The North Carolina Supplemental Retirement Plans – Audit Sub-Committee Meeting

Year End Financial Statement Audit Results Presentation

July 10, 2025



Agenda

- Financial Highlights
- 2024 Audit Results (December 31, 2024)
- Required Communications
- Annual Employer Testing Summary Results

401(k) Fiduciary Net Position aka Balance Sheet

Condensed Statements of Fiduciary Net Position (401(k) Plan), as of December 31:

(In thousands of dollars)	2024	2023
Investments		
Pooled account, at fair value	$ 13,733,629	$ 12,098,998
Stable value fund	1,884,094	2,056,537
Receivables		
Notes receivable from participants	303,358	255,458
Other	4,247	8,773
Other assets	148	-
Liabilities	(1,276)	(1,322)
Fiduciary net position	$ 15,924,200	$ 14,418,444

401(k) Changes in Net Position

Condensed Statements of Changes in Fiduciary Net Position (401(k) Plan), for the year ended December 31:

(In thousands of dollars)	2024	2023
Additions		
Contributions	$ 1,008,516	$ 792,882
Net investment income	1,655,833	1,978,020
Interest on notes receivable from participants	22,584	14,644
Miscellaneous income	1,866	2,815
Total additions	2,688,799	2,788,361
Deductions		
Distributions to participants and beneficiaries	1,174,006	815,401
Administrative expenses	9,037	10,428
Total deductions	1,183,043	825,829
Net increase in fiduciary net position	$ 1,515,756	$ 1,962,532

457(b) Fiduciary Net Position

Condensed Statements of Fiduciary Net Position (457(b) Plan), as of December 31:

(In thousands of dollars)	2024	2023
Investments		
Pooled account, at fair value	$ 1,729,128	$ 1,525,637
Stable value fund	342,968	371,488
Receivables		
Notes receivable from participants	25,960	20,636
Other	628	470
Other assets	93	-
Liabilities	(232)	(238)
Fiduciary net position	$ 2,098,545	$ 1,917,993

457(b) Changes in Fiduciary Net Position

Condensed Statements of Changes in Fiduciary Net Position (457(b) Plan), for the year ended December 31:

(In thousands of dollars)	2024	2023
Additions		
Contributions	$ 119,388	$ 97,780
Net investment income	219,723	257,694
Interest on notes receivable from participants	1,849	1,185
Miscellaneous income	282	386
Total additions	341,242	357,045
Deductions		
Distributions to participants and beneficiaries	159,021	128,154
Administrative expenses	1,669	1,897
Total deductions	160,690	130,051
Net increase in fiduciary net position	$ 180,552	$ 226,994

2024 Financial Statement Audit Results

- Independent Auditors' Report - Unmodified "clean" opinion that the financial statements are presented fairly, in all material respects, in conformity with U.S. Generally Accepted Accounting Principles (GAAP).
- Limited procedures were performed, and no opinion rendered, on management's discussion and analysis (required supplemental information)
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
  - No material weaknesses were identified.
  - No significant deficiencies were identified.
- Letter to the Board providing required communications with those charged with governance.

Required Governing Body Communications

- Auditor's responsibility under U.S. Generally Accepted Auditing Standards
- Significant accounting policies
  - No new accounting standards in fiscal year 2024
- Management judgments and accounting estimates
  - Stable Value crediting rate

Required Governing Body Communications

- Management was very cooperative and professional during the audit process
- No disagreements with management
- Management did not consult with other accountants on the application of GAAP or GAAS
- No major issues were discussed with management prior to retention
- Management Representations

Additional Annual Employer Testing Summary

Procedures Performed

The Department requires UHY to reconcile remittances by the employers with receipts of the recordkeeper, review employer controls and compliance, and other items that are reasonably requested by the Department. The Department's objectives are met through performance of the following procedures for a sample of employees at each employer:

- Recalculate employees' contributions from the payroll register based on the eligible gross pay from the payroll register and elected contribution rate from the recordkeeper's employee portal.
- Recalculate employer contributions from the payroll register based on the employees' eligible gross pay and the employer's contribution rate in effect for the period under review.
- Verify employee and employer contributions from the payroll register were included in the contributions remitted to the recordkeeper.
- Tie total employee and employer contributions from the payroll register to the employer's GL.
- Tie total remittance of employee and employer contributions for the pay period under review to the bank statement.

Employer Selections

The following employers were selected for testing in the 2024 audit cycle:

Employer Name	Employer Name
City of Charlotte	Hickory City Schools
City of Durham	Lincoln County Schools
Dept. of Adult Correction	New Hanover County
Dept. of Health & Human Svcs.	New Hanover County Schools
Dept. of Public Safety	Orange County
Dept. of Transportation	Piedmont Triad Regional Council
Guilford County	Town of Davidson
Mecklenburg County	Town of Garner
UNC Health Care	Town of Matthews
Wake County Government	Town of Mint Hill
Cherokee County Schools	Town of Pilot Mountain
City of Eden	Vance County
Guilford Tech Community College	

Preliminary
Subject to Chang

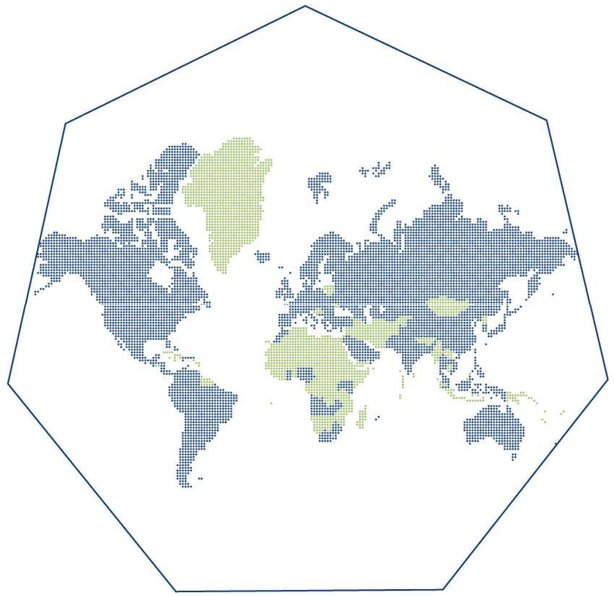
Thank you!

Thomas Rey, CPA
Engagement Partner
trey@uhy-us.com| 410-423-4820
Cell | 443-831-9436

About UHY

UHY is one of the nation’s largest professional services firms providing audit, tax, consulting and advisory services to clients primarily in the dynamic middle market. We are trailblazers who bring our experience from working within numerous industries to our clients so that we can provide them a 360-degree view of their businesses. Together with our clients, UHY works collaboratively to develop flexible, innovative solutions that meet our clients’ business challenges. As an independent member of UHY International, we are proud to be a part of a top 20 international network of independent accounting and consulting firms.





We Serve You Where You Work

For a complete listing of our U.S. offices, please visit: www.uhy-us.com/locations

GLOBAL

As an independent member of UHY International, we are proud to be a part of a top 20 international network of independent accounting and consulting firms. For a complete listing of our member firms, please visit: www.uhy.com/locations

UHY LLP is a licensed independent CPA firm that performs attest services in an alternative practice structure with UHY Advisors, Inc., and its subsidiary entities. UHY Advisors, Inc.'s subsidiaries, including UHY Consulting, Inc., provide tax and business consulting services through wholly owned subsidiary entities that operate under the name of "UHY Advisors" and "UHY Consulting". UHY Advisors, Inc., and its subsidiary entities are not licensed CPA firms. UHY LLP, UHY Advisors, Inc. and UHY Consulting are U.S. members of Urbach Hacker Young International Limited, a UK company, and form part of the international UHY network of legally independent accounting and consulting firms. "UHY" is the brand name for the UHY international network. Any services described herein are provided by UHY LLP, UHY Advisors and/or UHY Consulting (as the case may be) and not by UHY or any other member firm of UHY. Neither UHY nor any member of UHY has any liability for services provided by other members.