Under Public-Private Partnerships (Note 7)	90,517,124
Deferred Inflows Related to Pensions	854,398
Deferred Inflows Related to Other Postemployment Benefits (Note 15)	39,030,331
Deferred Inflows for Leases	172,031
Total Deferred Inflows of Resources	130,573,884
NET POSITION	
Net Investment in Capital Assets	238,194,777
Restricted:	
Nonexpendable:	
Scholaships and Fellowships	7,678,743
Endowed Professorships	11,443,855
Total Restricted-Nonexpendable Net Position	19,122,598
Expendable:	
Scholarships, Research, Instruction, and Other	5,958,404
Research	209,140
Endowed Professorships	33,120,447
Departmental Uses	1,652,259
Capital Projects	19,224,866
Total Restricted-Expendable Net Position	60,165,116
Unrestricted	(131,338,230)
Total Net Position	186,144,261

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

North Carolina Central University
Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024 ***Exhibit A-2***

OPERATING REVENUES	
Student Tuition and Fees, Net (Note12)	50,588,477
Federal Grants and Contracts	20,269,833
State and Local Grants and Contracts	2,636,568
Nongovernmental Grants and Contracts	612,619
Sales and Services, Net (Note 12)	31,706,704
Interest Earnings on Loans	74,712
Other Operating Revenues	7,185,835
Total Operating Revenues	113,074,748
OPERATING EXPENSES	
Salaries and Benefits	138,540,021
Supplies and Services	84,363,737
Scholarships and Fellowships	14,219,898
Utilities	6,317,512
Depreciation/Amortization	12,645,662
Total Operating Expenses	256,086,830
Operating Loss	(143,012,082)
NONOPERATING REVENUES (EXPENSES)	
State Appropriations	97,620,306
Student Financial Aid	24,141,556
Noncapital Contributions, Net	17,911,970
Investment Income (Net of Investment Expense of $228,962)	8,403,815
Interest and Fees on Debt	(3,340,639)
Other Nonoperating Revenues (Expenses)	3,763,300
Net Nonoperating Revenues	148,500,308
Income Before Other Revenues	5,488,226
Capital Appropriations	2,971,134
Capital Contributions	3,412,449
Total Other Revenues	6,383,583
Increase in Net Position	11,871,809
NET POSITION	
Net Position - July 1, 2023, as Restated (Note 20)	174,272,452
Net Position - June 30, 2024	186,144,261

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

North Carolina Central University
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Received from Customers	104,204,026
Payments to Employees and Fringe Benefits	(146,222,802)
Payments to Vendors and Suppliers	(85,252,962)
Payments for Scholarships and Fellowships	(14,219,898)
Loans Issued	(435,956)
Interest Earned on Loans	(59,505)
William D. Ford Direct Lending Receipts	87,821,043
William D. Ford Direct Lending Disbursements	(87,821,043)
Related Activity Agency Disbursements	(791,690)
Other Receipts	5,365,628
Net Cash Used by Operating Activities	(137,413,159)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State Appropriations	97,620,306
Student Financial Aid	24,128,548
Noncapital Contributions	19,266,039
Other Receipts	3,763,300
Net Cash Provided by Noncapital Financing Activities	144,778,193
CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES	
Capital Appropriations	2,971,134
Capital Contributions	3,412,449
Proceeds from Sale of Capital Assets	(6,274,126)
Proceeds from Lease Arrangements	(502,040)
Principal Paid on Capital Debt and Lease/Subscription Liabilities	(6,021,414)
Interest and Fees Paid on Capital Debt and Lease/Subscription Liabilities	(3,406,322)
Net Cash Used by Capital Financing and Related Financing Activities	(9,820,319)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Sales and Maturities of Investments	12,643,720
Investment Income	8,810,106
Purchase of Investments and Related Fees	(17,694,742)
Net Cash Provided by Investing Activities	3,759,084
Net Increase in Cash and Cash Equivalents	1,303,799
Cash and Cash Equivalents - July 1, 2023	43,532,452
Cash and Cash Equivalents - June 30, 2024	44,836,251

North Carolina Central University
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

Operating Loss	(143,012,082)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation/Amortization Expense	12,645,662
Allowances, Write-Offs, and Amortizations	3,195,879
Changes in Assets and Deferred Outflows of Resources:	
Receivables, Net	(4,806,054)
Inventories	(44,045)
Notes Receivable, Net	(435,956)
Deferred Outflows Related to Pensions	(844,145)
Deferred Outflows Related to Other Postemployment Benefits	(3,106,071)
Changes in Liabilities and Deferred Inflows of Resources:	
Accounts Payable and Accrued Liabilities	5,975,398
Funds Held for Others	(791,690)
Net Pension Liability	3,094,473
Net Other Postemployment Benefits Liability	3,568,372
Compensated Absences	673,815
Workers' Compensation Liability	(83,463)
Deferred Inflows Under Public-Private Partnerships	(1,954,424)
Deferred Inflows Related to Pensions	180,469
Deferred Inflows Related to Other Postemployment Benefits	(11,669,297)
Net Cash Used by Operating Activities	(137,413,159)

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Change in Fair Value of Investments	(406,291)
Loss on Disposal of Capital Assets	5,819,546
Amortization of Bond Premiums	(506,654)

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

Note 1 - Significant Accounting Policies

A. **Financial Reporting Entity** - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. North Carolina Central University (University) is a constituent institution of the multi-campus University of North Carolina System, which is a component unit of the State of North Carolina and an integral part of the State's *Annual Comprehensive Financial Report*.

The accompanying financial statements present all funds belonging to the University and its component units. While the Board of Governors of the University of North Carolina System has ultimate responsibility, the Chancellor, the Board of Trustees, and the Board of Trustees of the Endowment Fund have delegated responsibilities for financial accountability of the University's funds. The University's component units are either blended or discretely presented in the University's financial statements. See below for further discussion of the University's component units. Other related foundations and similar nonprofit corporations for which the University is not financially accountable are not part of the accompanying financial statements.

Blended Component Unit - Although legally separate, the NCCU Real Estate Foundation Inc. (Real Estate Foundation), a component unit of the University, is reported as if they were part of the University.

The Real Estate Foundation is governed by a three-member board consisting of elected directors. The Real Estate Foundation's purpose is to acquire property and to construct and own residential facilities for students. Because the directors of the Real Estate Foundation are appointed by the Chancellor, and the Real Estate Foundation's sole purpose is to benefit North Carolina Central University, its financial statements have been blended with those of the University.

Separate financial statements for the Real Estate Foundation may be obtained from the University Comptroller's Office, 1801 Fayetteville Street, Durham, North Carolina 27707, or by calling 919-530-7432.

Condensed combining information regarding the blended component units is provided in Note 18.

Discretely Presented Component Unit – The North Carolina Central University Foundation (NCCU Foundation) is a legally separate nonprofit corporation and is reported as discretely presented component unit based on the nature and significance of their relationship to the University.

The NCCU Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The NCCU Foundation board consists of 21 members. Although the University does not control the timing or amount of receipts from the NCCU Foundation, the majority of resources, or income thereon, that the NCCU Foundation holds and invests are restricted to the activities of the

University by the donors. Because these restricted resources held by the NCCU Foundation can only be used by, or for the benefit of the University, the NCCU Foundation is considered a component unit of the University and is reported in separate financial statements because of the difference in its reporting model, as described below.

The NCCU Foundation is a private nonprofit organization that reports its financial results under the Financial Accounting Standards Board (FASB) Codification. As such, certain revenue recognition criteria and presentation features are different from the Governmental Accounting Standards Board revenue recognition criteria and presentation features. No modifications have been made to the NCCU Foundation's financial information in the University's financial reporting entity for these differences.

During the year ended June 30, 2024, the NCCU Foundation distributed $12,474,892 to the University for both restricted and unrestricted purposes. Complete financial statements for the NCCU Foundation can be obtained from the Comptroller's Office, 1801 Fayetteville Street, Durham, North Carolina 27707, or by calling 919-530-7432.

B. Basis of Presentation - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities,* and GASB Statement No. 84, *Fiduciary Activities,* the full scope of the University's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

C. Basis of Accounting - The financial statements of the University have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which the University receives (or gives) value without directly giving (or receiving) equal value in exchange, include state appropriations, certain grants, and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

D. Cash and Cash Equivalents - This classification includes undeposited receipts, petty cash, cash on deposit with private bank accounts, cash on deposit with fiscal agents, and deposits held by the State Treasurer in the Short-Term Investment Fund (STIF). The STIF maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

E. Investments - To the extent available, investments are recorded at fair value based on quoted market prices in active markets on a trade-date basis. Additional information regarding the fair value measurement of investments is disclosed in Note 3. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the investments. The net change in the value of investments is recognized as a component of investment income.

Money market mutual funds are reported at cost, if purchased, or at fair value or appraised value at date of gift, if donated.

Endowment investments include the principal amount of gifts and bequests that, according to donor restrictions, must be held in perpetuity or for a specified period of time, along with any accumulated investment earnings on such amounts. Further, endowment investments also include amounts internally designated by the University for investment in an endowment capacity (i.e. quasi-endowments), along with accumulated investment earnings on such amounts.

F. **Receivables** - Receivables consist of tuition and fees charged to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, state and local governments, private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Receivables are recorded net of estimated uncollectible amounts.

G. **Inventories** - Inventories, consisting of expendable supplies and merchandise for resale, are valued at cost using the first-in, first-out method.

H. **Capital Assets** - Capital assets are stated at cost at date of acquisition or acquisition value at date of donation in the case of gifts. Donated capital assets acquired prior to July 1, 2015, are stated at fair value as of the date of donation. The value of assets constructed includes all material direct and indirect construction costs.

The University capitalizes assets that have a value or cost of $5,000 or greater at the date of acquisition and an estimated useful life of more than one year except for internally generated computer software which is capitalized when the value or cost is $1,000,000 or greater and other intangible assets which are capitalized when the value or cost is $100,000 or greater. In addition, grouped acquisitions of machinery and equipment that have an estimated useful life of more than one year but are individually below the $5,000 threshold are capitalized.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets in the following manner:

Asset Class	Estimated Useful Life
Buildings	50-75 years
Machinery and Equipment	5-25 years
General Infrastructure	15-75 years
Other Intangible Assets	5-25 years

Right-to-use leased and subscription assets are recorded at the present value of payments expected to be made during the lease or subscription term, plus any upfront payments and ancillary charges paid to place the underlying right-to-use asset into service. Lease liabilities are capitalized as a right-to-use asset when the underlying leased asset has a cost of $5,000 or greater and an estimated useful life of more than one year. Subscription liabilities are capitalized as a right-to-use asset when the underlying subscription asset has a cost of $5,000 or greater and an estimated useful life of more than one year.

Amortization for right-to-use leased and subscription assets is computed using the straight-line method over the shorter of the lease/subscription term or the underlying asset's estimated useful life. If a lease agreement contains a purchase option the University is reasonably certain will be exercised, the right-to-use leased asset is amortized over the asset's estimated useful life.

The art collection is capitalized at cost, acquisition value, or fair value at the date of donation. This collection is considered inexhaustible and is therefore not depreciated.

I. **Restricted Assets** - Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include resources restricted for the acquisition or construction of capital assets, resources legally segregated for the payment of principal and interest as required by debt covenants, unspent debt proceeds, and endowment and other restricted investments.

J. **Accounting and Reporting of Fiduciary Activities** - Pursuant to the provisions of GASB Statement No. 84, *Fiduciary Activities*, custodial funds that are normally expected to be received and disbursed within a 3-month period or otherwise do not meet the fiduciary activity criteria defined by GASB Statement No. 84 continue to be reported in the Statement of Net Position as funds held for others and as operating activities in the Statement of Cash Flows.

There are no other trust or custodial funds meeting the criteria of a fiduciary activity that are required to be reported in separate fiduciary fund financial statements.

K. **Noncurrent Long-Term Liabilities** - Noncurrent long-term liabilities include principal amounts of long-term debt and other long-term liabilities that will not be paid within the next fiscal year. Debt is defined as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. Long-term debt includes: revenue bonds payable, special indebtedness, bonds/notes from direct placements, notes from direct borrowings, and bond anticipation notes. Other long-term liabilities include: arbitrage rebate payable, annuities and life income payable, pollution remediation payable, asset retirement obligations, lease liabilities, subscription liabilities, compensated absences, net pension liability, net other postemployment benefits (OPEB) liability, and workers' compensation.

Revenue bonds payable and reported net of unamortized premiums or discounts. The University amortizes bond premiums/discounts over the life of the bonds using the straight-line method that approximates the effective interest method. Issuance costs are expensed in the reporting period in which they are incurred.

The net pension liability represents the University's proportionate share of the collective net pension liability reported in the State of North Carolina's 2023 *Annual Comprehensive Financial Report.* This liability represents the University's portion of the collective total pension liability less the fiduciary net position of the Teachers' and State Employees' Retirement System. See Note 14 for further information regarding the University's policies for recognizing liabilities, expenses, deferred outflows of resources, and deferred inflows of resources related to pensions.

The net OPEB liability represents the University's proportionate share of the collective net OPEB liability reported in the State of North Carolina's 2023 *Annual Comprehensive Financial Report.* This liability represents the University's portion of the collective total OPEB liability less the fiduciary net position of the Retiree Health Benefit Fund and Disability Income Plan of North Carolina. See Note 15 for further information regarding the University's policies for recognizing liabilities, expenses, deferred outflows of resources, and deferred inflows of resources related to OPEB.

L. **Compensated Absences** - The University's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out (LIFO) method. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee at June 30 equals the leave carried forward at the previous December 31 plus the leave earned, less the leave taken between January 1 and June 30.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the University has no obligation to pay sick leave upon termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

M. **Deferred Outflows/Inflows of Resources** - Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

N. **Net Position** - The University's net position is classified as follows:

Net Investment in Capital Assets - This represents the University's total investment in capital assets, net of outstanding liabilities related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. Additionally, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of capital assets or related debt are also included in this component of net position.

Restricted Net Position - Nonexpendable - Nonexpendable restricted net position includes endowments and similar type assets whose use is limited by donors or other outside sources, and, as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted Net Position - Expendable - Expendable restricted net position includes resources for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted Net Position - Unrestricted net position includes resources derived from student tuition and fees, sales and services, unrestricted gifts, royalties, and interest income. It also includes the net position of accrued employee benefits such as compensated absences, workers' compensation, pension plans, and other postemployment benefits.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the University. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are always used first. Both restricted and unrestricted net position include consideration of deferred outflows of resources and deferred inflows of resources. See Note 11 for further information regarding deferred outflows of resources and deferred inflows of resources that had a significant effect on unrestricted net position.

O. **Scholarship Discounts** - Student tuition and fees revenues and certain other revenues from University charges are reported net of scholarship discounts in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The scholarship discount is the difference between the actual charge for goods and services provided by the University and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the University has recorded a scholarship discount.

P. **Revenue and Expense Recognition** - The University classifies its revenues and expenses as operating or nonoperating in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student tuition and fees, (2) sales and services of auxiliary enterprises, (3) certain federal, state, and local grants and contracts that are essentially contracts for services, and (4) interest earned on loans. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions that represent subsidies or gifts to the University, as well as investment income, are considered nonoperating since these are either investing, capital, or noncapital financing activities. Capital contributions are presented separately after nonoperating revenues and expenses.

Q. **Internal Sales Activities** - Certain institutional auxiliary operations provide goods and services to University departments, as well as to its customers. These institutional auxiliary operations include activities such as central stores, copy centers, motor pool, postal services, telecommunications. In addition, the University has other miscellaneous sales and service units that operated either on a reimbursement or charge basis. All internal sales activities to

University departments from auxiliary operations and sales and service units have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the auxiliary operations and sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.

Note 2 - Deposits and Investments

A. Deposits - Unless specifically exempt, the University is required by North Carolina General Statute 147-77 to deposit moneys received with the State Treasurer or with a depository institution in the name of the State Treasurer. However, the University of North Carolina Board of Governors, pursuant to G.S. 116-36.1, may authorize the University to deposit its institutional trust funds in interest-bearing accounts and other investments authorized by the Board of Governors, without regard to any statute or rule of law relating to the investment of funds by fiduciaries. Although specifically exempted, the University may voluntarily deposit institutional trust funds, endowment funds, special funds, revenue bond proceeds, debt service funds, and funds received for services rendered by health care professionals with the State Treasurer. Special funds consist of moneys for intercollegiate athletics and agency funds held directly by the University.

At June 30, 2024, the amount shown on the Statement of Net Position as cash and cash equivalents includes $44,836,250, which represents the University's equity position in the State Treasurer's Short-Term Investment Fund (STIF). The STIF (a portfolio within the State Treasurer's Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission or subject to any other regulatory oversight and does not have a credit rating) had a weighted average maturity of 1.4 years as of June 30, 2024. Assets and shares of the STIF are valued at fair value. Deposit and investment risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's STIF) are included in the North Carolina Department of State Treasurer Investment Programs' separately issued audit report. This separately issued report can be obtained from the Department of State Treasurer, 3200 Atlantic Avenue, Raleigh, NC 27604 or can be accessed from the Department of State Treasurer's website at https://www.nctreasurer.com/ in the Audited Financial Statements section.

Cash on hand at June 30, 2024 was $303,000. The previous carrying amount of the University's deposits not with the State Treasurer has been brought to $0 and the account closed. Custodial credit risk is the risk that in the event of a bank failure, the University's deposits may not be returned to it. The University does not have a deposit policy for custodial credit risk.

B. Investments –

University - The University is authorized by the University of North Carolina Board of Governors pursuant to G.S. 116-36.2 and Section 600.2.4 of the Policy Manual of the University of North Carolina to invest its special funds and funds received for services rendered by health care professionals in the same manner as the State Treasurer is required to invest, as discussed below.

G.S. 147-69.1(c), applicable to the State's General Fund, and G.S. 147-69.2, applicable to institutional trust funds, authorize the State Treasurer to invest in the following: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; repurchase agreements; obligations of the State of North Carolina; certificates of deposit and other deposit accounts of specified financial institutions; prime quality commercial paper; asset-backed securities with specified ratings, specified bills of exchange or time drafts, and corporate bonds/notes with specified ratings; general obligations of other states; general obligations of North Carolina local governments; and obligations of certain entities with specified ratings.

In accordance with the bond resolutions, bond proceeds and debt service funds are invested in obligations that will by their terms mature on or before the date funds are expected to be required for expenditure or withdrawal.

G.S. 116-36(e) provides that the trustees of the Endowment Fund shall be responsible for the prudent investment of the Fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the Endowment Fund to be invested.

Investments of the University's component unit, the Real Estate Foundation, are subject to and restricted by G.S. 36E Uniform Prudent Management of Institutional Funds Act (UPMIFA) and any requirements placed on them by contract or donor agreements.

Investments from various donors or other sources may be pooled unless prohibited by statute or by terms of the gift or contract. The University utilizes investment pools to manage investments and distribute investment income.

Investments are subject to the following risks as defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures – An Amendment of GASB Statement No. 3.*

Interest Rate Risk: Interest rate risk is the risk the University may face should interest rate variances affect the value of investments. The University does not have a formal policy that addresses interest rate risk.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University does not have a formal policy that addresses credit risk.

UNC Investment Fund, LLC - At June 30, 2024, the University's investments include $49,492,316 which represents the University's equity position in the UNC Investment Fund, LLC (UNC Investment Fund). The UNC Investment Fund is an external investment pool that is not registered with the Securities and Exchange Commission, does not have a credit rating, and is not subject to any regulatory oversight. Investment risks associated with the UNC Investment Fund are included in audited financial statements of the UNC Investment Fund, LLC which may be obtained from UNC Management Company, Inc., 1400 Environ Way, Chapel Hill, NC 27517.

Non-Pooled Investments - The following table presents investments by type and investments subject to interest rate risk at June 30, 2024, for the University's non-pooled investments.

Non-Pooled Investments

		Amount	Investment Maturities (in Years) Less Than 1
Investment Type			
Debt Securities			
Money Market Mutual Funds	$	82,410	$ 82,410
Other Securities			
Domestic Stocks		13,174,538	
Total Non-Pooled Investments	$	13,256,948	

At June 30, 2024, the University's non-pooled investments had the following credit quality distribution for securities with credit exposure:

	Amount	AAA Aaa
Money Market Mutual Funds	$ 82,410.00	$ 82,410.00

Rating Agency: Moody's

Total Investments - The following table presents the total investments at June 30, 2024:

		Amount
Investment Type		
Debt Securities		
Money Market Mutual Funds	$	82,410
Other Securities		
UNC Investment Fund		49,492,316
Domestic Stocks		13,174,538
Total Investments	$	62,749,264

Component Unit - Investments of the University's discretely presented component unit, the NCCU Foundation, are subject to and restricted by G.S. 36E Uniform Prudent Management of Institutional Funds Act (UPMIFA) and any requirements placed on them by contract or donor agreements. Because the NCCU Foundation reports under the FASB reporting model, disclosures of the various investment risks are not required.

The following is an analysis of investments by type:

		Amount
Investment Type		
Money Market Funds	$	3,844,230
Mutual Funds		10,329,819
Equity Securities		13,665,867
Debt Securities		4,017,101
U.S. Government Obligations		7,552,024
Total Investments	$	39,409,041

Note 3 - Fair Value Measurements

University - To the extent available, the University's investments are recorded at fair value as of June 30, 2024. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.

Level 2 Investments with inputs – other than quoted prices included within Level 1 – that are observable for an asset, either directly or indirectly.

Level 3 Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

The following table summarizes the University's investments, including deposits in the Short-Term Investment Fund, within the fair value hierarchy at June 30, 2024:

		Fair Value Measurements Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level				
Other Securities				
Domestic Stocks	$ 13,174,538	$ 13,174,538	$ -	$ -
Investments as a Position in an External Investment Pool				
Short-Term Investment Fund	44,836,251			
UNC Investment Fund	49,492,316			
Total Investments as a Position in an External Investment Pool	94,328,567			
Total Investments Measured at Fair Value	$ 107,503,105			

Short-Term Investment Fund - Ownership interests of the STIF are 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. Pool investments are measured at fair value in accordance with GASB Statement No. 72. The University's position in the pool is measured and reported at fair value and the STIF is not required to be categorized within the fair value hierarchy.

UNC Investment Fund - Ownership interests of the UNC Investment Fund are determined on a market unit valuation basis each month and in accordance with the UNC Investment Fund's operating procedures. Valuation of the underlying assets is performed by the custodian. Pool investments are measured at fair value in accordance with GASB Statement No. 72. The University's position in the pool is measured and reported at fair value and the UNC Investment Fund is not required to be categorized within the fair value hierarchy.

Domestic Stocks – Equity securities classified as Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Component Unit - Because the NCCU Foundation reports under the FASB reporting model, the disclosure of fair value measurements differs from the GASB reporting model used by the University.

U.S. GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. the exit price). The NCCU Foundation utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets recorded at fair value are categorized within the fair value hierarchy based on the level of judgment associated with the inputs used to measure their fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset.

The fair value hierarchy is categorized into three levels based on inputs as follows:

> Level 1 – Financial instruments with unadjusted, quoted prices listed on active market exchanges.
>
> Level 2 – Financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals.
>
> Level 3 – Financial instruments that are not actively traded on an active exchange. This category includes situations where there is little if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuations techniques.

In determining fair value, the NCCU Foundation uses various approaches within the fair value measurement framework. The following is a description of the valuation methodologies used for instruments measured at fair value and their classification within the hierarchy:

> Money Market Funds: Money market funds are in active markets and classified within Level 1 of the valuation hierarchy.
>
> Equity Securities: Equity securities listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean

of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

Debt Securities: Investment in debt securities includes corporate and foreign bonds that are either exchange-traded and/or valued at last sale price. If there is no sale and the market is considered active, the securities are valued at the mean of the last bid and asked prices on such exchange. These fixed income investments are classified within Level 2 of the valuation hierarchy.

U.S. Government Obligations: Investments in government and government agency obligations are either exchange-traded and/or valued at last sales prices. If there is no sale and the market is considered active, the securities are valued at the mean of the last bid and asked prices on such exchange. The fixed income investments are classified within Level 2 of the valuation hierarchy.

Mutual Funds and Commodities: Mutual funds and commodities listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

The following table summarizes the NCCU Foundation's investments within the fair value hierarchy at June 30, 2024:

		Fair Value Measurements Using		
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments by Fair Value Level				
Money Market Funds	$ 3,844,230	$ 3,844,230	$ -	$ -
Mutual Funds	10,329,819	10,329,819	-	-
Equity Securities	13,665,867	13,665,867	-	-
Debt Securities	4,017,101	-	4,017,101	-
U.S. Government Obligations	7,552,024	-	7,552,024	-
Total Investments by Measured at Fair Value	$ 39,409,041	$ 27,839,916	$ 11,569,125	$ -

Note 4 - Endowment Investments

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. If a donor has not provided specific instructions, state law permits the Board of Trustees to authorize for expenditure the net appreciation, realized and unrealized, of the investments of the endowment funds. Under the Uniform Prudent Management of Institutional Funds Act (UPMIFA), authorized by the North Carolina General Assembly on March 19, 2009, the Board may also appropriate expenditures from eligible nonexpendable balances if deemed prudent and necessary to meet program outcomes and for which such spending is not specifically prohibited by the donor agreements. However, a majority of the University's endowment donor agreements prohibit spending of nonexpendable balances and therefore the related nonexpendable balances are not eligible for expenditure. During the year, the Board did not appropriate expenditures from eligible nonexpendable endowment funds.

Investment return of the University's endowment funds is predicated on the total return concept (yield plus appreciation). Annual payouts from the University's endowment funds are determined by 5.5% of the 12-quarter moving average of the fund's market value. If current year earnings do not meet the payout requirement, the University uses accumulated income and appreciation to make up the difference. Expenditures in excess of the payout are authorized by the University's Board of Trustees of the Endowment Fund. At June 30, 2024, net appreciation of $44,505,251 was available to be spent, of which $39,078,851 was classified in net position as restricted expendable: scholarships and fellowships and endowed professorships, as it is restricted for specific purposes. The remaining portion of net appreciation available to be spent is classified as unrestricted net position.

Note 5 - Receivables

Receivables at June 30, 2024, were as follows:

	Gross Receivables	Less Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	$24,192,903	$ 12,025,357	$12,167,546
Accounts	2,470,034	-	2,470,034
Intergovernmental	8,746,041	-	8,746,041
Interest on Loans	58,991	-	58,991
Total Current Receivables	$35,467,969	$ 12,025,357	$23,442,612
Noncurrent Receivables:			
Kitty Hawk	$ 500,000	$ -	$ 500,000
Notes Receivable:			
Notes Receivable - Current:			
Federal Loan Programs	$ 105,874	$ 89,021	$ 16,853
Notes Receivable - Noncurrent:			
Federal Loan Programs	$ 1,089,748	$ 80,187	$ 1,009,561

Note 6 - Capital Assets

A summary of changes in the capital assets for the year ended June 30, 2024, is presented as follows:

	Balance July 1, 2023 (as Restated)	Increases	Decreases	Balance June 30, 2024
Capital Assets, Nondepreciable:				
Land	$ 11,535,627	$ 1,649,935	$ -	$ 13,185,562
Art, Literature, and Artifacts	864,840	-	-	864,840
Construction in Progress	34,644,207	-	27,400,717	7,243,490
Total Capital Assets, Nondepreciable	47,044,674	1,649,935	27,400,717	21,293,892
Capital Assets, Depreciable:				
Buildings	480,162,234	35,786,773	14,910,268	501,038,739
Machinery and Equipment	54,220,119	1,975,942	697,660	55,498,401
General Infrastructure	25,025,680	1,700,810	-	26,726,490
Right-to-Use Leased Buildings	179,961	-	-	179,961
Right-to-Use Leased Machinery and Equipment	960,297	-	-	960,297
Right-to-Use Subscription Assets	2,124,297	725,083		2,849,380
Other Intangible Assets	4,128,868	4,703,055	-	8,831,923
Total Capital Assets, Depreciable	566,801,456	44,891,663	15,607,928	596,085,191
Less Accumulated Depreciation/Amortization for:				
Buildings	138,100,808	8,002,557	6,675,912	139,427,453
Machinery and Equipment	26,706,936	1,518,083	612,207	27,612,812
General Infrastructure	18,296,895	1,462,100	29,919	19,729,076
Right-to-Use Leased Buildings	49,081	24,540	-	73,621
Right-to-Use Leased Machinery and Equipment	602,328	176,958	-	779,286
Right-to-Use Subscription Assets	769,950	991,118		1,761,068
Other Intangible Assets	1,238,660	470,306	-	1,708,966
Total Accumulated Depreciation/Amortization	185,764,658	12,645,662	7,318,038	191,092,282
Total Capital Assets, Depreciable, Net	381,036,798	32,246,001	8,289,890	404,992,909
Capital Assets, Net	$ 428,081,472	$ 33,895,936	$ 35,690,607	$ 426,286,801

As of June 30, 2024, the total amount of right-to-use leased and subscription assets was $1,140,258 and $2,849,380, and the related accumulated amortization was $852,907 and $1,761,068, respectively.

Note 7 - Public-Private Partnership For Student Housing Facilities

The University entered into an agreement on June 20, 2019 with Provident Group – NCCU Properties LLC (Provident) and Corvias Management, LLC (Corvias) to initiate a private-public partnership to design, construct, and operate three student housing facilities. Provident will bear the responsibility for the design, development, permitting, construction, equipping, furnishing, financing, and operation of the construction project. The University entered into this agreement to address the shortage of student housing caused by recent enrollment growth as well as the need to renovate and replace aging facilities.

The project is located on the campus of the University on land leased to Provident for 50 years. Upon final payment of all indebtedness owed under the agreement, Provident will transfer all of its interest in the facility for no cost to the University. The University will be responsible for assigning beds to students, collecting student rents, and remitting the student rents to Corvias for the term of the management agreement. The three student housing facilities, in the aggregate, will provide 1,270 student housing beds.

The project was developed in two phases over a two-year period. Phase I of the project was the construction and furnishing of two student housing facilities, George Street Residential Complex and Alston Avenue Apartments, that was completed and suitable for occupancy in the fall of 2020. Phase II consisted of constructing and furnishing the last of the student housing facilities, Lawson Street, and was completed and suitable for occupancy in the fall of 2021.

The agreement meets the definition of a service concession agreement, as defined in GASB Statement No.94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* As a result, the University reports the project as a capital asset and a related deferred inflow of resources. The University reports the facilities as capital assets with a carrying amount of $91,494,336 at year-end and a related deferred inflow of resources of $90,517,124. The net effect of this arrangement is reflected in the Statement of Net Position as an increase to net investment in capital assets of $977,212.

Note 8 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at June 30, 2024, were as follows:

	Amount
Current Accounts Payable and Accrued Liabilities	
Accounts Payable	6,718,767
Accounts Payable - Capital Assets	1,006,561
Accrued Payroll	3,221,334
Contract Retainage	740,591
Intergovernmental Payable	1,956,553
Total Current Accounts Payable and Accrued Liabilities	13,643,806
Noncurrent Accounts Payable and Accrued Liabilities	
Other:Kitty Hawk	2,323,189
Total Noncurrent Accounts Payable and Accrued Liabilities	2,323,189

Note 9 - Long-Term Liabilities

A. Changes in Long-Term Liabilities - A summary of changes in the long-term liabilities for the year ended June 30, 2024, is presented as follows:

	Balance July 1, 2023 (as Restated)	Additions	Reductions	Balance June 30, 2024	Current Portion
Long-Term Debt					
Revenue Bonds Payable	$ 94,348,200	$ -	$ 4,470,000	$ 89,878,200	$ 4,710,000
Plus: Unamortized Premium	8,490,668	-	506,654	7,984,014	-
Total Revenue Bonds Payable, Net	102,838,868	-	4,976,654	97,862,214	4,710,000
Notes from Direct Borrowings	2,321,701	-	534,288	1,787,413	564,223
Total Long-Term Debt	105,160,569	-	5,510,942	99,649,627	5,274,223
Other Long-Term Liabilities					
Lease Liabilities	486,007		188,449	297,558	201,091
Subscription (SBITA) Liabilities	1,889,127	-	943,806	945,321	482,747
					-
Employee Benefits					-
Compensated Absences	7,138,564	5,702,444	5,028,629	7,812,379	1,538,978
Net Pension Liability	49,443,947	3,094,473	-	52,538,420	-
Net Other Postemployment Benefits Liability	100,713,341	3,589,059	20,687	104,281,713	-
Workers' Compensation	1,984,438	488,499	571,962	1,900,975	300,517
Total Other Long-Term Liabilities	161,655,424	12,874,475	6,753,533	167,776,366	2,523,333
Total Long-Term Liabilities, Net	$ 266,815,993	$ 12,874,475	$ 12,264,475	$ 267,425,993	$ 7,797,556

Additional information regarding lease and subscription (SBITA) liabilities is included in Note 10.
Additional information regarding the net pension liability is included in Note 14.
Additional information regarding the net other postemployment benefits liability is included in Note 15.
Additional information regarding workers' compensation is included in Note 16.

B. Revenue Bonds Payable - The University was indebted for revenue bonds payable for the purposes shown in the following table:

Purpose	Series	Interest Rate/ Ranges	Final Maturity Date	Original Amount of Issue	Principal Outstanding June 30, 2024
General Revenue Bonds Payable					
Student Union Revenue Bond	2019	4.0% to 5.0%	04/01/2049	$ 42,045,000	$ 38,430,000
Refunded Bonds, Deferred Maintenance and Infrastructure Improve	2016	3.0% to 5.0%	10/01/2034	55,940,000	40,855,000
Total General Revenue Bonds				97,985,000	79,285,000
NCCU Real Estate Foundation					
Refunded Truist Real Estate Foundation Housing System	2019	2.70%	10/01/2033	14,955,000	10,593,200
Total Revenue Bonds Payable (principal only)				$ 112,940,000	$ 89,878,200
Plus: Unamortized Premium					7,984,014
Total Revenue Bonds Payable, Net					$ 97,862,214

C. Notes from Direct Borrowings - The University was indebted for notes from direct borrowings for the purpose shown in the following table:

Purpose	Financial Institution	Interest Rate/ Ranges	Final Maturity Date	Original Amount of Issue	Principal Outstanding June 30, 2024
Energy Performance Contract	Fifth Third Bank	4.81%	12/09/2026	$ 6,532,959	$ 1,787,413

D. Annual Requirements - The annual requirements to pay principal and interest on the long-term obligations at June 30, 2024, are as follows:

	Annual Requirements			
	Revenue Bonds Payable		Notes from Direct Borrowings	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 4,710,000	$ 3,550,729	$ 564,223	$ 85,975
2026	$ 4,945,000	$ 3,329,846	$ 595,381	$ 58,835
2027	$ 5,210,000	$ 3,097,681	$ 627,809	$ 30,198
2028	$ 5,480,000	$ 2,853,291	$ -	$ -
2029	$ 5,570,000	$ 2,618,884	$ -	$ -
2030-2034	$ 31,463,200	$ 9,876,544	$ -	$ -
2035-2039	$ 11,645,000	$ 5,752,800	$ -	$ -
2040-2044	$ 9,265,000	$ 3,753,250		
2045-2049	$ 11,590,000	$ 1,427,200	$ -	$ -
Total Requirements	$ 89,878,200	$ 36,260,225	$ 1,787,413	$ 175,008

E. Terms of Debt Agreements – The University's debt agreements are subject to the following collateral requirements and terms with finance-related consequences:

Revenue Bonds Payable - The outstanding revenue bonds contain provisions that on the occurrence and continuance of an event of default, the Trustee may, or if required by a majority of the owners of the bonds, must declare the bonds to be immediately due and payable (except if matured installments are paid before any judgement or decree is obtained). Events of default are defined as: (1) failure to make any payment when due or (2) failure to perform any covenant, condition, agreement, or provision (other than failure to pay) which failure continues for a period of 30 days after written notice specifying such failure and requesting that it be remedied.

Notes from Direct Borrowings - The University has pledged the energy savings improvements installed in its buildings and other structures as collateral for the UNC System Guaranteed Energy Savings Installment Financing Agreement in relation to the outstanding note from direct borrowings of $1,787,413. This agreement also contains provisions related to events of default and remedies. Significant to these provisions, an event of default occurs when: (1) the University fails to pay an installment payment when due, (2) an event of nonappropriation from the State occurs, (3) insurance coverage on the asset is not maintained, or (4) the University fails to perform any warranty, covenant, condition, or agreement within thirty days of receiving written notice by the lender or fails to diligently pursue corrective action for matters that cannot be reasonably corrected within 30 days.

Upon the occurrence of any event of default, the lender may, without any further demand or notice, declare the unpaid principal amount plus any accrued and unpaid interest be due and payable immediately. The lender may also exercise all remedies available by law or in the equity provided under the agreement, including sale of the secured assets, and apply the proceeds of any such sale to the amounts due after deducting all costs and expenses related to the recovery, repair, storage, and sale of the secured assets, including court costs and reasonable attorneys' fees incurred.

F. Prior Year Defeasances - During prior years, the University defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. At June 30, 2024, the outstanding balance of prior year defeased bonds was $36,350,000.

Note 10 - Leases and Subscription-Based Information Technology Arrangements

A. Lessor Arrangements - The University leases office space to external parties. The leases expire at various dates, and some have renewal options. Lease receivables and related deferred inflows of resources are recorded based on the present value of expected receipts over the term of the respective leases. The expected receipts are discounted using the interest rate stated per the lease contract, or the University's estimated incremental borrowing rate if there is no stated contractual interest rate.

During the year the University did not recognize any variable payment amounts.

During the year ended June 30, 2024, the University recognized operating revenues related to lessor arrangements totaling $71,098, and nonoperating lease interest income totaling $749.

The University's lessor arrangements at June 30, 2024, are summarized below (excluding short-term leases):

Classification:	Number of Lease Contracts	Lease Receivable June 30, 2024	Current Portion	Lease Terms [1]	Interest Rate/ Ranges
Lessor:					
Buildings	2	174,070	57,061	2 - 5 Years	0.32%
Total	2	$ 174,070	$ 57,061		

(1) The lease terms were calculated using weighted averages based on lease receivable amounts.

B. Lessee Arrangements - The University has lease agreements for the right to use office space and equipment from external parties. The leases expire at various dates, and some have renewal options. Lease liabilities and right-to-use leased assets are recorded at the present value of payments expected to be made during the lease term, plus any upfront payments and ancillary charges paid to place the underlying right-to-use asset into service. The expected payments are discounted using the interest rate stated per the lease contract, or the University's estimated incremental borrowing rate if there is no stated contractual interest rate.

During the year, the University did not recognize any variable payment amounts.

The University's lessee arrangements at June 30, 2024, are summarized below (excluding short-term leases):

Classification:	Number of Lease Contracts	Lease Liabilities June 30, 2024	Current Portion	Lease Terms [1]	Interest Rate/ Ranges
Lessee:					
Right-to-Use Leased Buildings	1	107,113	24,507	7 Years	0.51%
Right-to-Use Leased Machinery and Equipment	2	190,445	176,584	2 - 3 Years	0.89%
Total	3	297,558	201,091		

(1) The lease terms were calculated using weighted averages based on lease payable amounts.

C. Subscription-Based Information Technology Arrangements (SBITAs) - The University enters SBITAs for the right to use information technology software and cloud computing arrangement (network) assets from external parties. The SBITAs expire at various dates, and some have renewal options. Subscription liabilities and the related right-to-use subscription assets are recorded based on the present value of expected payments over the term of the respective SBITA. The expected payments are discounted using the interest rate stated per the SBITA contract, or the University's estimated incremental borrowing rate if there is no stated contractual interest rate.

During the year the University did not recognize any variable payment amounts.

The University's SBITAs at June 30, 2024, are summarized below (excluding short-term SBITAs):

SBITA	Number of SBITAs	Subscription (SBITA) Liabilities June 30, 2024	Current Portion	SBITA Terms and Conditions	Interest Rate/ Ranges
Right-to-Use Subscription Assets	32	$ 945,321	$ 482,747	16 - 48 months	1.85% - 3.38%

D. Annual Requirements - The annual requirements to pay principal and interest on leases and SBITAs at June 30, 2024, are as follows:

	Annual Requirements			
	Lease Liabilities		Subscription (SBITA) Liabilities	
Fiscal Year	Principal	Interest	Principal	Interest
2025	$ 201,091	$ 1,582	$ 482,747	$ 17,194
2026	$ 38,495	$ 377	$ 412,414	$ 8,648
2027	$ 24,760	$ 240	$ 50,160	$ 492
2028	$ 24,888	$ 112	$ -	$ -
2029	$ 8,324	$ 9	$ -	$ -
Total Requirements	$ 297,558	$ 2,320	$ 945,321	$ 26,334

Note 11 - Net Position

Unrestricted net position has been significantly affected by transactions resulting from the recognition of deferred outflows of resources, deferred inflows of resources, and related long-term liabilities, as shown in the following table:

	Amount
Net Pension Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	$ (20,903,388)
Net OPEB Liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources	(122,732,799)
Effect on Unrestricted Net Position	(143,636,187)
Total Unrestricted Net Position Before Recognition of Deferred Outflows of Resources, Deferred Inflows of Resources, and Related Long-Term Liabilities	(42,508,074)
Total Unrestricted Net Position	$ (186,144,261)

See Notes 14 and 15 for detailed information regarding the amortization of the deferred outflows of resources and deferred inflows of resources relating to pensions and OPEB, respectively.

Note 12 - Revenues

A summary of discounts and allowances by revenue classification is presented as follows:

	Gross Revenues	Less Scholarship Discounts and Allowances	Less Allowance for Uncollectibles	Net Revenues
Operating Revenues:				
Student Tuition and Fees, Net	$ 74,736,222	$ 20,515,910	$ 3,631,835	$ 50,588,477
Sales and Services:				
Sales and Services of Auxiliary Enterprises:				
Residential Life	$ 14,088,756	$ 2,923,025	$ -	$ 11,165,731
Dining	19,086,188	4,999,453	-	14,086,735
Student Union Services	1,349,027	366,813	-	982,214
Health, Physical Education, and Recreation Services	468,040	122,152	-	345,888
Bookstore	953,258	-	-	953,258
Parking	1,026,990	33,823	-	993,167
Athletic	2,867,718	713,811	-	2,153,907
Other	2,012,742	987,623	-	1,025,119
Sales and Services of Education and Related Activities	685	-	-	685
Total Sales and Services, Net	$ 41,852,708	$ 10,146,700	$ -	$ 31,706,704

Note 13 - Operating Expenses by Function

The University's operating expenses by functional classification are presented as follows:

	Salaries and Benefits	Supplies and Services	Scholarships and Fellowships	Utilities	Depreciation/ Amortization	Total
Instruction	$ 69,723,973	$ 12,205,103	$ 107,678	$ -	$ -	$ 82,036,754
Research	7,555,798	8,035,976	542,861	-	-	16,134,635
Public Service	949,757	1,176,742	23,607	-	-	2,150,106
Academic Support	16,810,348	7,920,717	192,998	-	-	24,924,063
Student Services	4,623,001	2,081,284	186,835	133	-	6,891,253
Institutional Support	8,936,115	11,145,873	74,099	-	-	20,156,087
Operations and Maintenance of Plant	13,087,752	9,258,715	-	5,894,261	-	28,240,728
Student Financial Aid	1,845,682	83,350	8,550,038	-	-	10,479,070
Auxiliary Enterprises	15,007,595	32,455,977	4,541,782	423,118	-	52,428,472
Depreciation/Amortization	-	-	-	-	12,645,662	12,645,662
Total Operating Expenses	$ 138,540,021	$ 84,363,737	$ 14,219,898	$ 6,317,512	$ 12,645,662	$256,086,830

Note 14 - Pension Plans

A. Defined Benefit Plan

Plan Administration: The State of North Carolina administers the Teachers' and State Employees' Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit pension plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools that elect to join the Retirement System. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly.

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 unreduced retirement benefits at age 65 with five years of membership 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 reduced retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of membership service. Survivor benefits are available to eligible beneficiaries of general 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 five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life in lieu of the return of the member's contributions that is generally available to beneficiaries of deceased members. The plan does not provide for automatic post-retirement benefit increases.

Contributions: Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute 6% of their annual pay. The contribution rate for employers is set each year by the North Carolina General Assembly in the Appropriations Act and may not be less than the contribution rate required of plan members. The TSERS Board of Trustees establishes a funding policy from which an accrued liability rate and a normal contribution rate are developed by the consulting actuary. The sum of those two rates developed under the funding policy is the actuarially determined contribution rate (ADC). The TSERS Board of Trustees may further adopt a contribution rate policy that is higher than the ADC known as the required employer contribution to be recommended to the North Carolina General Assembly. The University's contractually required contribution rate for the year ended June 30, 2024, was 17.64% of covered payroll. Plan members' contributions to the pension plan were $4,015,483, and the University's contributions were $11,551,205 for the year ended June 30, 2024.

The TSERS plan's financial information, including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2023 *Annual Comprehensive Financial Report*. An electronic version of this report is available on the North Carolina Office of the State Controller's website at https://www.osc.nc.gov/ or by calling the State Controller's Financial Reporting Section at 919-707-0500.

TSERS Basis of Accounting: The financial statements of the TSERS plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. 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 TSERS plan, and additions to/deductions from the TSERS plan's fiduciary net position have been determined on the same basis as they are reported by TSERS.

Methods Used to Value TSERS Investment: Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its External Investment Pool. TSERS and other pension plans of the State of North Carolina participate in the Long-Term Investment, Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Opportunistic Fixed Income Investment, and Inflation Sensitive Investment portfolios. The Fixed Income Asset Class includes the Long-Term Investment and Fixed Income Investment portfolios. The Global Equity Asset Class includes the Equity Investment portfolio. The investment balance of each pension trust fund represents its share of the fair value of the net position of the various portfolios within the External Investment Pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2023 *Annual Comprehensive Financial Report*.

Net Pension Liability: At June 30, 2024, the University reported a liability of $52,538,420 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022, and update procedures were used to roll forward the total pension liability to June 30, 2023. The University's proportion of the net pension liability was based on a projection of the present value of future salaries for the University relative to the projected present value of future salaries for all participating employers, actuarially determined. As of June 30, 2023, the University's proportion was 0.315%, which was a decrease of 0.018 from its proportion measured as of June 30, 2022, which was 0.333%.

Actuarial Assumptions: The following table presents the actuarial assumptions used to determine the total pension liability for the TSERS plan at the actuarial valuation date:

Valuation Date	12/31/2022
Inflation	2.5%
Salary Increases*	3.25% - 8.05%
Investment Rate of Return**	6.5%

* Salary increases include 3.25% inflation and productivity factor.
** Investment rate of return includes inflation assumption and is net of pension plan investment expense.

TSERS 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. public plan population. The 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 review for the period January 1, 2015 through December 31, 2019.

Future ad hoc cost-of-living adjustment 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (the measurement date) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	0.9%
Global Equity	6.5%
Real Estate	5.9%
Alternatives	8.2%
Opportunistic Fixed Income	5.0%
Inflation Sensitive	2.7%

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023, is 0.78%.

Discount Rate: The discount rate used to measure the total pension liability was 6.5% for the December 31, 2022, valuation. The discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those 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 Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the plan at June 30, 2023 calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
$ 83,893,556.00	$ 52,538,420.00	$ 21,472,010.00

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2024, the University recognized pension expense of $20,083,827 At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to TSERS from the following sources:

Employer Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions by Classification:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	$ 4,283,124	$ 387,771
Changes of Assumptions	1,845,080	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	14,631,946	-
Change in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	178,075	466,627
Contributions Subsequent to the Measurement Date	11,551,205	-
Total	$ 32,489,430	$ 854,398

The amount reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to TSERS will be recognized as pension expense as follows:

Schedule of the Net Amount of the Employer's Balances of Deferred Outflows of Resources and Deferred Inflows of Resources That will be Recognized in Pension Expense:

Year Ending June 30:	Amount
2025	$ 6,614,436.00
2026	3,583,086.00
2027	9,261,273.00
2028	625,032.00
2029	-
Total	$ 20,083,827.00

B. Defined Contribution Plan - The Optional Retirement Program (ORP) is a defined contribution pension plan that provides retirement benefits with options for payments to beneficiaries in the event of the participant's death. Faculty and staff of the University may join the ORP instead of TSERS. The ORP is administered by the UNC System.

Benefits are provided by means of contracts issued and administered by the privately-operated Teachers' Insurance and Annuity Association and Fidelity Investments. Participants' eligibility and contributory requirements are established in General Statute 135-5.1 and may be amended only by the North Carolina General Assembly. Participants are always fully vested in their own contributions to the plan and their investment earnings. Participants are fully vested in the University's contributions and earnings after five years of participating in the ORP.

Participants contribute 6% of compensation and the University contributes 6.84%. For the year ended June 30, 2024, the University had a total payroll of $97,193,945, of which $30,269,36 was covered under ORP. Total employee and employer contributions for pension benefits for the year were $1,816,154 and $2,070,416, respectively. The amount of pension expense recognized in the current year related to ORP is equal to the employer contributions.

Note 15 - Other Postemployment Benefits

The University participates in two postemployment benefit plans, the Retiree Health Benefit Fund and the Disability Income Plan of North Carolina, that are administered by the State of North Carolina as pension and other employee benefit trust funds. Each plan's financial information, including all information about the plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2023 *Annual Comprehensive Financial Report.* An electronic version of this report is available on the North Carolina Office of the State Controller's website at https://www.osc.nc.gov/ or by calling the State Controller's Financial Reporting Section at 919-707-0500.

A. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The financial statements of these plans were prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan. For purposes of measuring the net other postemployment benefits (OPEB) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of each plan, and additions to/deductions from each plans' fiduciary net position have been determined on the same basis as they are reported by the plans.

Methods Used to Value Plan Investments: Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the other postemployment benefit funds. The State Treasurer maintains various investment portfolios in its External Investment Pool. The Retiree Health Benefit Fund participates in the External Investment Pool. The Disability Income Plan is invested in the Short-Term Investment Portfolio of the External Investment Pool and the Bond Index External Investment Pool. The investment balance of each other employee benefit trust fund represents its share of the fair value of the net position of the various portfolios within the pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2023 *Annual Comprehensive Financial Report.*

B. Plan Descriptions

1. Health Benefits

Plan Administration: The State of North Carolina administers the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a healthcare plan exclusively for the benefit of employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the State's financial reporting entity also participate. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the Plan Board of Trustees.

The Retiree Health Benefit Fund (RHBF) has been established by Chapter 135-7, Article 1 of the General Statutes as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF 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 that are not part of the State's financial reporting entity also participate.

By statute, RHBF is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System (TSERS). 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 Plan. The State Treasurer, with the approval of the 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 Plan.

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 as described in Note 16. The plan options change when the former employees become eligible for Medicare. The benefits provided include medical and pharmacy coverage for employees and their dependents. Non-Medicare eligible members have two self-funded options administered by the State Health Plan while Medicare members have three options, including one self-funded option and two fully insured Medicare Advantage/Prescription Drug Plan options. Self-funded medical and pharmacy claims costs are shared between the covered member and the State Health Plan. If the self-funded plan is elected by a Medicare eligible member, the coverage is secondary to Medicare. Fully insured claims include cost sharing from covered members with the remaining balance paid by the fully-insured carrier.

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 and retirees of 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 North Carolina General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the North Carolina 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 North Carolina 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 Plan's total noncontributory premium. Employees first hired on or after October 1, 2006 and members of the North Carolina General Assembly first taking office on or after February 1, 2007 with five but less than 10 years of retirement service credit are eligible for coverage on a fully contributory basis.

Section 35.21 (c) & (d) of Session Law 2017-57 repealed retiree medical benefits for employees first hired on or after January 1, 2021. The legislation amended Chapter 135, Article 3B of the General Statutes to require that retirees must earn contributory retirement service in the 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 135-7, 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: Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the North Carolina General Assembly in the Appropriations Act. The University's contractually-required contribution rate for the year ended June 30, 2024 was 7.14% of covered payroll. The University's contributions to the RHBF were $6,920,209 for the year ended June 30, 2024.

In fiscal year 2022, the Plan transferred $180.51 million to RHBF as a result of cost savings to the Plan over a span of six years. For financial reporting purposes, the transfer was recognized as a nonemployer contributing entity contribution. The contribution was allocated among the RHBF employers and recorded as noncapital contributions. For the fiscal year ended June 30, 2024, the University recognized noncapital contributions for RHBF of $136,857.

2. Disability Income

Plan Administration: As discussed in Note 16, 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 participating component units and LEAs which are not part of the State's reporting entity, and the University Employees' ORP. By statute, DIPNC is administered by the Department of State Treasurer and the Board of Trustees of TSERS.

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, while the employee is disabled and does not meet the TSERS conditions for unreduced service retirement. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or the University Employees' ORP, earned within 96 months prior to becoming disabled 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; and (6) the employee must terminate employment as a permanent, full-time employee. A general employee is eligible to receive an unreduced retirement benefit from TSERS after: (1) reaching the age of 65 and completing five years of membership service; (2) reaching the age of 60 and completing 25 years of creditable service; or (3) completing 30 years of creditable service, at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of $3,900 per month reduced by any primary Social Security disability benefits, by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee be at least age 62, and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than $10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under TSERS or the University Employees' ORP.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, benefits are calculated in the same manner as described above except that after the first 36 months of the long-term disability, no further long-term disability benefits are payable unless the employee has been approved and is in receipt of primary Social Security benefits.

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.

Contributions: Although DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Act by the North Carolina General Assembly and coincide with the State's fiscal year. The University's contractually-required contribution rate for the year ended June 30, 2024 was 0.11% of covered payroll. The University's contributions to DIPNC were $106,913 for the year ended June 30, 2024.

C. Net OPEB Liability

Retiree Health Benefit Fund: At June 30, 2024, the University reported a liability of $104,177,066 for its proportionate share of the collective net OPEB liability for RHBF. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022, and update procedures were used to roll forward the total OPEB liability to June 30, 2023. The University's proportion of the net OPEB liability was based on a projection of the present value of future salaries for the University relative to the projected present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2023, the University's proportion was 0.390%, which was a decrease of 0.034 from its proportion measured as of June 30, 2022, which was 0.424%%.

Disability Income Plan of North Carolina: At June 30, 2024, the University reported a liability of $104,647 for its proportionate share of the collective net OPEB liability for DIPNC. The net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022, and update procedures were used to roll forward the total OPEB liability to June 30, 2023. The University's proportion of the net OPEB liability was based on a projection of the present value of future salaries for the University relative to the projected present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2023, the University's proportion was 0.394%, which was a decrease of 0.027 from its proportion measured as of June 30, 2022, which was 0.421%, %.

Actuarial Assumptions: The total OPEB liabilities for RHBF and DIPNC were determined by actuarial valuations as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. The total

OPEB liabilities were then rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

	Retiree Health Benefit Fund	Disability Income Plan of N.C.
Valuation Date	12/31/2022	12/31/2022
Inflation	2.5%	2.5%
Salary Increases*	3.25% - 8.05%	3.25% - 8.05%
Investment Rate of Return**	6.5%	3.0%
Healthcare Cost Trend Rate - Medical***	6.5% grading down to 5% by 2029	N/A
Healthcare Cost Trend Rate - Prescription Drug***	10% grading down to 5% by 2033	N/A
Healthcare Cost Trend Rate - Prescription Drug Rebates***	7% grading down to 5% by 2033	N/A
Healthcare Cost Trend Rate - Medicare Advantage***	0% through 2025, 5% thereafter	N/A
Healthcare Cost Trend Rate - Administrative***	3%	N/A

* Salary increases include 3.25% inflation and productivity factor.

** Investment rate of return is net of OPEB plan investment expense, including inflation.

*** Disability Income Plan of NC eliminated employer reimbursements from the Plan (which included State Health Plan premiums) effective July 1, 2019.

N/A - Not Applicable

The OPEB plans currently use mortality tables that vary by age, gender, employee group (i.e. teacher, other educational employee, general employee, or law enforcement officer) and health status (i.e. disabled or not disabled). The current mortality rates are based on published tables and studies that cover significant portions of the U.S. public plan population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

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. DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023.

Best estimates of real rates of return for each major asset class included in RHBF's target asset allocation as of June 30, 2023 (the measurement date) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	0.9%
Global Equity	6.5%
Real Estate	5.9%
Alternatives	8.2%
Opportunistic Fixed Income	5.0%
Inflation Sensitive	2.7%

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 0.78%.

Actuarial valuations of the plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The results of the valuations fluctuate from year to year as actual experience differs from assumptions. This includes demographic experiences (i.e., mortality and retirement) that differ from expected. This also includes financial experiences (i.e., member medical costs and contributions) that vary from expected trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions used for RHBF are consistent with those used to value the pension benefits of TSERS where appropriate. These assumptions are based on the most recent pension valuations available. The discount rate used for RHBF reflects a pay-as-you-go approach.

Projections of benefits for financial reporting purposes of the plans are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Historically, the benefits have been funded solely by employer contributions applied equally to all retirees. Currently, as described above, the benefits are dependent on membership requirements.

The actuarial methods and assumptions used for DIPNC include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Prior to July 1, 2019, employers received a reimbursement from DIPNC for employer costs, including the employer’s share of the State Health Plan premiums, incurred during the second six months of the first year of a member’s short-term disability coverage. With the elimination of the reimbursement to employers, State Health Plan premiums are no longer reimbursed by DIPNC for the benefits that were effective on or after July 1, 2019.

The actuarial assumptions used in the December 31, 2022 valuations were generally based on the results of an actuarial experience study prepared as of December 31, 2019, as amended for updates to certain assumptions (such as medical claims and medical trend rate assumptions) implemented based on annual reviews that have occurred since that experience study.

Discount Rate: The discount rate used to measure the total OPEB liability for RHBF was 3.65% at June 30, 2023 compared to 3.54% at June 30, 2022. 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 to 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.

The discount rate used to measure the total OPEB liability for DIPNC was 3.00% at June 30, 2023 compared to 3.08% at June 30, 2022. The projection of cash flow used to determine the discount rate assumed that contributions from plan members would be made at the current contribution rate and that contributions from employers would be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was not projected to be available to make all projected future benefit payments to the current plan members. In order to develop the blended discount rate of 3.00%, 3.00% was used during the period that the plan was projected to have a fiduciary net position, and a municipal bond rate of 3.65% was used during the period that the plan was projected to have no fiduciary net position. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the University's proportionate share of the net OPEB liability of the plans, as well as what the plans' net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

	Net OPEB Liability		
	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
RHBF	$ 122,897,908	$ 104,178,112	$ 88,932,082
	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
DIPNC	$ 125,800	$ 104,647	$ 83,109

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the plans, as well as what the plans' net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability

	1% Decrease (Medical - 4% - 5.5%, Pharmacy - 4% - 9%, Pharmacy Rebate - 4% - 6%, Med. Advantage - 0% - 4%, Administrative - 2%)	Current Healthcare Cost Trend Rates (Medical - 5% - 6.5%, Pharmacy - 5% - 10%, Pharmacy Rebate - 5% - 7%, Med. Advantage - 0% - 5%, Administrative - 3%)	1% Increase (Medical - 6% - 7.5%, Pharmacy - 6% - 11%, Pharmacy Rebate - 6% - 8%, Med. Advantage - 0% - 6%, Administrative - 4%)
RHBF	$ 86,008,371	$ 104,178,112	$ 127,607,613

Effective with the actuarial valuation as of December 31, 2021, the liability for the State's potential reimbursement of costs incurred by employers was removed because the reimbursement by DIPNC was eliminated for disabilities occurring on or after July 1, 2019. Thus sensitivity to changes in the healthcare cost trend rates is not applicable for DIPNC.

OPEB Expense: For the fiscal year ended June 30, 2024, the University recognized OPEB expense as follows:

OPEB Plan	Amount
RHBF	$ (4,412,027)
DIPNC	162,291
Total OPEB Expense	$ (4,249,736)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: At June 30, 2024, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Employer Balances of Deferred Outflows of Resources Related to OPEB by Classification:

	RHBF	DIPNC	Total
Differences Between Actual and Expected Experience	$ 1,147,193	$ 91,710	$ 1,238,903
Changes of Assumptions	11,285,547	7,625	11,293,172
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	832,220	136,684	968,904
Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	-	51,144	51,144
Contributions Subsequent to the Measurement Date	6,920,209	106,913	7,027,122
Total	$ 20,185,169	$ 394,076	$ 20,579,245

Employer Balances of Deferred Inflows of Resources
Related to OPEB by Classification:

	RHBF	DIPNC	Total
Differences Between Actual and Expected Experience	$ 102,073	$ 57,962	$ 160,035
Changes of Assumptions	27,793,600	17,864	27,811,464
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	-	-
Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	11,058,832	-	11,058,832
Total	$ 38,954,505	$ 75,826	$ 39,030,331

Amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as reductions of the net OPEB liabilities related to RHBF and DIPNC in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30:	RHBF	DIPNC
2025	$ (9,309,071)	$ 67,715
2026	$ (10,238,603)	$ 45,450
2027	$ (5,932,600)	$ 54,799
2028	$ (209,270)	$ 24,324
2029	$ (1)	$ 11,313
Thereafter	$ -	$ 7,736
Total	$ (25,689,545)	$ 211,337

Note 16 - Risk Management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

A. Employee Benefit Plans

1. State Health Plan

University employees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a discretely presented component unit of the State of North Carolina. The Plan is funded by employer and employee contributions. The Plan is self-insured & has contracted with Blue Cross & Blue Shield of North Carolina through December 2024 to process claims.. See Note **15**, Other Postemployment Benefits, for additional information regarding retiree health benefits.

2. Death Benefit Plan of North Carolina

Term life insurance (death benefits) of $25,000 to $50,000 is provided to eligible workers who enroll in the Teachers' and State Employees' Retirement System. This Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.13% for the current fiscal year.

3. Disability Income Plan

Short-term and long-term disability benefits are provided to University employees through the Disability Income Plan of North Carolina (DIPNC), part of the State's Pension and Other Employee Benefit Trust Funds. Short-term benefits are paid by the University for up to twelve months. The Board of Trustees of the DIPNC may extend the short-term disability benefits for up to an additional twelve months. During the extended period of short-term disability benefits, payments are made directly by the DIPNC to the beneficiary. As discussed in Note 15, long-term disability benefits are payable as other postemployment benefits 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.

B. Other Risk Management and Insurance Activities

1. Automobile, Fire, and Other Property Losses

The University is required to maintain all risk coverage on all state-owned buildings and contents through the State Property Fire Insurance Fund (Fund), an internal service fund of the State. Fire and lightning coverage is provided at no cost to the University for operations supported by the State's General Fund. Other operations not supported by the State's General Fund are charged for the fire and lightning coverage. Coverage for all remaining risks for all buildings is charged to the University. Losses covered by the Fund are subject to a $5,000 per occurrence deductible. However, some agencies have chosen a higher deductible for a reduction in premium. This policy includes fire, lightning, windstorm, hail, explosion, aircraft or vehicles, riot or civil commotion, smoke, vandalism, sprinkler leakage, water damage (accidental discharge, not from result of negligence) and theft.

All state-owned vehicles are covered by liability insurance through Travelers insurance company and handled by the North Carolina Department of Insurance. The liability limits for losses are $1,000,000 Bodily injury per person and $10,000,000 per accident. The University pays premiums to the North Carolina Department of Insurance for the coverage.

2. **Public Officers' and Employees' Liability Insurance**

The risk of tort claims of up to $1,000,000 per claimant is retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to $2,000,000 per claim and $10,000,000 in the aggregate per fiscal year via contract with private insurance companies. The University pays the premium, based on a composite rate, directly to the private insurer.

3. **Employee Dishonesty and Computer Fraud**

The University is protected for losses from employee dishonesty and computer fraud. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance. Universities are charged a premium by the private insurance company. Coverage limit is $5,000,000 per occurrence. The private insurance company pays 90% of each loss less a $100,000 deductible.

4. **Statewide Workers' Compensation Program**

The North Carolina Workers' Compensation Program provides benefits to workers injured on the job. All employees of the State and its component units are included in the program. When an employee is injured, the University's primary responsibility is to arrange for and provide the necessary treatment for work related injury. The University is responsible for paying medical benefits and compensation in accordance with the North Carolina Workers' Compensation Act. The University retains the risk for workers' compensation.

Additional details on the state-administered risk management programs are disclosed in the State's *Annual Comprehensive Financial Report*, issued by the Office of the State Controller.

5. **Other Insurance Held by the University**

The University purchased other authorized coverage from private insurance companies through the North Carolina Department of Insurance. These types of insurance include Master Musical Insurance to cover musical instruments owned by the University; Fine Art insurance to protect items considered works of art; Boiler and Machinery insurance to cover heavy equipment; and Postal Bond insurances to cover possible losses of United States Postal Service property.

The University also carries professional internship insurance on students working in health fields. Departments that secure this coverage include Nursing, Psychology, Communication Disorders, Physical Education and Recreation, Athletic Training and Social Work. Medical Liability insurance is carried on employees of the University who are accredited medical professionals and who practice in a clinical setting on campus.

Note 17 - Commitments and Contingencies

A. **Commitments** - The University has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments on construction contracts were $4,617,810.91 at June 30, 2024.

B. Pending Litigation and Claims - The University is a party to litigation and claims in the ordinary course of its operations. Since it is not possible to predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. University management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the University.

Note 18 - Blended Component Unit

Condensed combining information for the University's blended component unit(s) for the year ended June 30, 2024, is presented as follows:

Condensed Statement of Net Position
June 30, 2024

	University	NCCU Real Estate Foundation	Eliminations	Total
ASSETS				
Current Assets	$ 57,475,428	$ 6,642,542	$ (3,061,664)	$ 61,056,306
Capital Assets, Net	416,012,150	12,756,543	-	428,768,693
Other Noncurrent Assets	60,347,228	-	-	60,347,228
Total Assets	533,834,806	19,399,085	(3,061,664)	550,172,227
TOTAL DEFERRED OUTFLOWS OF RESOURCES	49,146,942	-	-	49,146,942
LIABILITIES				
Current Liabilities	24,456,901	834,439	-	25,291,340
Long-Term Liabilities, Net	15,160,267	9,768,200	-	24,928,467
Other Noncurrent Liabilities	-	3,061,664	(3,061,664)	-
Total Liabilities	39,617,168	13,664,303	(3,061,664)	50,219,807
TOTAL DEFERRED INFLOWS OF RESOURCES	144,089,524	-	-	144,089,524
NET POSITION				
Net Investment in Capital Assets	238,194,777	-	-	238,194,777
Restricted - Nonexpendable	19,122,598	-	-	19,122,598
Restricted - Expendable	60,165,116	-	-	60,165,116
Unrestricted	(131,338,230)	4,091,117	-	(127,247,113)
Total Net Position	$ 186,144,261	$ 4,091,117	$ -	$ 190,235,378

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended June 30, 2024

	University	NCCU Real Estate Foundation	Eliminations	Total
OPERATING REVENUES				
Operating Revenues, Net	$ 113,074,295	$ 3,109,040	$ (3,109,040)	$ 113,074,295
Total Operating Revenues	113,074,295	3,109,040	(3,109,040)	113,074,295
OPERATING EXPENSES				
Operating Expenses	245,438,638	1,111,570	(3,109,040)	243,441,168
Depreciation/Amortization	12,212,773	432,889	-	12,645,662
Total Operating Expenses	257,651,411	1,544,459	(3,109,040)	256,086,830
Operating Income (Loss)	(144,577,116)	1,564,581	-	(143,012,535)
NONOPERATING REVENUES (EXPENSES)				
State Appropriations	97,620,306	-	-	97,620,306
Student Financial Aid	24,141,556	-	-	24,141,556
Noncapital Contributions	16,159,422			16,159,422
Investment Income, Net	8,402,070	1,295		8,403,365
Interest and Fees on Debt	(3,044,366)	(296,273)		(3,340,639)
Other Nonoperating Revenues	5,516,751	-	-	5,516,751
Net Nonoperating Revenues (Expenses)	148,795,739	(294,978)	-	148,500,761
Capital Appropriations	2,971,134	-	-	2,971,134
Capital Contributions	3,412,449			3,412,449
Total Other Revenues	6,383,583	-	-	6,383,583
Increase in Net Position	10,602,206	1,269,603	-	11,871,809
NET POSITION				
Net Position, July 1, 2023 (as Restated)	$ 170,074,081	$ 4,198,371	$ -	$ 174,272,452
Net Position, June 30, 2024	$ 180,676,287	$ 5,467,974	$ -	$ 186,144,261

Condensed Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	University		NCCU Real Estate Foundation		Total	
Net Cash Provided (Used) by Operating Activities	$	(139,355,480)	$	1,942,321	$	(137,413,159)
Net Cash Provided (Used) by Noncapital Financing Activities	$	144,778,193	$	-	$	144,778,193
Net Cash Provided (Used) by Capital Financing and Related Financing Activities	$	(8,738,277)	$	(1,082,042)	$	(9,820,319)
Net Cash Provided (Used) by Investing Activities	$	3,757,789	$	1,295	$	3,759,084
Net Increase (Decrease) in Cash and Cash Equivalents	$	442,225	$	861,574	$	1,303,799
Cash and Cash Equivalents, July 1, 2023	$	37,629,239	$	5,903,213	$	43,532,452
Cash and Cash Equivalents, June 30, 2024	$	38,071,464	$	6,764,787	$	44,836,251

Note 19 - Changes in Financial Accounting and Reporting

For the fiscal year ended June 30, 2024, the University implemented the following pronouncement issued by the Governmental Accounting Standards Board (GASB):

> *GASB Statement No. 100, Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*

GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. It defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity, and describes the transactions or other events that constitute those changes. This Statement prescribes the accounting and financial reporting for each type of accounting change and error corrections and requires disclosure in the notes to the financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information.

Note 20 - Net Position Restatements

As of July 1, 2023, net position as previously reported was restated as follows:

		Amount
July 1, 2023 Net Position as Previously Reported	$	166,612,968
Restatements :		
FY23 Cisco Donation (asset)	$	2,997,554
Adjustment for REF (assets)	$	1,182,499
Adjustment for SBITA (MCNC Contract)	$	(608,149)
RTU lease adjustment	$	5,972
Lease Restatement for Enfield Termination Asset/Liability	$	(5,954)
SBITA restatement for MCNC contract	$	4,087,562
	$	-
July 1, 2023 Net Position as Restated	$	174,272,452