

***DUPLIN COUNTY
BOARD OF EDUCATION
Kenansville, North Carolina***

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

DUPLIN COUNTY BOARD OF EDUCATION

KENANSVILLE, NORTH CAROLINA



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

**DUPLIN COUNTY BOARD OF EDUCATION
KENANSVILLE, NORTH CAROLINA**

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

**PREPARED BY
DAWN GEORGE
AND THE
FINANCE DEPARTMENT**



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Introductory Section



October 22, 2022

Members of the Duplin County Board of Education and Citizens of Duplin County, North Carolina:

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

This report was prepared by the Finance Department in accordance with the requirements and guidelines promulgated by the Governmental Accounting Standards Board. We believe the data is accurate in all material respects and is presented in a manner designed to reflect fairly the financial position and results of operations of the Board. Disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity have been included.

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

REPORTING ENTITY

The Duplin County Board of Education (the "Board") is the level of government having oversight responsibility and control over activities related to public school education in Duplin County, North Carolina. N.C. General Statutes empower the Duplin County Board of Education with general control and supervision of all matters pertaining to the schools in the system. For the 2021-2022 fiscal year, the school system served students from pre-kindergarten through 12th grade in 8 elementary schools and 5 high schools. The oldest school in the District was built in 1955 while the newest school was constructed in 2009. The average age of all school buildings is 48 years. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source. While the Board does receive funding from Duplin County (the "County"), the County is not entitled to share in any surplus nor is it required to finance any deficits. The Board, whose members are elected by the citizens of Duplin County, has the authority to designate management, make binding decisions, and significantly influence operations. However, the Board has no tax levying or borrowing authority and is required to maintain accounting records in a uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Duplin County Board of Education is not included in any other reporting entity.

ECONOMIC CONDITION AND OUTLOOK

Duplin County's economy has historically been based on agriculture. In the past, tobacco and row crops were the staples of agricultural production. In more recent years, poultry and livestock production has displaced crops as the primary source of production. According to the North Carolina Department of Agriculture's 2021 statistics, Duplin County ranks number 1 in the state in cash receipts from the sale of pork and poultry with total sales for all livestock and crops county wide of \$961 million. Duplin County is also recognized as an important agricultural producer nationally. The 2020 U.S. Census of Agriculture ranks

Letter of Transmittal *(Continued)*

Duplin County 1st among U.S. counties in market value of hogs and pig products sold, with over \$1.9 million of sales, and 7th in the market value of poultry and eggs sold.

Poultry production continues to expand in Duplin County. Duplin County's family farmers produce over 87 million broilers annually, which is the most of any county in North Carolina. Over 3.5 million turkeys are raised annually in Duplin County.

The Duplin County Economic Development Commission has identified 4 strategic markets as potential growth segments: Logistics and distribution, Alternative Energy Production, Food Processing and Defense.

A network of 6 primary highways intersects with I-40, the state's major east-west artery. The county has four-lane access to the region's population centers; deep water ports at Wilmington and Morehead City; and the military installations of Marine Corps Base Camp Lejeune, Fort Bragg, and Seymour Johnson Air Force Base.

The production of alternative clean energy is an emerging agribusiness growth opportunity for the county.

Manufacturing, including agricultural related food processing, is an important segment of the County's employment. Approximately 30% of the county's workforce is employed in agricultural related processing and manufacturing. Of the ten largest employers in the county, six are engaged in agricultural production, manufacturing or food processing.

Due to the County's geographic proximity to the military installations of Camp Lejeune, Seymour Johnson Air Force Base, New River Air Station and Cherry Point Air Station, Duplin County is strategically positioned to support projected military growth. Initiatives of growth to attract military population or business include civic and community efforts.

MAJOR INITIATIVES

The goals of the school system as outlined in the 5-year Strategic Plan are as follows:

- Student academic success for every PreK-13 student.
- Through a commitment to equity, all students will receive a personalized education through access to STEAMA, career, college, and digital learning.
- Every student will be instructed and supported by excellent and innovative leaders, teachers, and personnel.
- Develop and maintain strategic partnerships supported by 21st Century financial, business and technology systems.
- Provide safe and nurturing environments and facilities for all PreK-13 students and staff.

Building upon a decade of work throughout the district to improve career and college readiness for every student, Duplin County Schools launched the STEAMA model in July 2018 as an all-inclusive innovation ensuring the integration of learning across all content areas and allowing every student to graduate with a pathway leading to a successful career. As a means to develop stronger connections to the county's large agricultural community and leverage the creativity of its residents, STEAMA added the arts and agriculture to an already successful STEM focus. With equity at the forefront, all groups of students can now engage in impactful learning experiences leading to better academic and social outcomes. Addressing local, state, and national business and industry needs through powerful partnerships, the STEAMA model contributes to a growing economy and better-prepared workforce by engaging all students in pathways with purpose, increasing their chances of being connected to school and thus graduating on-time ready for prosperous careers and college experiences.

Letter of Transmittal *(Continued)*

FINANCIAL AND BUDGETARY CONTROLS

The cost of public school education in North Carolina is financed primarily by the State, which establishes minimum programs. Local funds supplement the basic programs and are appropriated by the local board of county commissioners.

Monthly reports on transactions of State and federal funds and details of disbursements from State funds are submitted to the North Carolina Department of Public Instruction for review.

Financial activities throughout the year are controlled in accordance with the North Carolina School Budget and Fiscal Control Act, which requires a pre-audit procedure to ensure availability of funds prior to the issuance of purchase orders or payment of claims. Outstanding purchase orders at the end of the fiscal year related to normal operations are cancelled and renewed in the following fiscal year.

The Board's accounts are organized in funds, each of which is considered a separate accounting entity, to record the allocation of and accounting for governmental resources for which they are spent and controlled. Each individual fund accounting entity records their operations under a set of self-balancing accounts comprising of assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The Board's funds are divided into three major classifications: governmental, proprietary and fiduciary. The governmental fund types include the general fund, the special revenue funds and the capital outlay fund. The Board's enterprise fund is presented as a proprietary fund type. The scholarship (private-purpose trust) fund is included as a fiduciary fund type of the Board. All governmental fund types are accounted for and reported on the modified accrual basis of accounting in accordance with G.S. 115C-440(b). The proprietary fund type and fiduciary fund are presented in the financial statement on the accrual basis of accounting.

North Carolina General Statutes also require all governmental units to adopt a balanced budget by July 1st of each year. The Board's annual budget resolution authorizes expenditures at functional level under the modified accrual basis except for the enterprise fund, which is budgeted on the accrual basis, and the individual schools special revenue fund. For internal management purposes, the budget is allocated to line item expenditure accounts. The budgetary amounts presented in the accompanying financial statements are in conformity with the legally adopted budget ordinance as amended throughout the fiscal year. The Board uses a purchase order encumbrance system to record encumbrances outstanding against each expenditure line item to ensure compliance with adopted budget limits. All non-capital outlay outstanding encumbrances are reversed at year-end. Capital Outlay encumbrances are carried over into the subsequent year and the corresponding budget amounts are re-appropriated.

In developing and improving the Board's accounting system, consideration is given to the adequacy of internal control. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, the reliability of financial records for preparing financial statements, and maintaining the accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Board's internal control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

INDEPENDENT AUDIT

Anderson Smith & Wike PLLC, independent certified public accountants, whose opinion is expressed on page one, have audited the financial statements. The Duplin County Board of Education complies with the requirements of the Single Audit Act for which separate reports are issued.

Letter of Transmittal *(Continued)*

FINANCIAL REPORTING AWARDS

For the fiscal year ended June 30, 2021, the Annual Comprehensive Financial Report of the Duplin County Board of Education earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting Award. The awards are made only to governmental units that publish a comprehensive annual financial report, which is easily readable, efficiently organized, and conforms to program standards as well as satisfying generally accepted accounting principles. Awards are valid for one year only. We believe the accompanying report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of eligibility for renewed awards.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Dr. Austin Obasohan
Superintendent



Dawn George
Chief Financial Officer

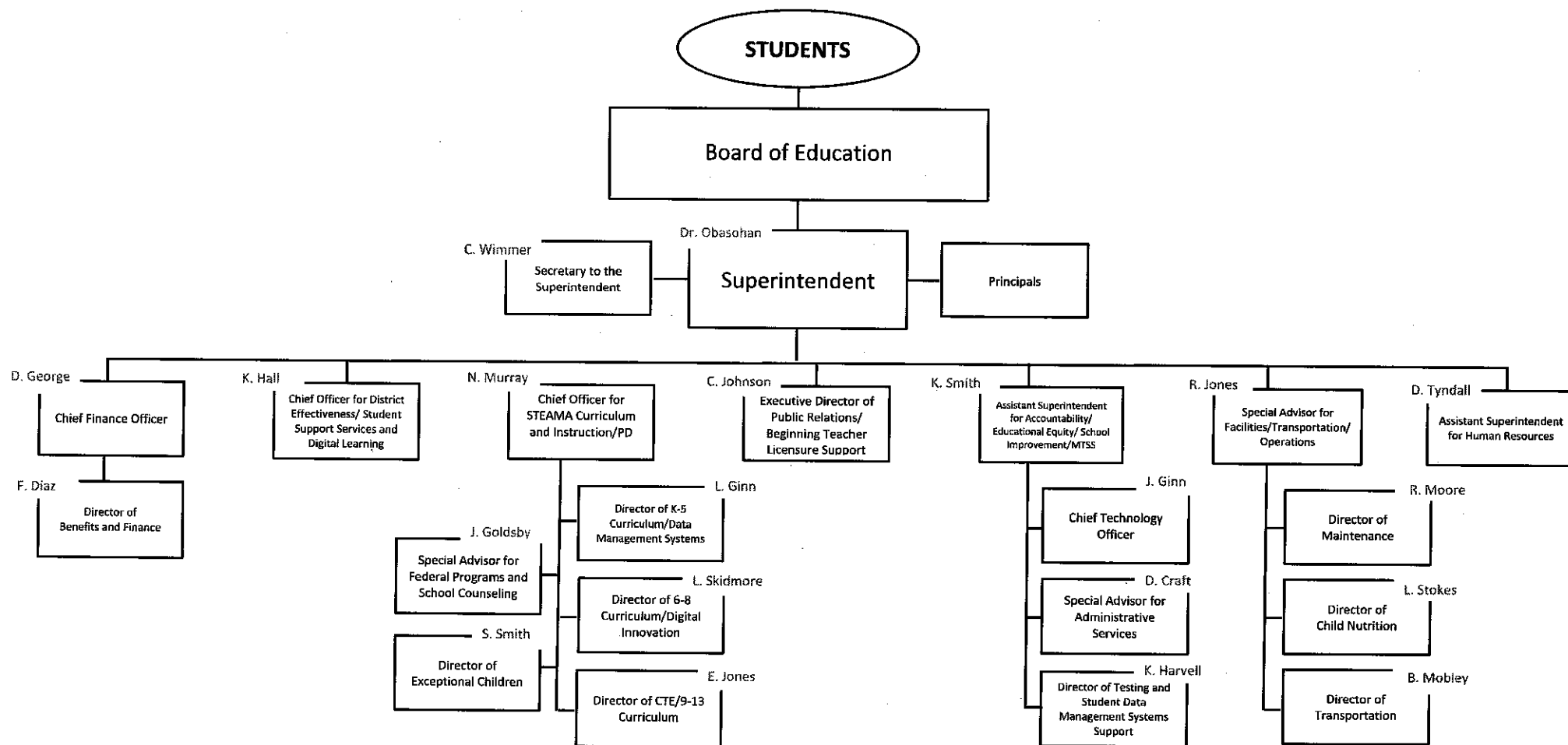
**DUPLIN COUNTY BOARD OF EDUCATION
KENANSVILLE, NORTH CAROLINA**

JULY 1, 2021 – JUNE 30, 2022

BOARD MEMBERS

**BRENT DAVIS, CHAIR
REGINALD KENAN, VICE-CHAIR
PAMELA EDWARDS
DAVID JONES
CLAUDIUS MORRISEY**

**DUPLIN COUNTY SCHOOLS
2022-23 Organizational Chart**



Vacant:

- * Chief of Staff for Innovation

* Organizational structure is currently under review and changes may be made as necessary *

{10/12/2022}



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Duplin County Board of Education

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

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



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

William A. Sutter
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Duplin County Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



Financial Section



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Duplin County Board of Education
Kenansville, North Carolina

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 11 and the Schedules of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedules of Board Contributions on pages 57 through 62, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2022, on our consideration of the Duplin County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Duplin County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Duplin County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

September 27, 2022
West End, North Carolina
(910) 603-0508

DUPLIN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Duplin County Board of Education's (the "Board") financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2022. This information should be read in conjunction with the audited financial statements included in this report.

Impact of Coronavirus on School

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

Financial Highlights

- For the fiscal year ended June 30, 2022, the Board's total government-wide net position increased by \$16.6 million. Governmental activities net position increased by \$14.3 million, and business-type activities net position increased by \$2.3 million, or 47.6%.
- The Board experienced an increase in student enrollment of 10 students from 9,394 students to 9,404 students.
- At year end, the Board's General fund reported fund balance of \$5.4 million an increase of \$1.4 million compared to the prior year. The increase is a result of expenditure savings recognized from vacancies and an increase in revenues.

Overview of the Financial Statements

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

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

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

DUPLIN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

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

Government-wide Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

Duplin County Board of Education has three types of funds:

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

The governmental fund statements are shown as Exhibits 3, 4, 5 and 6 of this report.

Proprietary funds: Services for which the Board charges a fee are generally reported in the proprietary funds. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Duplin County Board of Education has two proprietary funds - both enterprise funds – the School Food Service Fund and the Liberty Hall Fund.

The proprietary fund statements are shown as Exhibits 7, 8, and 9 of this report.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Duplin County Board of Education has one fiduciary fund:

The Dickson Loan Fund - The Board administers the fund, which provides loans to Duplin County students to continue their education after high school. This fund is accounted for as a private purpose trust fund.

The fiduciary fund statements are shown as Exhibits 10 and 11 of this report.

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$19.9 million as of June 30, 2022 as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$36.5 million as of June 30, 2021, an increase of \$16.6 million. The largest component of net position is net investment in capital assets of \$91.0 million, while restricted and unrestricted net position have a combined balance of \$(110.9) million. Following is a summary of the Statement of Net Position as of June 30, 2022 and 2021:

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Current and other assets	\$ 11,000,748	\$ 10,921,874	\$ 10,734,937	\$ 8,936,464	\$ 21,735,685	\$ 19,858,338
Capital assets	93,544,772	95,826,007	255,449	291,636	93,800,221	96,117,643
Total assets	104,545,520	106,747,881	10,990,386	9,228,100	115,535,906	115,975,981
Deferred outflows of resources	25,847,241	22,900,151	786,878	711,344	26,634,119	23,611,495
Current liabilities	3,874,055	5,078,083	89,111	86,037	3,963,166	5,164,120
Long-term liabilities	102,225,137	120,994,787	2,971,150	3,611,754	105,196,287	124,606,541
Total liabilities	106,099,192	126,072,870	3,060,261	3,697,791	109,159,453	129,770,661
Deferred inflows of resources	51,375,004	44,939,894	1,564,032	1,395,960	52,939,036	46,335,854
Net investment in						
capital assets	90,696,411	92,081,892	255,449	291,636	90,951,860	92,373,528
Restricted net position	2,647,317	3,836,589	6,739	8,606	2,654,056	3,845,195
Unrestricted net position (deficit)	(120,425,163)	(137,283,213)	6,890,783	4,545,451	(113,534,380)	(132,737,762)
Total net position (deficit)	\$ (27,081,435)	\$ (41,364,732)	\$ 7,152,971	\$ 4,845,693	\$ (19,928,464)	\$ (36,519,039)

The net position of the Board's governmental activities increased \$14.3 million during the year, from \$(41.4) million at June 30, 2021 to \$(27.1) million at June 30, 2022, indicating an improvement in the financial condition of the Board. Unrestricted net position increased by \$16.9 million as a result of a decrease in the OPEB liability of the Retirement Health Care Benefit plan. Restricted net position decreased \$1.2 million compared to the prior year due to a decrease in the amount of hurricane relief funds as the Board continues to make the hurricane related repairs the funds were intended for. Net investment in capital assets decreased \$1.4 million due to an excess of depreciation expense over capital additions for the year. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities increased by \$2.3 million. This increase is the amount of net income generated by our school food service offset by the loss in the Liberty Hall operations during the 2022 fiscal year, including \$390,000 of investment losses in the Liberty Hall fund. The net income generated by our school food service operations during the 2022 fiscal year, was primarily because of an increase in meal participation as the Board returned to a traditional in-person learning schedule for the year. The increase in participation was also paired with an increase in the reimbursement rate of the meals that were provided, resulting in a \$3.5 million increase in federal reimbursements. The Board also recognized a net pension and OPEB benefit of \$154,000 in its salaries and benefits expenses related to a significant decrease in the Retirement Health Benefit OPEB expense. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/22	6/30/21	6/30/22	6/30/21	6/30/22	6/30/21
Revenues:						
Program revenues:						
Charges for services	\$ 2,025,235	\$ 1,006,565	\$ 92,852	\$ 32,846	\$ 2,118,087	\$ 1,039,411
Operating grants and contributions	87,563,046	74,596,818	8,502,043	4,951,323	96,065,089	79,548,141
Capital grants and contributions	558,271	818,410	-	-	558,271	818,410
General revenues:						
County appropriations	9,928,041	9,837,499	-	-	9,928,041	9,837,499
State appropriations	7,145,244	6,546,691	-	-	7,145,244	6,546,691
Federal appropriations	-	2,566,821	-	-	-	2,566,821
Other revenues	1,442,162	1,348,483	(389,085)	1,185,606	1,053,077	2,534,089
Total revenues	108,661,999	96,721,287	8,205,810	6,169,775	116,867,809	102,891,062
Expenses:						
Governmental activities:						
Instructional services	73,117,035	72,998,962	-	-	73,117,035	72,998,962
System-wide support services	20,671,879	20,171,765	-	-	20,671,879	20,171,765
Ancillary services	208,438	538,555	-	-	208,438	538,555
Payments to other governments	33,241	32,751	-	-	33,241	32,751
Interest on long-term debt	71,695	59,903	-	-	71,695	59,903
Unallocated depreciation	218,167	198,123	-	-	218,167	198,123
Business-type activities:						
School food service	-	-	5,754,119	4,005,076	5,754,119	4,005,076
Liberty Hall	-	-	202,660	144,798	202,660	144,798
Total expenses	94,320,455	94,000,059	5,956,779	4,149,874	100,277,234	98,149,933
Excess (deficiency) before transfers	14,341,544	2,721,228	2,249,031	2,019,901	16,590,575	4,741,129
Transfers in (out)	(58,247)	(61,491)	58,247	61,491	-	-
Increase (decrease) in net position	14,283,297	2,659,737	2,307,278	2,081,392	16,590,575	4,741,129
Beginning net position (deficit)	(41,364,732)	(44,024,469)	4,845,693	2,764,301	(36,519,039)	(41,260,168)
Ending net position (deficit)	\$ (27,081,435)	\$ (41,364,732)	\$ 7,152,971	\$ 4,845,693	\$ (19,928,464)	\$ (36,519,039)

Total governmental activities generated revenues of \$108.7 million while expenses in this category totaled \$94.3 million for the year ended June 30, 2022, resulting in an increase in net position of \$14.3 million (including transfers out to business-type activities of \$58,000). Comparatively, revenues were \$96.7 million, expenses totaled \$94.0 million and transfers out were \$61,000 for the year ended June 30, 2021, resulting in an increase in net position of \$2.7 million. In comparing the two years, revenues increased by \$11.9 million while expenses increased only \$320,000. The overall increase in revenues is attributable to the Education Stabilization and the State Fiscal Recovery funds received and used in the current year. The Board also recognized a decrease in pension and OPEB expense of \$8.6 million, offset

DUPLIN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

by a \$9.4 million increase in State Public School and Federal Grants fund expenses mostly related to COVID-19 funds received.

The Board's primary sources of revenues were funding from the State of North Carolina, Duplin County, and the United States Government, which respectively comprised 66.4%, 9.0% and 20.0% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 72.9% of our total expenses during the most recent fiscal year. Of the remaining 27.1% of our total expenses, 20.6% was attributable to system-wide support services.

Our business-type activities generated revenues of \$8.2 million, while expenses in this category totaled \$6.0 million for the year ended June 30, 2022. For the year, net position increased by \$2.3 million (including transfers in of \$58,000). Comparatively, revenues were \$6.2 million, expenses totaled \$4.1 million and transfers in were \$61,000 for the year ended June 30, 2021, resulting in an increase in net position of \$2.1 million. In comparing the two years, the year-over-year increase in profitability of \$226,000 is attributable to the \$2.8 million of profit generated by the School Food Service activities as participation increased with students returning to a traditional in-person learning schedule. The profitability of the School Food Services was offset by a loss in the Liberty Hall fund as the value of investments decreased \$390,000 from the previous year. In comparing the two years, revenues increased by \$2.0 million while expenses increased by \$1.8 million.

Financial Analysis of the Board's Funds

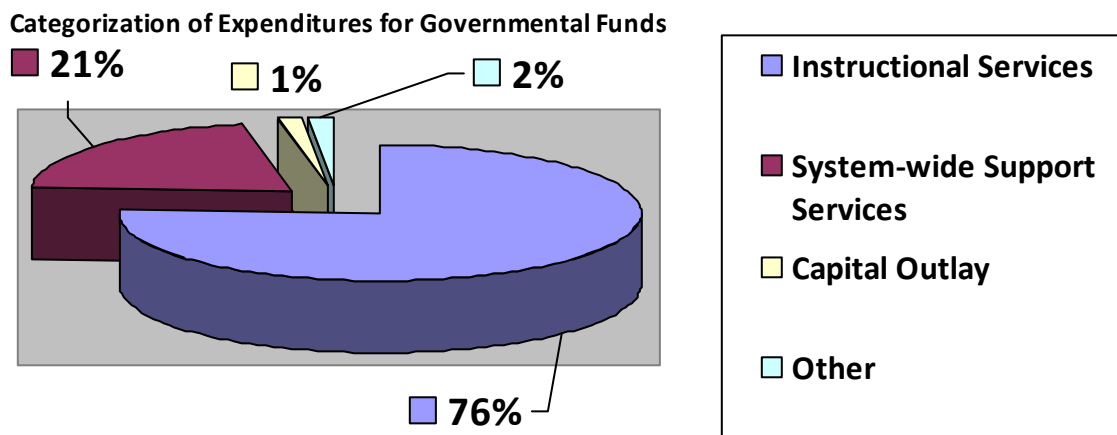
Governmental Funds: The focus of Duplin County Board of Education's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Board's financing requirements.

The Board's governmental funds reported a combined fund balance of \$9.6 million at June 30, 2022, an increase of \$1.1 million from the \$8.5 million reported at June 30, 2021. The Board's General, Individual Schools and Capital Outlay funds reported revenues over expenditures for the year ended June 30, 2022 of \$1.4 million, \$118,000 and \$152,000, respectively. The Board's Other Special Revenue fund reported a decrease in fund balance of \$631,000 as the Board continues to spend previously recognized Hurricane Florence relief funds and insurance proceeds to repair damaged buildings. Overall, total governmental fund revenues increased by \$12.5 million, or 12.8%, from the prior year while expenditures increased by \$9.1 million, or 9.1%. The increase in revenues is primarily due to Covid-19 Education Stabilization funds and State Fiscal Recovery funds received to offset the costs of providing virtual and in person instructional services during the pandemic and to fund COVID-19 bonuses. The Board's Other Special Revenue Fund experienced an increase in expenditures totaling \$763,000 because of the expenditures the Board incurred from hurricane Florence repairs that are still ongoing as well as the receipt of a \$2.1 million Emergency Connectivity Grant used to purchase computer equipment and internet connection services to enhance remote learning during the COVID-19 pandemic. The Capital Outlay fund experienced a decrease in expenditures of \$1.8 million due to the acquisition of 13 NC Department of Public Instruction yellow school buses in the previous year.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2022 to 2021, the State Public School Fund reported an increase in revenues (and expenditures) of \$2.7 million, or 3.9%, the Federal Grants Fund reported an increase of \$6.7 million, or 71.4%. These increases are the result of the receipt of State Fiscal Recovery Funds in the State Public School fund and Covid-19 Education Stabilization funds received in the Federal Grants fund to cover necessary expenses resulting from the pandemic.

DUPLIN COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Funds: The Board's business-type funds, the School Food Service Fund and the Liberty Hall Fund, reported a combined increase in net position of \$2.3 million for the fiscal year ended June 30, 2022 compared to an increase of \$2.1 million for the same 2021 period. As previously discussed, the year-over-year improvement in profitability of \$226,000 is attributable to a significant increase in participation due to students returning to in-person learning attributing to the increases in School Food Service revenues.

General Fund Budgetary Highlights

Over the course of a year, the Board will revise the budget, as necessary, to account for changes in revenue expectations and program allocations. Due to some State and federal revenue sources being uncertain at the start of the year, management budgeted revenues and expenditures of \$10.3 million. During the fiscal year ended June 30, 2022, the district did not have to appropriate any General fund balance due to the sustained operational savings the Board would realize as a result of the school consolidations conducted in previous years to continue a resolution to operate fiscally responsible and also due to the Federal assistance received to help cover the cost of operations during the pandemic. The Board was able to add \$1.4 million of fund balance in the General fund this year as a result of an increase in revenues of \$841,000 due to increases in fines and forfeitures and transportation reimbursements while expenditures decreased only \$2,000, remaining very consistent to the prior year.

For the year, the Board's General Fund reported an increase in fund balance of \$1.4 million compared to an increase of \$539,000 in the prior year. General fund balance is expected to help fund future costs associated with the long-term effects of Covid-19 and the anticipated ending of federal assistance to cover those reoccurring cost.

Capital Assets

Total primary government capital assets were \$93.8 million at June 30, 2022 compared to \$96.1 million at June 30, 2021, a decrease of 2.4%. The decrease in capital assets is due to an excess of depreciation expense over capital additions for the year. More detailed information about the Board's capital assets is contained in Note 2 - Detail Notes to the basic financial statements.

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

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

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/22</u>	<u>6/30/21</u>	<u>6/30/22</u>	<u>6/30/21</u>
Land	\$ 2,301,154	\$ 2,301,154	\$ 24,000	\$ 24,000	\$ 2,325,154	\$ 2,325,154
Construction in progress	1,148,541	-	-	-	1,148,541	-
					-	-
Buildings	74,205,489	76,050,681	116,864	129,849	74,322,353	76,180,530
Equipment and furniture	1,363,385	1,220,652	114,585	137,787	1,477,970	1,358,439
Vehicles	7,004,434	7,667,810	-	-	7,004,434	7,667,810
Improvements	7,521,769	8,585,710	-	-	7,521,769	8,585,710
Total	<u>\$ 93,544,772</u>	<u>\$ 95,826,007</u>	<u>\$ 255,449</u>	<u>\$ 291,636</u>	<u>\$ 93,800,221</u>	<u>\$ 96,117,643</u>

Debt Outstanding

During the year, the Board's long-term debt decreased by \$1.0 million from \$4.4 million at June 30, 2021 to \$3.3 million at June 30, 2022. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2- Detail Notes to the basic financial statements.

Economic Factors

County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects the school district. Some indicators of the County funding impact are:

- As of June 30, 2022, Duplin County experienced an unemployment rate of approximately 4.1% as compared to an unemployment rate of approximately 4.6% at June 30, 2021. The June 30, 2022 State of N.C. and national unemployment rates were both 3.4% and 3.6%, respectively.
- Property taxes are a major source of revenue for the County. The fiscal year 2022 tax rate is \$0.735 per \$100 valuation. Collection rates vary but are typically in the 94-96% range.

Requests for Information

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

Dawn George
Chief Financial Officer
Duplin County Board of Education
P.O. Box 128
Kenansville, NC 28349

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DUPLIN COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 9,547,073	\$ 4,958,620	\$ 14,505,693
Investments	-	5,620,111	5,620,111
Due from other governments	358,288	75,269	433,557
Receivables	9,782	137	9,919
Net OPEB asset	44,867	1,366	46,233
Inventories	236,250	79,434	315,684
Right to use leased assets, net of amortization	461,713	-	461,713
Prepaid expenses	342,775	-	342,775
Capital assets:			
Land and construction in progress	3,449,695	24,000	3,473,695
Other capital assets, net of depreciation	90,095,077	231,449	90,326,526
Total capital assets	93,544,772	255,449	93,800,221
Total assets	104,545,520	10,990,386	115,535,906
Deferred Outflows of Resources	25,847,241	786,878	26,634,119
Liabilities			
Accounts payable and accrued expenses	906,178	34,863	941,041
Unearned revenue	-	9,214	9,214
Long-term liabilities:			
Due within one year	2,967,877	45,034	3,012,911
Due in more than one year	5,396,495	23,355	5,419,850
Net pension liability	14,587,523	444,094	15,031,617
Net OPEB liability	82,241,119	2,503,701	84,744,820
Total liabilities	106,099,192	3,060,261	109,159,453
Deferred Inflows of Resources	51,375,004	1,564,032	52,939,036
Net position			
Net investment in capital assets	90,696,411	255,449	90,951,860
Restricted for:			
Stabilization by State statute	9,782	-	9,782
School capital outlay	1,038,256	-	1,038,256
Hurricane relief	192,375	-	192,375
Individual schools activities	1,185,546	-	1,185,546
DIPNC OPEB plan	221,358	6,739	228,097
Unrestricted	(120,425,163)	6,890,783	(113,534,380)
Total net position (deficit)	\$ (27,081,435)	\$ 7,152,971	\$ (19,928,464)

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

DUPLIN COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 42,494,810	\$ -	\$ 44,600,990	\$ -	\$ 2,106,180	\$ -	\$ 2,106,180
Special populations	9,886,797	-	9,998,355	-	111,558	-	111,558
Alternative programs	7,921,503	-	10,443,539	-	2,522,036	-	2,522,036
School leadership	4,049,642	-	3,566,703	-	(482,939)	-	(482,939)
Co-curricular	2,099,354	1,511,417	743	-	(587,194)	-	(587,194)
School-based support	6,664,929	-	5,983,947	-	(680,982)	-	(680,982)
System-wide support services:							
Support and development	755,759	-	557,710	-	(198,049)	-	(198,049)
Special population support and development	148,543	-	175,975	-	27,432	-	27,432
Alternative programs and services support and development	189,165	-	198,652	-	9,487	-	9,487
Technology support	1,702,094	-	1,117,038	-	(585,056)	-	(585,056)
Operational support	15,968,373	513,818	9,044,251	558,271	(5,852,033)	-	(5,852,033)
Financial and human resource services	854,960	-	521,765	-	(333,195)	-	(333,195)
Accountability	105,314	-	17,877	-	(87,437)	-	(87,437)
System-wide pupil support	155,410	-	88,583	-	(66,827)	-	(66,827)
Policy, leadership and public relations	792,261	-	487,701	-	(304,560)	-	(304,560)
Ancillary services	208,438	-	189,740	-	(18,698)	-	(18,698)
Payments to other governments	33,241	-	569,477	-	536,236	-	536,236
Interest on long-term debt	71,695	-	-	-	(71,695)	-	(71,695)
Unallocated depreciation expense**	218,167	-	-	-	(218,167)	-	(218,167)
Total governmental activities	94,320,455	2,025,235	87,563,046	558,271	(4,173,903)	-	(4,173,903)
Business-type activities:							
School food service	5,754,119	89,986	8,419,043	-	-	2,754,910	2,754,910
Liberty Hall	202,660	2,866	83,000	-	-	(116,794)	(116,794)
Total business-type activities	5,956,779	92,852	8,502,043	-	-	2,638,116	2,638,116
Total primary government	\$ 100,277,234	\$ 2,118,087	\$ 96,065,089	\$ 558,271	(4,173,903)	2,638,116	(1,535,787)
General revenues:							
Unrestricted county appropriations - operating					8,968,900	-	8,968,900
Unrestricted county appropriations - capital					959,141	-	959,141
Unrestricted State appropriations - operating					6,782,082	-	6,782,082
Unrestricted State appropriation - capital					363,162	-	363,162
Investment earnings, unrestricted					2	(389,085)	(389,083)
Miscellaneous, unrestricted					1,442,160	-	1,442,160
Transfers					(58,247)	58,247	-
Total general revenues and transfers					18,457,200	(330,838)	18,126,362
Change in net position					14,283,297	2,307,278	16,590,575
Net position (deficit) - beginning					(41,364,732)	4,845,693	(36,519,039)
Net position (deficit) - ending					\$ (27,081,435)	\$ 7,152,971	\$ (19,928,464)

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

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

FUND FINANCIAL STATEMENTS

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

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Individual Schools	Capital Outlay	
Assets							
Cash and cash equivalents	\$ 5,184,198	\$ -	\$ -	\$ 2,052,447	\$ 1,135,546	\$ 1,174,882	\$ 9,547,073
Due from other governments	-	-	296,971	61,317	-	-	358,288
Accounts receivable	9,782	-	-	-	-	-	9,782
Inventories	186,250	-	-	-	50,000	-	236,250
Prepaid expenditures	342,775	-	-	-	-	-	342,775
Total assets	<u>\$ 5,723,005</u>	<u>\$ -</u>	<u>\$ 296,971</u>	<u>\$ 2,113,764</u>	<u>\$ 1,185,546</u>	<u>\$ 1,174,882</u>	<u>\$ 10,494,168</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	<u>\$ 310,858</u>	<u>\$ -</u>	<u>\$ 296,971</u>	<u>\$ 161,723</u>	<u>\$ -</u>	<u>\$ 136,626</u>	<u>\$ 906,178</u>
Total liabilities	<u>310,858</u>	<u>-</u>	<u>296,971</u>	<u>161,723</u>	<u>-</u>	<u>136,626</u>	<u>906,178</u>
Fund balances:							
Nonspendable:							
Inventories	186,250	-	-	-	50,000	-	236,250
Prepaid expenditures	342,775	-	-	-	-	-	342,775
Restricted:							
Stabilization by State statute	9,782	-	-	-	-	-	9,782
School capital outlay	-	-	-	-	-	1,038,256	1,038,256
Hurricane relief	-	-	-	192,375	-	-	192,375
Individual schools	-	-	-	-	1,135,546	-	1,135,546
Assigned:							
Special revenues	-	-	-	1,759,666	-	-	1,759,666
Unassigned	<u>4,873,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,873,340</u>
Total fund balances	<u>5,412,147</u>	<u>-</u>	<u>-</u>	<u>1,952,041</u>	<u>1,185,546</u>	<u>1,038,256</u>	<u>9,587,990</u>
Total liabilities and fund balances	<u>\$ 5,723,005</u>	<u>\$ -</u>	<u>\$ 296,971</u>	<u>\$ 2,113,764</u>	<u>\$ 1,185,546</u>	<u>\$ 1,174,882</u>	<u>\$ 10,494,168</u>

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

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

Exhibit 3 (continued)

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

Total fund balance (All Governmental Funds)	9,587,990
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	93,544,772
Net OPEB asset	44,867
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds.	461,713
Deferred outflows of resources related to pensions	14,832,745
Deferred outflows of resources related to OPEB	11,014,496
Some liabilities, including those for compensated absences, leases and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(8,364,372)
Net pension liability	(14,587,523)
Net OPEB liability	(82,241,119)
Deferred inflows of resources related to pensions	(19,286,698)
Deferred inflows of resources related to OPEB	<u>(32,088,306)</u>
Net position (deficit) of governmental activities	<u>\$ (27,081,435)</u>

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

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

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Individual Schools	Capital Outlay	
Revenues:							
State of North Carolina	\$ -	\$ 69,874,179	\$ -	\$ 2,097,632	\$ -	\$ 921,433	\$ 72,893,244
Duplin County							
Local current expense	8,968,900	-	-	-	-	-	8,968,900
Other	-	-	-	-	-	959,141	959,141
U.S. Government	-	1,867,971	16,055,482	3,982,210	-	-	21,905,663
Other	1,337,833	-	-	1,863,829	1,511,417	318,539	5,031,618
Total revenues	10,306,733	71,742,150	16,055,482	7,943,671	1,511,417	2,199,113	109,758,566
Expenditures:							
Current:							
Instructional services:							
Regular instructional	409,112	41,792,057	2,976,280	2,483,949	-	-	47,661,398
Special populations	7,345	8,352,448	1,674,621	32,766	-	-	10,067,180
Alternative programs	146,521	2,233,352	4,509,181	2,431,729	-	-	9,320,783
School leadership	92,489	4,867,997	73,553	90,098	-	-	5,124,137
Co-curricular	824,784	-	743	19,631	1,393,456	-	2,238,614
School-based support	225,078	6,408,914	734,845	573,492	-	-	7,942,329
System-wide support services:							
Support and development	75,617	798,046	15,623	22,158	-	-	911,444
Special population support and development	2,912	53,566	122,409	3,290	-	-	182,177
Alternative programs and services support and development	12,426	40,630	158,022	17,851	-	-	228,929
Technology support	296,775	625,482	912,619	9,086	-	-	1,843,962
Operational support	5,624,932	4,790,069	4,018,309	2,534,371	-	-	16,967,681
Financial and human resource services	213,316	1,072,455	78,798	183,904	-	-	1,548,473
Accountability	113,486	17,877	-	-	-	-	131,363
System-wide pupil support	109,731	4,306	84,277	-	-	-	198,314
Policy, leadership and public relations	363,199	522,391	41,298	1,304	-	-	928,192
Ancillary services	13,689	104,313	85,427	5,009	-	-	208,438
Non-programmed charges	33,241	-	569,477	-	-	-	602,718
Debt service:							
Principal retirement	337,483	-	-	145,955	-	558,271	1,041,709
Interest and fees	52,050	-	-	19,645	-	-	71,695
Capital outlay	-	-	-	-	-	1,488,783	1,488,783
Total expenditures	8,954,186	71,683,903	16,055,482	8,574,238	1,393,456	2,047,054	108,708,319
Revenues over (under) expenditures	1,352,547	58,247	-	(630,567)	117,961	152,059	1,050,247
Other financing sources (uses):							
Transfers to other funds	-	(58,247)	-	-	-	-	(58,247)
Net change in fund balance	1,352,547	-	-	(630,567)	117,961	152,059	992,000
Fund balances:							
Beginning of year	3,974,917	-	-	2,582,608	1,067,585	886,197	8,511,307
Increase in reserve for inventories	84,683	-	-	-	-	-	84,683
End of year	\$ 5,412,147	\$ -	\$ -	\$ 1,952,041	\$ 1,185,546	\$ 1,038,256	\$ 9,587,990

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

DUPLIN COUNTY BOARD OF EDUCATION**Exhibit 5****RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022**

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

Net changes in fund balances - total governmental funds	\$ 992,000
Change in fund balance due to change in reserve for inventory	84,683
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(2,171,970)
Governmental funds report right to use leased assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the life of the lease and reported as amortization expense. This is the amount by which amortization exceeded capitalized right to use leased asset expenditures in the current period.	(153,904)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	8,540,825
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	3,326,645
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(318,539)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	497,454
Gain on disposal of capital assets	209,274
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,041,709
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension (expense) benefit	(3,313,280)
OPEB (expense) benefit	5,593,112
Compensated absences	(44,712)
Total changes in net position of governmental activities	<u>\$ 14,283,297</u>

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

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

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Duplin County	9,374,899	8,968,900	8,968,900	-
U.S. Government	-	-	-	-
Other	<u>730,686</u>	<u>1,321,490</u>	<u>1,337,833</u>	<u>16,343</u>
Total revenues	<u>10,105,585</u>	<u>10,290,390</u>	<u>10,306,733</u>	<u>16,343</u>
Expenditures:				
Current:				
Instructional services	1,929,207	2,153,871	1,705,329	448,542
System-wide support services	7,748,949	7,698,229	6,812,394	885,835
Ancillary services	5,888	13,749	13,689	60
Non-programmed charges	<u>32,008</u>	<u>35,008</u>	<u>33,241</u>	<u>1,767</u>
Debt service				
Principal retirement	337,483	337,483	337,483	-
Interest and fees	<u>52,050</u>	<u>52,050</u>	<u>52,050</u>	<u>-</u>
	<u>389,533</u>	<u>389,533</u>	<u>389,533</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>10,105,585</u>	<u>10,290,390</u>	<u>8,954,186</u>	<u>1,336,204</u>
Revenues over (under) expenditures	-	-	1,352,547	1,352,547
Other financing uses:				
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other uses	-	-	1,352,547	1,352,547
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,352,547	<u>\$ 1,352,547</u>
Fund balances:				
Beginning of year			3,974,917	
Increase (decrease) in reserve for inventories			<u>84,683</u>	
End of year			<u>\$ 5,412,147</u>	

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

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

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 68,750,314	\$ 72,671,441	\$ 69,874,179	\$ (2,797,262)
Duplin County	-	-	-	-
U.S. Government	-	1,867,971	1,867,971	-
Other	-	-	-	-
Total revenues	68,750,314	74,539,412	71,742,150	(2,797,262)
Expenditures:				
Current:				
Instructional services	61,474,526	66,380,794	63,654,768	2,726,026
System-wide support services	7,223,815	7,996,058	7,924,822	71,236
Ancillary services	-	104,313	104,313	-
Non-programmed charges	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	68,698,341	74,481,165	71,683,903	2,797,262
Revenues over (under) expenditures	51,973	58,247	58,247	-
Other financing uses:				
Transfers to other funds	(51,973)	(58,247)	(58,247)	-
Revenues over (under) expenditures and other uses	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
Increase (decrease) in reserve for inventories			-	
End of year			\$ -	

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

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

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Duplin County	-	-	-	-
U.S. Government	12,402,278	51,849,047	16,055,482	(35,793,565)
Other	-	-	-	-
Total revenues	12,402,278	51,849,047	16,055,482	(35,793,565)
Expenditures:				
Current:				
Instructional services	10,962,176	18,766,454	9,969,223	8,797,231
System-wide support services	1,222,295	25,910,153	5,431,355	20,478,798
Ancillary services	-	394,800	85,427	309,373
Non-programmed charges	217,807	6,777,640	569,477	6,208,163
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	12,402,278	51,849,047	16,055,482	35,793,565
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
Increase (decrease) in reserve for inventories			-	
End of year			\$ -	

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

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

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 1,942,906	\$ 1,953,226	\$ 2,097,632	\$ 144,406
Duplin County	-	-	-	-
U.S. Government	2,113,439	4,476,799	3,982,210	(494,589)
Other	1,273,128	2,421,956	1,863,829	(558,127)
Total revenues	5,329,473	8,851,981	7,943,671	(908,310)
Expenditures:				
Current:				
Instructional services	3,955,380	6,994,048	5,631,665	1,362,383
System-wide support services	1,506,434	3,575,158	2,771,964	803,194
Ancillary services	-	36,000	5,009	30,991
Non-programmed charges	-	-	-	-
Debt service				
Principal retirement	-	145,955	145,955	-
Interest and fees	-	19,645	19,645	-
	-	165,600	165,600	-
Capital outlay	-	-	-	-
Total expenditures	5,461,814	10,770,806	8,574,238	2,196,568
Revenues over (under) expenditures	(132,341)	(1,918,825)	(630,567)	1,288,258
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	-	-
Fund balance appropriated	132,341	1,918,825	-	-
Net change in fund balance	\$ -	\$ -	(630,567)	\$ (630,567)
Fund balances:				
Beginning of year			2,582,608	
Increase (decrease) in reserve for inventories			-	
End of year			\$ 1,952,041	

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

DUPLIN COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2022

Exhibit 7

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,892,122	\$ 66,498	\$ 4,958,620
Investments	-	5,620,111	5,620,111
Due from other governments	75,269	-	75,269
Receivables	137	-	137
Net OPEB asset	1,366	-	1,366
Inventories	79,434	-	79,434
Total current assets	<u>5,048,328</u>	<u>5,686,609</u>	<u>10,734,937</u>
Noncurrent assets:			
Capital assets:			
Land	-	24,000	24,000
Furniture and equipment, net	114,585	116,864	231,449
Total capital assets	<u>114,585</u>	<u>140,864</u>	<u>255,449</u>
Total assets	<u>5,162,913</u>	<u>5,827,473</u>	<u>10,990,386</u>
Deferred Outflows of Resources	<u>786,878</u>	<u>-</u>	<u>786,878</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	6,863	28,000	34,863
Compensated absences	45,034	-	45,034
Unearned revenue	9,214	-	9,214
Total current liabilities	<u>61,111</u>	<u>28,000</u>	<u>89,111</u>
Noncurrent liabilities:			
Net pension liability	444,094	-	444,094
Net OPEB liability	2,503,701	-	2,503,701
Compensated absences	23,355	-	23,355
Total noncurrent liabilities	<u>2,971,150</u>	<u>-</u>	<u>2,971,150</u>
Total liabilities	<u>3,032,261</u>	<u>28,000</u>	<u>3,060,261</u>
Deferred Inflows of Resources	<u>1,564,032</u>	<u>-</u>	<u>1,564,032</u>
Net position			
Investment in capital assets	114,585	140,864	255,449
Restricted for DIPNC OPEB plan	6,739	-	6,739
Unrestricted	1,232,174	5,658,609	6,890,783
Total net position	<u>\$ 1,353,498</u>	<u>\$ 5,799,473</u>	<u>\$ 7,152,971</u>

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

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

Exhibit 8

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall	Totals
Operating revenues:			
Food sales	\$ 89,986	\$ -	\$ 89,986
Other	-	2,866	2,866
Total operating revenues	89,986	2,866	92,852
Operating expenses:			
Food cost:			
Purchase of food	2,888,752	-	2,888,752
Donated commodities	437,765	-	437,765
Salaries and benefits	2,028,362	57,997	2,086,359
Indirect costs	208,551	-	208,551
Materials and supplies	88,450	-	88,450
Repairs and maintenance	39,896	78,212	118,108
Depreciation	23,202	12,985	36,187
Contracted services	6,580	2,150	8,730
Scholarships and donations	-	17,500	17,500
Other	32,561	33,816	66,377
Total operating expenses	5,754,119	202,660	5,956,779
Operating loss	(5,664,133)	(199,794)	(5,863,927)
Nonoperating revenues:			
Federal reimbursements	7,981,278	-	7,981,278
Federal commodities	437,765	-	437,765
Investment income, net	689	(389,774)	(389,085)
Contributions and donations	-	83,000	83,000
Total nonoperating revenues	8,419,732	(306,774)	8,112,958
Income (loss) before transfers	2,755,599	(506,568)	2,249,031
Transfers from other funds	58,247	-	58,247
Change in net position	2,813,846	(506,568)	2,307,278
Net position (deficit), beginning of year	(1,460,348)	6,306,041	4,845,693
Net position, end of year	\$ 1,353,498	\$ 5,799,473	\$ 7,152,971

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

DUPLIN COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2022

Exhibit 9

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 98,956	\$ 2,866	\$ 101,822
Cash paid for goods and services	(3,255,535)	(103,678)	(3,359,213)
Cash paid to employees for services	(2,548,364)	(57,997)	(2,606,361)
Net cash used by operating activities	(5,704,943)	(158,809)	(5,863,752)
Cash flows from noncapital financing activities:			
Federal and State reimbursements	8,239,630	-	8,239,630
Contributions and donations	-	83,000	83,000
Net cash provided by noncapital financing activities	8,239,630	83,000	8,322,630
Cash flows from investing activities:			
Distributions from Sara G. Kenan Endowment Fund	-	100,000	100,000
Interest income	689	-	689
Net cash provided by investing activities	689	100,000	100,689
Net increase in cash and cash equivalents	2,535,376	24,191	2,559,567
Cash and cash equivalents, beginning of year	2,356,746	42,307	2,399,053
Cash and cash equivalents, end of year	\$ 4,892,122	\$ 66,498	\$ 4,958,620
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (5,664,133)	\$ (199,794)	\$ (5,863,927)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	23,202	12,985	36,187
Donated commodities	437,765	-	437,765
Salaries paid by other funds	58,247	-	58,247
Changes in assets and liabilities:			
Decrease in accounts receivable	7,710	-	7,710
Decrease in inventories	2,392	-	2,392
Decrease in OPEB asset	2,866	-	2,866

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

DUPLIN COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2022

Exhibit 9 (continued)

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall Fund	Totals
Increase in accounts payable and accrued liabilities	6,863	28,000	34,863
Decrease in accrued salaries and wages payable	(31,825)	-	(31,825)
Increase in unearned revenue	1,260	-	1,260
Decrease in pension liability	(743,365)	-	(743,365)
Increase in OPEB liability	117,294	-	117,294
Increase in deferred outflow	(75,534)	-	(75,534)
Increase in deferred inflow	168,072	-	168,072
Decrease in compensated absences payable	(15,757)	-	(15,757)
Total adjustments	(40,810)	40,985	175
Net cash used by operating activities	\$ (5,704,943)	\$ (158,809)	\$ (5,863,752)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$437,765 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8. The consumption of these commodities is recorded as an operating expense.

The State Public School Fund paid salaries and benefits of \$58,247 to administrative personnel of the School Food Service Fund during the fiscal year. The payments are reflected as transfers in and an operating expense on Exhibit 8.

The Liberty Hall Fund recognized interest, dividends and a decrease in the fair value of investments net of fees of \$(389,774) during the year. This decrease is reflected in the net investment income on Exhibit 8.

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

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

Exhibit 10

	Private Purpose Trust Fund Dickson Loan Fund
Assets	
Cash and cash equivalents	\$ 87,665
Net position	
Assets held in trust for private purpose	\$ 87,665

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

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

Exhibit 11

	Private Purpose Trust Fund Dickson Loan Fund
Additions:	
Interest income	\$ 153
Change in net position	153
Beginning net position	87,512
Ending net position	<u>\$ 87,665</u>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Duplin County Board of Education (Board) is a Local Education Agency empowered by State law [Chapter 115C of the North Carolina General Statutes] with the responsibility to oversee and control all activities related to public school education in Duplin County, North Carolina. The Board receives State, local, and federal government funding and must adhere to the legal requirements of each funding entity. The Board has no component units.

B. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Board. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the Board. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

The Board reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the Board. The General Fund accounts for all financial resources except those that are accounted for in another fund. This fund is the "Local Current Expense Fund," which is mandated by State law [G.S. 115C-426].

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

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

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

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

Other Special Revenue Fund. The Other Special Revenue Fund is used to account for revenues from grants restricted as to use, trust funds, federal grants restricted as to use, federal appropriations made directly to local school administrative units, funds received from prekindergarten programs and other special programs.

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

The Board reports the following major enterprise funds:

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

Liberty Hall Fund. The Liberty Hall Fund is used to account for the operations of Liberty Hall, a historic site located in Duplin County.

The Board reports the following fiduciary fund:

Private Purpose Trust Fund. The Dickson Loan fund, established by proceeds from the estate of Colonel Alexander Dickson, is to be used for the sole purpose of providing loans to help Duplin County students continue their education after high school, these funds are under the control of the Board for the benefit of students in the district.

C. Measurement Focus and Basis of Accounting

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

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

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is

DUPLIN COUNTY BOARD OF EDUCATION
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both restricted and unrestricted net position available to finance the program. It is the Board's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

D. Budgetary Data

The Board's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted for all funds, except for the individual schools special revenue funds and the private-purpose trust, as required by the North Carolina General Statutes. No budget is required by State law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. The Board has authorized the Superintendent to transfer up to 25% of an appropriation between line items in the Current Expense Fund. Amendments that alter County appropriation or transfers moneys to or from the Capital Outlay Fund also require the approval of the Duplin County Commissioners. All amendments must be approved by the governing board.

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

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

1. Deposits and Investments

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

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

State law [G.S. 115C-491] authorizes the Board to invest funds held in the Sarah Graham Kenan Foundation Trust Fund, an endowment fund held within the Liberty Hall Fund, in all forms of property, both real and personal, including, but not by way of limitation, all types of stocks, bonds, securities, mortgages and all types, kinds and subjects of investments of any nature and description. The board of trustees of this endowment fund may retain all contributions in the form in which they are made or sell any property at either public or private sale. The board of trustees is responsible for the prudent investment of any funds or moneys belonging to the endowment fund in the exercise of its sound discretion without regard to any statute or law relating to the investment of funds by fiduciaries.

The Board's investments are reported at amortized cost or at fair value as determined by quoted market prices or a matrix pricing model. Bank deposits and the NCCMT are measured at amortized cost, which is the NCCMT's share price. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying

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assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to external participants of the fund.

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments, excluding investments held in the Sarah G. Kenan Endowment Fund, are essentially demand deposits and are considered cash and cash equivalents. Cash and cash equivalents held in the Sarah G. Kenan Endowment are used to facilitate the buying and selling of equity securities and are not considered cash and cash equivalents on the statement of net position.

3. Inventories

The inventories of the Board are valued at cost and the Board uses the first-in, first-out (FIFO) flow assumption in determining cost. The inventories of the Board's General Fund consist of expendable materials and supplies, which are recorded as expenditures when purchased. The General Fund inventories do not reflect current appropriable resources and, thus, an equivalent portion of fund balance is classified as nonspendable. Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Prepaid Expenditures

Prepaid expenditures represent amounts paid to vendors for goods or services in one period that benefit a future period. The Board utilizes the consumption method of accounting and recognizes prepaid items as expenditures in the period consumed.

5. Capital Assets

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

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

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

	<u>Years</u>
Buildings and improvements	20 - 50
Equipment and furniture	7 - 10
Vehicles and buses	8 - 15
Computer equipment	5

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

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6. Deferred outflows and inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion - a pension related deferral and contributions made to the pension plan in the current fiscal year. The statement of financial position also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Board has one item that meet this criterion – pension related deferrals.

7. Collections

Collectibles and antiques maintained in the Enterprise Funds (Liberty Hall Fund) are not capitalized or recognized as revenues if donated. These collections are held for public exhibition and not for financial gain.

8. Long-term Obligations

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

9. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2022 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

10. Net Position/Fund Balances

Net Position

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

Fund Balances

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS
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The governmental fund types classify fund balances as follows:

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

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

Prepaid expenditures - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses, which are not spendable resources.

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

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

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

Restricted for hurricane relief – portion of fund balance restricted for hurricane relief expenditures, or reimbursement to the North Carolina Department of Public Instruction to repay excess funds received for hurricane relief, insurance proceeds or Federal Emergency Management Agency funds.

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

Committed Fund Balance – This classification includes the portion of fund balance that can only be used for specific purpose imposed by majority vote by quorum of Board of Education's governing body (highest level of decision-making authority) and in certain instances approval by the County's governing body is required. Any changes or removal of specific purpose requires majority action by the governing bodies that approved the original action. The Board of Education does not have any committed fund balance.

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes.

Special revenues – portion of fund balance that represents the residual amount of revenues from certain grants, reimbursements, indirect costs and other financial resources in excess of related expenditures that the Board of Education has assigned to be expended for educational services. This amount can be expended on instructional services, system-wide support services, ancillary services or non-programmed charges

Unassigned fund balance – the portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General fund is the only fund that reports a positive unassigned fund balance amount, a negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The Board of Education has a management policy for revenue spending that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-board of education funds, board of education funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance and lastly

DUPLIN COUNTY BOARD OF EDUCATION
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unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it is in the best interest of the Board of Education.

11. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(36,669,425) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets at historical cost on government-wide statement in governmental activities column)	\$ 165,418,974
Less accumulated depreciation	<u>(71,874,202)</u>
Capital assets, net	<u>93,544,772</u>
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the funds (total right to use leased assets at historical cost on government-wide statement in governmental activities column)	615,617
Less accumulated amortization	<u>(153,904)</u>
Right to use leased assets, net	<u>461,713</u>
Net OPEB asset	44,867
Deferred outflows of resources related to pensions	14,832,745
Deferred outflows of resources related to OPEB	11,014,496
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Installment purchases	(2,848,361)
Compensated absences	(5,046,349)
Lease liability	(469,662)
Net pension liability	(14,587,523)
Net OPEB liability	(82,241,119)
Deferred inflows of resources related to pensions	(19,286,698)
Deferred inflows of resources related to OPEB	<u>(32,088,306)</u>
Total adjustment	<u><u>\$ (36,669,425)</u></u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$13,291,297 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,120,567
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(4,292,537)
Amortization expense for intangible assets, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(153,904)
Change in fund balance due to change in reserve for inventory	84,683
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position on the government-wide statements	1,041,709
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(318,539)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	497,454
Gain on disposal of capital assets	209,274
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	8,540,825
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	3,326,645
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(3,313,280)
OPEB (expense) benefit	5,593,112
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(44,712)
Total adjustment	<u>\$ 13,291,297</u>

DUPLIN COUNTY BOARD OF EDUCATION
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12. Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2022, the Board had deposits with banks and savings and loans with a carrying amount of \$14,027,079 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$14,319,445 and \$67,991, respectively. Of these balances, \$1,215,343 was covered by federal depository insurance and \$13,172,093 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2022, the Board had \$566,279 invested with the State Treasurer in the Short Term Investment Fund (STIF) and \$5,620,111 invested in equities and bonds in the Sarah Graham Kenan Endowment Fund. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

Interest Rate Risk

The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Department of State Treasurer Short Term Investment Fund (STIF) is unrated and has a weighted average maturity of 1.3 years as of June 30, 2022. The Board's investments in corporate bonds have an average weighted yield of 3.26%.

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Credit Rating for Bonds

The Board invests in certain mutual funds whose primary holdings are corporate and governmental bonds. The credit rating of the underlying bonds held within these mutual funds range from B to AAA as determined by Standard & Poor's.

Concentration of Credit Risk

The Board places no limit on the amount the Board may invest in any one issuer. The Board does not have any investments, other than the Short Term Investment Fund (STIF), that account for more than 5% of total invested funds.

The Board also maintains investments in the Sarah Graham Kenan Endowment Fund, for the benefit of Liberty Hall. The investments are authorized by G.S. 115C-491, which states that endowment funds created under G.S. 115C-490 may invest in all forms of property, both real and personal, including, but not by way of limitation, all types of stocks, bonds, securities, mortgages and all types, kinds, and subject of investments of any nature or description. The Board holds 2 equity security or corporate bond which exceeds 5% of the total portfolio value, Microsoft stock represents 7.5% of the portfolio value and Nextera Energy Inc. represents 5.1% of the portfolio.

All investments in the endowment fund are measured using the market approach fair value hierarchy Level 1: Securities and mutual funds valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. All corporate bonds are investment grade bonds with a bond rating of Baa. At June 30, 2022, the Board's investment balances in the Sarah Graham Kenan Endowment Fund were as follows:

	<u>Fair Value</u>	<u>Cost</u>
<u>Cash and Cash Equivalents:</u>		
Truist Bank Deposit Account	\$ 352,098	\$ 352,098
<u>Equities:</u>		
AbbVie Inc	132,330	28,198
American Electric Power Inc.	48,066	35,846
Amgen Inc.	100,240	24,824
Apple, Inc.	293,128	10,085
AT&T Inc.	28,652	36,242
Blackrock Inc	138,861	57,221
Broadcom Inc.	73,357	35,450
Cardinal Health Inc.	9,879	8,696
Caterpillar Inc.	32,713	21,155
Chevron Corp.	52,410	26,827
CISCO Systems, Inc.	49,718	31,860
CME Group Inc.	73,692	62,181
CMS Energy Corp.	112,118	54,371
Comcast Corp.	32,177	27,544
Corning Inc.	28,075	16,206

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	Fair Value	Cost
<u>Equities (continued):</u>		
Corteva Inc.	46,236	24,616
Crown Castle International Corp.	46,305	38,437
Digital Realty Trust Inc.	35,703	36,769
Dow Inc.	44,075	38,031
Dupont De Nemours Inc.	47,465	54,482
Eaton Corp.	52,916	29,681
Emerson Elec Co.	49,394	28,457
Home Depot Inc.	182,664	55,086
Honeywell International Inc.	20,510	15,076
Intel Corp	90,121	57,792
International Paper Co.	30,159	32,712
J.P. Morgan Chase and Co.	145,042	52,770
Johnson & Johnson	133,133	64,050
KLA Corp.	154,754	29,708
Merck & Co.	104,754	39,434
Microsoft Corp.	421,458	60,183
Nextera Energy Inc.	285,982	78,050
Novarts AG American Depository	49,788	48,828
PepsiCo, Inc.	122,162	53,132
Pfizer Inc.	109,002	43,379
Proctor & Gamble	17,399	13,769
Sylvamo Corp	2,124	1,876
Target Corp.	70,474	45,246
Totalenergies	53,061	64,422
Union Pac Corp.	74,861	48,211
United Parcel Service	87,984	35,290
US Bancorp	38,013	40,846
Verizon Communications	68,360	52,775
Viatis Inc.	2,691	2,378
Warner Bros Discovery Inc.	4,429	11,329
<u>Corporate Obligations</u>		
Various Corporate Bonds	989,328	1,076,185
<u>Mutual Funds:</u>		
Eaton Vance Atlanta Capital	102,312	65,000
Neuberger Berman High Income Bond	269,299	320,000
Nuveen Small Cap Value Fund	45,339	46,000
T. Rowe Price QM US Small Cap Growth Equity Fund	65,300	34,174
	<u>\$ 5,620,111</u>	<u>\$ 3,566,978</u>

DUPLIN COUNTY BOARD OF EDUCATION
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3. Accounts Receivable

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

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ -	\$ 9,782	\$ 9,782
Other governmental activities	<u>358,288</u>	<u>-</u>	<u>358,288</u>
Total governmental activities	<u>\$ 358,288</u>	<u>\$ 9,782</u>	<u>\$ 368,070</u>
Business-type activities:			
School Food Service Fund	<u>\$ 75,269</u>	<u>\$ 137</u>	<u>\$ 75,406</u>

Due from other governments consists of the following:

Governmental activities:		
Federal Grants Fund	\$ 296,971	Federal grant funds
Other Special Revenue Fund	<u>61,317</u>	Amounts due from State and federal grants
Total	<u>\$ 358,288</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 75,269</u>	Federal grant funds

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4. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,301,154	\$ -	\$ -	\$ 2,301,154
Construction in progress	-	1,148,541	-	1,148,541
Total capital assets not being depreciated	2,301,154	1,148,541	-	3,449,695
Capital assets being depreciated:				
Buildings	119,743,396	449,297	832,721	119,359,972
Equipment and furniture	4,952,327	398,637	215,518	5,135,446
Vehicles	16,185,314	124,092	1,512,165	14,797,241
Improvements	23,199,130	-	522,510	22,676,620
Total capital assets being depreciated	164,080,167	972,026	3,082,914	161,969,279
Less accumulated depreciation for:				
Buildings	43,692,715	2,288,958	827,190	45,154,483
Equipment and furniture	3,731,675	218,167	177,781	3,772,061
Vehicles	8,517,504	775,236	1,499,933	7,792,807
Improvements	14,613,420	1,010,176	468,745	15,154,851
Total accumulated depreciation	70,555,314	4,292,537	2,973,649	71,874,202
Total capital assets being depreciated, net	93,524,853			90,095,077
Governmental activity capital assets, net	\$ 95,826,007			\$ 93,544,772

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	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	\$ 1,118,450	\$ -	\$ -	\$ 1,118,450
Less accumulated depreciation for:				
Equipment and furniture	980,663	23,202	-	1,003,865
School Food Service capital assets, net	<u>\$ 137,787</u>			<u>\$ 114,585</u>
Liberty Hall:				
Capital assets not being depreciated:				
Land	\$ 24,000	\$ -	\$ -	\$ 24,000
Capital assets being depreciated:				
Buildings	358,519	-	-	358,519
Less accumulated depreciation for:				
Buildings	228,670	12,985	-	241,655
Total capital assets being depreciated, net	<u>129,849</u>			<u>116,864</u>
Liberty Hall capital assets, net	<u>\$ 153,849</u>			<u>\$ 140,864</u>
Business-type activities capital assets, net	<u>\$ 291,636</u>			<u>\$ 255,449</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,299,134
System-wide support services	775,236
Unallocated depreciation	<u>218,167</u>
Total	<u>\$ 4,292,537</u>

Construction Commitments

The Board has several active HVAC construction projects as of June 30, 2022. At year-end, the Board's commitments with contractors for school construction are as follows:

<u>Projects</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Various construction projects	<u>\$ 1,148,541</u>	<u>\$ 2,000,000</u>

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6. Right to Use Leased Assets

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

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

	Beginning Balances	Increases	Decreases	Ending Balances
Right to use assets:				
Leased equipment	\$ 615,617	\$ -	\$ -	\$ 615,617
Less accumulated amortization for:				
Leased equipment	-	153,904	-	153,904
Right to use assets, net	\$ 615,617	\$ (153,904)	\$ -	\$ 461,713

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

Benefits Provided. TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (or 10 years of creditable service for members joining TSERS on or after August 1, 2011). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60 (10 years for members joining on or after August 1, 2011). Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not

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provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 10 years of creditable service for members joining TSERS on or after August 1, 2011), or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2022, was 14.78% from July 1, 2021 to December 31, 2021 and 17.98% from January 1, 2022 to June 30, 2022 of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$8,800,837 for the year ended June 30, 2022.

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

At June 30, 2022, the Board reported a liability of \$15,031,617 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was 0.32101% and 0.32623%, respectively.

For the year ended June 30, 2022, the Board recognized pension expense of \$3,399,116. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 844,946	\$ 341,385
Changes of assumptions	5,638,521	-
Net difference between projected and actual earnings on pension plan investments	-	18,624,361
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	908,105
Board contributions subsequent to the measurement date	8,800,837	-
Total	<u>\$ 15,284,304</u>	<u>\$ 19,873,851</u>

\$8,800,837 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ (2,365,501)
2024	(2,534,068)
2025	(2,778,797)
2026	(5,712,018)
2027	-
Thereafter	-
Total	<u>\$ (13,390,384)</u>

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

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

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

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

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

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The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	\$ 50,421,708	\$ 15,031,617	\$ (14,386,419)

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

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b. Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.68% of covered payroll from July 1, 2021 to December 31, 2021 and 5.90% from January 1, 2022 to June 30, 2022, which amounted to \$3,379,564. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$187.0 million, which was isolated from the OPEB expense and allocated to participating employers as a separate contribution. The Board's proportionate share of this contribution totaled \$512,598.

At June 30, 2022, Board reported a liability of \$84,744,820 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was 0.27412% and 0.28554%, respectively.

\$3,379,564 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$ (12,896,435)
2024	(7,005,703)
2025	(2,907,486)
2026	(2,724,219)
2027	257,045
Thereafter	<u>-</u>
Total	\$ (25,276,798)

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

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

Healthcare cost trend rates:

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

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2022 and 2021 were 2.16% and 2.21%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 2.16% was used as the discount rate used to measure the total OPEB liability. The 2.16% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2021.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.16 percent) or 1-percentage point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	\$ 100,802,731	\$ 84,744,820	\$ 71,739,718

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

	Healthcare Trend Rates		
	1% Decrease (Medical- 4.00-5.00%, Pharmacy- 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical- 6.00-7.00%, Pharmacy- 6.00-10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 68,629,012	\$ 84,744,820	\$ 106,123,923

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

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Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2022, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$48,356 for the year ended June 30, 2022.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as an other postemployment benefit.

At June 30, 2022, Board reported an OPEB asset of \$46,233 its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was .28305% and .28558%, respectively.

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\$48,356 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2023	\$	34,429
2024		24,799
2025		30,927
2026		16,152
2027		8,006
Thereafter		<u>19,195</u>
Total	\$	<u>133,508</u>

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB asset	\$ 29,191	\$ 46,233	\$ 61,999

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2020 using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

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

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

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	\$ (5,939,106)	\$ 105,922	\$ (5,833,184)
OPEB Liability (Asset)	84,744,820	(46,233)	84,698,587
Proportionate share of the net OPEB liability (asset)	0.27412%	0.28305%	
Deferred Outflows of Resources			
Differences between expected and actual experience	500,321	117,882	618,203
Changes of assumptions	6,931,397	8,118	6,939,515
Net difference between projected and actual earnings on plan investments	-	4,512	4,512
Changes in proportion and differences between Board contributions and proportionate share of contributions	339,884	19,781	359,665
Board contributions subsequent to the measurement date	3,379,564	48,356	3,427,920
Total Deferred Outflows of Resources	<u>11,151,166</u>	<u>198,649</u>	<u>11,349,815</u>
Deferred Inflows of Resources			
Differences between Expected and actual experience	1,577,496	-	1,577,496
Changes of assumptions	20,594,833	16,785	20,611,618
Net difference between projected and actual earnings on plan investments	43,350	-	43,350
Changes in proportion and differences between Board contributions and proportionate share of contributions	10,832,721	-	10,832,721
Total Deferred Inflows of Resources	<u>33,048,400</u>	<u>16,785</u>	<u>33,065,185</u>

2. Accounts Payable

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

	Vendors and other
Governmental activities:	
General Fund	\$ 310,858
Other governmental activities	<u>595,320</u>
Total governmental activities	<u>\$ 906,178</u>
Business-type activities:	
School Food Service Fund	\$ 6,863
Liberty Hall Fund	<u>28,000</u>
Total business-type activities	<u>\$ 34,863</u>

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3. Unearned Revenues

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

Business-type activities:

Prepayments of meals (School Food Service Fund)	\$ <u>9,214</u>
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4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,463,149	\$ 1,918,881
Changes of assumptions	12,578,036	20,611,618
Net difference between projected and actual earnings on pension plan investments	4,512	18,667,711
Changes in proportion and differences between Board contributions and proportionate share of contributions	359,665	11,740,826
Board contributions subsequent to the measurement date	12,228,757	-
Total	<u>\$ 26,634,119</u>	<u>\$ 52,939,036</u>

4. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Through commercial companies, the Board maintains general liability and errors and omissions insurance coverage of \$1 million per claim and an aggregate limit of \$2 million. The Board also carries an umbrella policy with a limit of \$5,000,000 per occurrence with a \$10,000 deductible. Statutory workers' compensation coverage is purchased through a private insurer for employees to the extent they are paid from Federal and local funds with a \$500,000 limit per accident. Workers' compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds. Business property insurance is also purchased through commercial companies. The policy coverage insures the tangible property assets of the Board up to \$297 million. Buildings and contents are insured on an agreed value basis.

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

In accordance with G.S. 115C-442, the Board's employees who have custody of the Board's monies at any given time of the Board's funds are performance bonded through a commercial surety bond. The chief financial officer is bonded for \$250,000. The school treasurers that have access to funds are bonded under a blanket bond for \$375,000.

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

The Board carries flood insurance on its property totaling \$5,000,000 of losses or damage at any one location, not to exceed a total liability of \$15,000,000 due to any one flood occurrence for all insured locations. For properties not in the Federal Flood Zone, the Board has a deductible of \$25,000.

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

5. Long-Term Obligations

a. Leases

The Board has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The agreement was executed on July 1, 2020, to lease copier machines and requires 20 quarterly payments of \$41,400. There are no variable payment components of the lease. The lease liability is measured at an imputed discount rate of 3.5%. As a result of the lease, the Board has recorded a right to use asset with a net book value of \$469,662 on June 30, 2022. The right to use asset is discussed in more detail in Note 1.

The following is a schedule of the future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2022:

Year Ending June 30:	Principal Payments	Interest Payments	Total
2023	\$ 151,131	\$ 14,469	\$ 165,600
2024	156,490	9,110	165,600
2025	162,041	3,560	165,601
Totals	<u>\$ 469,662</u>	<u>\$ 27,139</u>	<u>\$ 496,801</u>

b. Direct Placement Installment Purchases

The Board is authorized by State law G.S. 115C-47(28a) to enter into a direct placement installment purchase contracts to finance energy conservation measures that will reduce its operating costs. On September 17, 2012, the Board entered into such a contract to reduce the energy costs with an energy saving installment purchase totaling \$4,749,190. The financing contract requires principal payments for 14 years beginning in the fiscal year 2013-2014, and ending in the fiscal year 2028, with an interest rate of 2.25%.

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement with various companies. The Board entered into such financing contracts for the purchase of school buses during the 2015-2016 through 2018-2019 fiscal years. The original amount of the Board's school bus direct placement installment purchase contracts outstanding at June 30, 2022 totaled \$1,615,153. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates.

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

The future minimum payments of the direct placement installment purchases as of June 30, 2022, including interest, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2023	\$ 781,781	\$ 43,805
2024	695,306	35,147
2025	403,490	26,294
2026	424,400	16,986
2027	480,893	6,905
2028 - 2032	41,350	78
Total	\$ 2,827,220	\$ 129,215

b. Long-Term Obligation Activity

The following is a summary of changes in the Board's long-term obligations for the fiscal year ended June 30, 2022:

	July 1, 2021	Increases	Decreases	June 30, 2022	Current Portion
Governmental activities:					
Direct placement					
installment purchases	\$ 3,744,115	\$ -	\$ 895,754	\$ 2,848,361	\$ 781,781
Lease liabilities	615,617	-	145,955	469,662	151,131
Net pension liability	38,227,640	-	23,640,117	14,587,523	-
Net OPEB liability	76,825,167	5,415,952	-	82,241,119	-
Compensated absences	5,001,637	3,454,820	3,410,108	5,046,349	2,034,965
Total	\$ 124,414,176	\$ 8,870,772	\$ 28,091,934	\$ 105,193,014	\$ 2,967,877
Business-type activities:					
Net pension liability	\$ 1,187,459	\$ -	\$ 743,365	\$ 444,094	\$ -
Net OPEB liability	2,386,407	117,294	-	2,503,701	-
Compensated absences	84,146	116,114	131,871	68,389	45,034
Total	\$ 3,658,012	\$ 233,408	\$ 875,236	\$ 3,016,184	\$ 45,034

Compensated absences, net pension and net OPEB liabilities related to governmental activities are typically liquidated by the General and other governmental funds. Installment purchases are typically liquidated by the Capital Outlay Fund.

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

C. Interfund Balances and Activity

1. Transfers to/from Other Funds

Transfers to/from other funds during the year ended June 30, 2022 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	\$ <u>58,247</u>
--	------------------

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 93,544,772
Less:	
Installment purchase obligations for school buses	(713,361)
Installment purchase obligations for energy savings equipment	<u>(2,135,000)</u>
Net investment in capital assets, governmental activities	<u>\$ 90,696,411</u>

2. Fund Balance

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

Total fund balance - General Fund	\$ 5,412,147
Less:	
Inventories	(186,250)
Prepaid expenditures	(342,775)
Stabilization by State statute	<u>(9,782)</u>
Remaining fund balance	<u>\$ 4,873,340</u>

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

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2022 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursements	\$	311,612
Indirect costs allocated		778,028
Private grants and programs		310,475
Contracted services		156,042
Surplus sales		17,287
Insurance proceeds		132,800
Contributions and donations		10,500
Sales and use tax refund		119,701
Tuition and fees		6,972
Miscellaneous		20,412
Total other revenues	\$	<u>1,863,829</u>

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

NOTE 5 – CHANGE IN ACCOUNTING PRINCIPLES/RESTATEMENT

The Board implemented Governmental Accounting Standards Board (GASB) statement 87, *Leases*, in the fiscal year ending June 30, 2022. The implementation of the statement required the Board to record beginning right to use leased assets, net of amortization, and related lease liability. As a result, governmental assets and liabilities each increased by \$615,617.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Schedule of Board Contributions
Retiree Health Benefit Fund

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

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	2022	2021	2020	2019
Board's proportion of the net pension liability (asset)	0.32101%	0.32623%	0.33390%	0.34607%
Board's proportionate share of the net pension liability (asset)	\$ 15,031,617	\$ 39,415,099	\$ 34,615,269	\$ 34,455,037
Board's covered payroll	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	29.08%	78.10%	67.55%	68.04%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	85.98%	87.56%	87.61%

	2018	2017	2016	2015	2014
Board's proportion of the net pension liability (asset)	0.35602%	0.36789%	0.36050%	0.34431%	0.32900%
Board's proportionate share of the net pension liability (asset)	\$ 28,248,197	\$ 33,812,891	\$ 13,285,139	\$ 4,036,763	\$ 19,985,795
Board's covered payroll	\$ 50,387,942	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	56.06%	67.19%	26.84%	8.78%	44.52%
Plan fiduciary net position as a percentage of the total pension liability	89.51%	87.32%	94.64%	98.24%	90.60%

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

Note: This schedule was implemented as a result of GASB 68 in the fiscal year ended June 30, 2015 and will show 10 years of data as it becomes available.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 8,800,837	\$ 7,652,057	\$ 6,567,374	\$ 6,298,216	\$ 5,458,864
Contributions in relation to the contractually required contribution	<u>8,800,837</u>	<u>7,652,057</u>	<u>6,567,374</u>	<u>6,298,216</u>	<u>5,458,864</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 53,729,161	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809
Contributions as a percentage of covered payroll	16.38%	14.78%	12.97%	12.29%	10.78%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 5,028,717	\$ 4,604,651	\$ 4,528,862	\$ 3,993,922	\$ 3,739,452
Contributions in relation to the contractually required contribution	<u>5,028,717</u>	<u>4,604,651</u>	<u>4,528,862</u>	<u>3,993,922</u>	<u>3,739,452</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 50,387,942	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381
Contributions as a percentage of covered payroll	9.98%	9.15%	9.15%	8.69%	8.33%

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

	2022	2021	2020	2019	2018
Board's proportion of the net OPEB liability	0.27412%	0.28554%	0.29190%	0.30553%	0.32263%
Board's proportionate share of the net OPEB liability	\$ 84,744,820	\$ 79,211,574	\$ 92,356,313	\$ 87,040,053	\$ 105,778,285
Board's covered payroll	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809	\$ 50,387,942
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	163.95%	156.96%	180.22%	171.88%	209.93%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	6.92%	4.40%	4.40%	3.52%
					2017
Board's proportion of the net OPEB liability					0.29190%
Board's proportionate share of the net OPEB liability					\$ 92,356,313
Board's covered payroll					\$ 50,324,059
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll					183.52%
Plan fiduciary net position as a percentage of the total OPEB liability					2.41%

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

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

DUPLIN COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
RETIREE HEALTH BENEFIT FUND
LAST TEN FISCAL YEARS

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 3,379,564	\$ 3,520,567	\$ 3,276,092	\$ 3,213,167	\$ 3,063,648
Contributions in relation to the contractually required contribution	<u>3,379,564</u>	<u>3,520,567</u>	<u>3,276,092</u>	<u>3,213,167</u>	<u>3,063,648</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 53,729,161	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809
Contributions as a percentage of covered payroll	6.29%	6.68%	6.47%	6.27%	6.05%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 2,915,578	\$ 2,811,547	\$ 2,700,852	\$ 2,485,065	\$ 2,379,243
Contributions in relation to the contractually required contribution	<u>2,915,578</u>	<u>2,811,547</u>	<u>2,700,852</u>	<u>2,485,065</u>	<u>2,379,243</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 50,387,942	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381
Contributions as a percentage of covered payroll	5.81%	5.60%	5.49%	5.40%	5.30%

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

	2022	2021	2020	2019	2018
Board's proportion of the net OPEB asset	0.28305%	0.28558%	0.29520%	0.30685%	0.31422%
Board's proportionate share of the net OPEB asset	\$ 46,233	\$ 140,488	\$ 127,379	\$ 93,209	\$ 192,051
Board's covered payroll	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809	\$ 50,387,942
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.09%	0.28%	0.25%	0.18%	0.38%
Plan fiduciary net position as a percentage of the total OPEB liability	105.18%	115.57%	113.00%	108.47%	116.23%
					2017
Board's proportion of the net OPEB asset					0.32885%
Board's proportionate share of the net OPEB asset					\$ 204,216
Board's covered payroll					\$ 50,324,059
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll					0.41%
Plan fiduciary net position as a percentage of the total OPEB liability					116.06%

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

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

DUPLIN COUNTY SCHOOLS
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS

	2022	2021	2020	2019	2018
Contractually required contribution	\$ 48,356	\$ 46,596	\$ 50,635	\$ 71,745	\$ 70,894
Contributions in relation to the contractually required contribution	<u>48,356</u>	<u>46,596</u>	<u>50,635</u>	<u>71,745</u>	<u>70,894</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 53,729,161	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	0.14%	0.14%
	2017	2016	2015	2014	2013
Contractually required contribution	\$ 190,692	\$ 205,845	\$ 201,703	\$ 202,487	\$ 197,522
Contributions in relation to the contractually required contribution	<u>190,692</u>	<u>205,845</u>	<u>201,703</u>	<u>202,487</u>	<u>197,522</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 50,387,942	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381
Contributions as a percentage of covered payroll	0.38%	0.41%	0.41%	0.44%	0.44%



**SUPPLEMENTARY INFORMATION
GENERAL FUND**

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

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Duplin County	8,968,900	8,968,900	-
Other:			
Fines and forfeitures	610,581	610,581	-
Interest earned on investment	-	2	2
Tuition and fees	105,900	78,085	(27,815)
Transportation	393,120	435,733	42,613
Miscellaneous	211,889	213,432	1,543
Total other	1,321,490	1,337,833	16,343
Total revenues	10,290,390	10,306,733	16,343
Expenditures:			
Current:			
Instructional services:			
Regular instructional	617,640	409,112	208,528
Special populations	13,175	7,345	5,830
Alternative programs	175,570	146,521	29,049
School leadership	107,924	92,489	15,435
Co-curricular	881,257	824,784	56,473
School-based support	358,305	225,078	133,227
Total instructional services	2,153,871	1,705,329	448,542
System-wide support services:			
Support and development	193,410	75,617	117,793
Special population support and development	3,005	2,912	93
Alternative programs and services support and development	23,069	12,426	10,643
Technology support	455,241	296,775	158,466
Operational support	6,140,300	5,624,932	515,368
Financial and human resource services	260,177	213,316	46,861
Accountability	114,536	113,486	1,050
System-wide pupil support	109,832	109,731	101
Policy, leadership and public relations	398,659	363,199	35,460
Total system-wide support services	7,698,229	6,812,394	885,835

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

	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):			
Current:			
Ancillary services:			
Community	1,000	1,000	-
Nutrition	12,749	12,689	60
Total ancillary services	13,749	13,689	60
Non-programmed charges:			
Payments to other governments	35,008	33,241	1,767
Debt service:			
Principal retirement	337,483	337,483	-
Interest and fees	52,050	52,050	-
Total debt service	389,533	389,533	-
Total expenditures	10,290,390	8,954,186	1,336,204
Revenues over expenditures	\$ -	1,352,547	\$ 1,352,547
Fund balance:			
Beginning of year		3,974,917	
Increase in reserve for inventories		84,683	
End of year		\$ 5,412,147	

**SUPPLEMENTARY INFORMATION
INDIVIDUAL SCHOOLS FUND**

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2022

	Revenues and Transfers	Expenditures	Net change in fund balance	Fund balances June 30, 2021	Fund balances June 30, 2022
BF Grady Elementary	\$ 100,229	\$ 81,575	\$ 18,654	\$ 60,076	\$ 78,730
Beulaville Elementary	62,495	50,534	11,961	58,395	70,356
Chinquapin Elementary	45,254	45,412	(158)	50,379	50,221
Kenansville Elementary	96,472	75,322	21,150	16,739	37,889
North Duplin Elementary	30,432	16,309	14,123	35,277	49,400
Rose Hill Magnolia Elementary	105,939	113,192	(7,253)	65,648	58,395
Wallace Elementary	59,706	76,752	(17,046)	36,168	19,122
Warsaw Elementary	56,163	54,724	1,439	24,699	26,138
East Duplin High	341,234	306,690	34,544	194,161	228,705
James Kenan High	188,879	156,454	32,425	58,576	91,001
North Duplin Jr. Sr. High	131,124	145,462	(14,338)	78,617	64,279
Wallace Rose Hill High	272,661	245,061	27,600	113,697	141,297
Duplin Early College	20,529	21,557	(1,028)	9,006	7,978
Live Project	<u>300</u>	<u>4,412</u>	<u>(4,112)</u>	<u>266,147</u>	<u>262,035</u>
Totals	<u>\$ 1,511,417</u>	<u>\$ 1,393,456</u>	<u>\$ 117,961</u>	<u>\$ 1,067,585</u>	<u>\$ 1,185,546</u>

**SUPPLEMENTARY INFORMATION
CAPITAL OUTLAY FUND**

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 2,608,783	\$ 363,162	\$ (2,245,621)
State appropriations - buses	<u>558,271</u>	<u>558,271</u>	<u>-</u>
Total State of North Carolina	<u>3,167,054</u>	<u>921,433</u>	<u>(2,245,621)</u>
Duplin County:			
General county appropriations	<u>990,045</u>	<u>959,141</u>	<u>(30,904)</u>
Other:			
Proceeds from disposal of capital assets	<u>4,791</u>	<u>318,539</u>	<u>313,748</u>
Total revenues	<u>4,161,890</u>	<u>2,199,113</u>	<u>(1,962,777)</u>
Expenditures:			
Debt service:			
Principal retirement	<u>558,271</u>	<u>558,271</u>	<u>-</u>
Capital outlay:			
Real property, buildings and improvements			
Other real property, buildings and improvements	<u>-</u>	<u>1,012,310</u>	<u>-</u>
Total real property, buildings and improvements	<u>3,481,560</u>	<u>1,012,310</u>	<u>2,469,250</u>
Furnishings and equipment	<u>404,745</u>	<u>374,119</u>	<u>30,626</u>
Vehicles	<u>306,354</u>	<u>102,354</u>	<u>204,000</u>
Total capital outlay	<u>4,192,659</u>	<u>1,488,783</u>	<u>2,703,876</u>
Total expenditures	<u>4,750,930</u>	<u>2,047,054</u>	<u>2,703,876</u>
Revenues over (under) expenditures	(589,040)	152,059	741,099
Revenues and other financing sources over (under) expenditures	(589,040)	152,059	741,099
Fund balance appropriated	<u>589,040</u>	<u>-</u>	<u>(589,040)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures	<u>\$ -</u>	152,059	<u>\$ 152,059</u>
Fund balance:			
Beginning of year		<u>886,197</u>	
End of year		<u>\$ 1,038,256</u>	

**SUPPLEMENTARY INFORMATION
ENTERPRISE FUND**

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

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 153,000	\$ 89,986	\$ (63,014)
Operating expenditures:			
Business support services:			
Purchase of food		2,886,360	
Donated commodities		437,765	
Salaries and benefits		2,574,786	
Indirect costs		208,551	
Materials and supplies		88,450	
Repairs and maintenance		39,896	
Contracted services		6,580	
Other		32,561	
Total operating expenditures	5,629,000	6,274,949	(645,949)
Operating loss	(5,476,000)	(6,184,963)	(708,963)
Nonoperating revenues:			
Federal reimbursements		7,981,278	
Federal commodities		437,765	
Interest earned		689	
Total nonoperating revenues	5,476,000	8,419,732	2,943,732
Revenues over (under) expenditures before other financing sources	-	2,234,769	2,234,769
Other financing sources:			
Transfers from other funds	-	58,247	58,247
Revenues and other financing sources over (under) expenditures	\$ -	2,293,016	\$ 2,293,016
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(23,202)	
Net OPEB asset		(2,866)	
Net pension liability		743,365	
Net OPEB liability		(117,294)	
Deferred outflows - pension and OPEB		75,534	
Deferred inflows - pension and OPEB		(168,072)	
Decrease in compensated absences payable		15,757	
Decrease in inventories		(2,392)	
Change in net position (full accrual)		\$ 2,813,846	

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
LIBERTY HALL FUND
For the Fiscal Year Ended June 30, 2022

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Operating revenues:			
Other	<u>\$ 3,718</u>	<u>\$ 2,866</u>	<u>\$ (852)</u>
Operating expenditures:			
Salaries and benefits		57,997	
Repairs and maintenance		78,212	
Contracted services		2,150	
Scholarships and donations		17,500	
Other		<u>33,816</u>	
Total operating expenditures	<u>184,718</u>	<u>189,675</u>	<u>(4,957)</u>
Operating loss	<u>(181,000)</u>	<u>(186,809)</u>	<u>(5,809)</u>
Nonoperating revenues:			
Investment income, net		(389,774)	
Contributions and donations		83,000	
Insurance proceeds		<u>-</u>	
Total nonoperating revenues	<u>181,000</u>	<u>(306,774)</u>	<u>(487,774)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(493,583)</u>	<u>\$ (493,583)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		<u>(12,985)</u>	
Change in net position (full accrual)		<u>\$ (506,568)</u>	



Statistical Section

STATISTICAL SECTION (Unaudited)

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

Sections

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

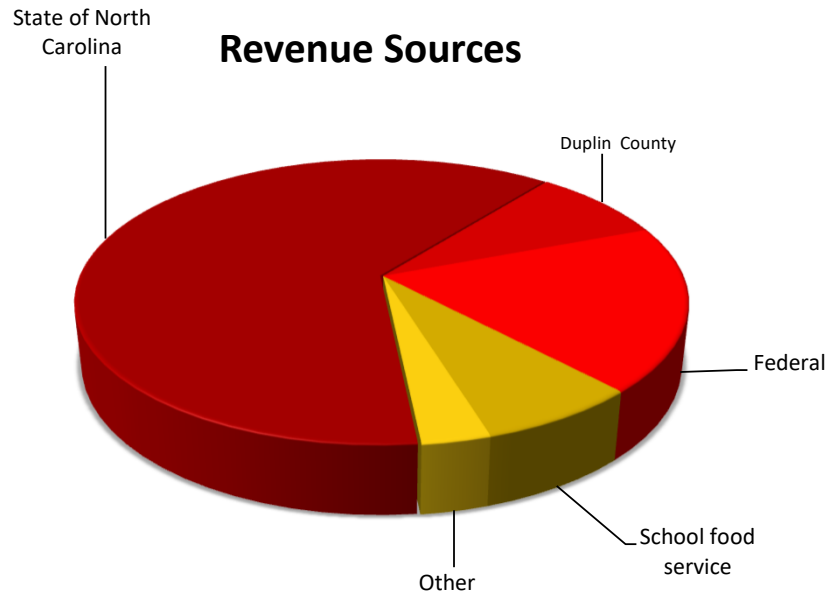
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. County information is included.

Operating Information

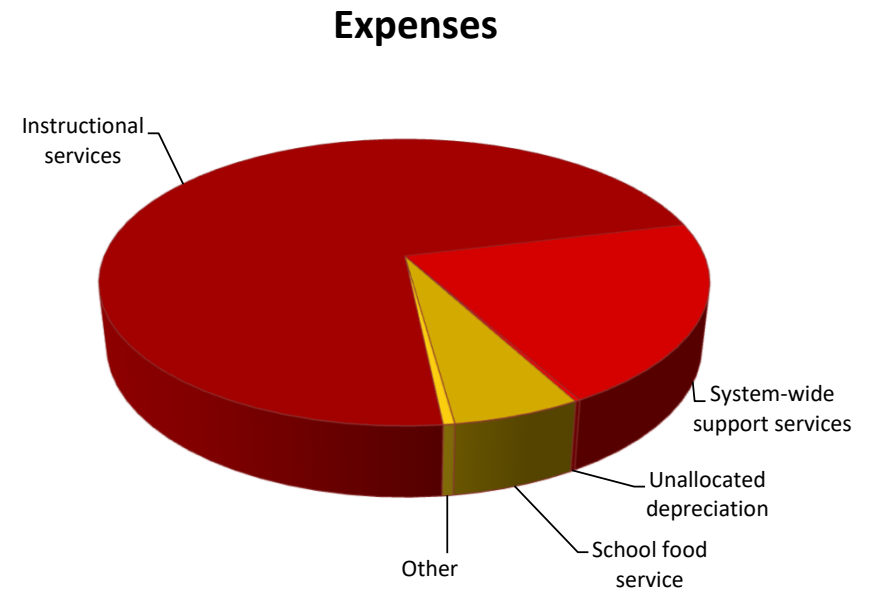
These schedules contain service data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.



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



State of North Carolina	\$ 72,893,244
Duplin County	9,928,041
Federal	21,905,663
School food service	8,509,718
Other	3,631,143
Total revenue sources	<u>\$ 116,867,809</u>



Instructional services	\$ 73,117,035
System-wide support services	20,671,879
Unallocated depreciation	218,167
School food service	5,754,119
Other	516,034
Total expenses	<u>\$ 100,277,234</u>

Table 2

DUPLIN COUNTY BOARD OF EDUCATION

**Net Position by Component
Last Ten Fiscal Years**

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
Net investment in capital assets	\$ 47,883,304	\$ 47,932,022	\$ 46,290,246	\$ 52,574,657	\$ 97,007,738	\$ 101,580,043	\$ 96,289,378	\$ 94,345,620	\$ 92,081,892	\$ 90,696,411
Restricted	1,493,543	1,556,356	1,431,820	1,299,006	955,777	1,675,586	3,600,406	5,864,661	3,836,589	2,647,317
Unrestricted	6,680,552	2,160,957	(12,083,785)	(10,874,530)	(13,599,511)	(150,925,614)	(146,558,528)	(144,234,750)	(137,283,213)	(120,425,163)
Total governmental activities net position (deficit)	\$ 56,057,399	\$ 51,649,335	\$ 35,638,281	\$ 42,999,133	\$ 84,364,004	\$ (47,669,985)	\$ (46,668,744)	\$ (44,024,469)	\$ (41,364,732)	\$ (27,081,435)
Business-type activities:										
Net investment in capital assets	\$ 218,169	\$ 190,493	\$ 179,510	\$ 180,366	\$ 175,329	\$ 192,456	\$ 196,112	\$ 329,921	\$ 291,636	\$ 255,449
Restricted	-	-	-	-	-	11,496	13,380	11,098	8,606	6,739
Unrestricted	5,049,354	5,899,471	5,498,256	5,742,280	6,142,603	2,292,343	2,632,266	2,423,282	4,545,451	6,890,783
Total business-type activities net position (deficit)	\$ 5,267,523	\$ 6,089,964	\$ 5,677,766	\$ 5,922,646	\$ 6,317,932	\$ 2,496,295	\$ 2,841,758	\$ 2,764,301	\$ 4,845,693	\$ 7,152,971
District-wide:										
Net investment in capital assets	\$ 48,101,473	\$ 48,122,515	\$ 46,469,756	\$ 52,755,023	\$ 97,183,067	\$ 101,772,499	\$ 96,485,490	\$ 94,675,541	\$ 92,373,528	\$ 90,951,860
Restricted	1,493,543	1,556,356	1,431,820	1,299,006	955,777	1,687,082	3,600,406	5,864,661	3,845,195	2,654,056
Unrestricted	11,729,906	8,060,428	(6,585,529)	(5,132,250)	(7,456,908)	(148,633,271)	(143,926,262)	(141,811,468)	(132,737,762)	(113,534,380)
Total primary government net position (deficit)	\$ 61,324,922	\$ 57,739,299	\$ 41,316,047	\$ 48,921,779	\$ 90,681,936	\$ (45,173,690)	\$ (43,840,366)	\$ (41,271,266)	\$ (36,519,039)	\$ (19,928,464)

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022

Note: Net position for 2015 and before are not comparable to 2016 and after net position due to the implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, for the year ended June 30, 2015.

Note: Net position for 2017 and before are not comparable to 2018 and after net position due to the implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018.

Net Position by Component District-wide

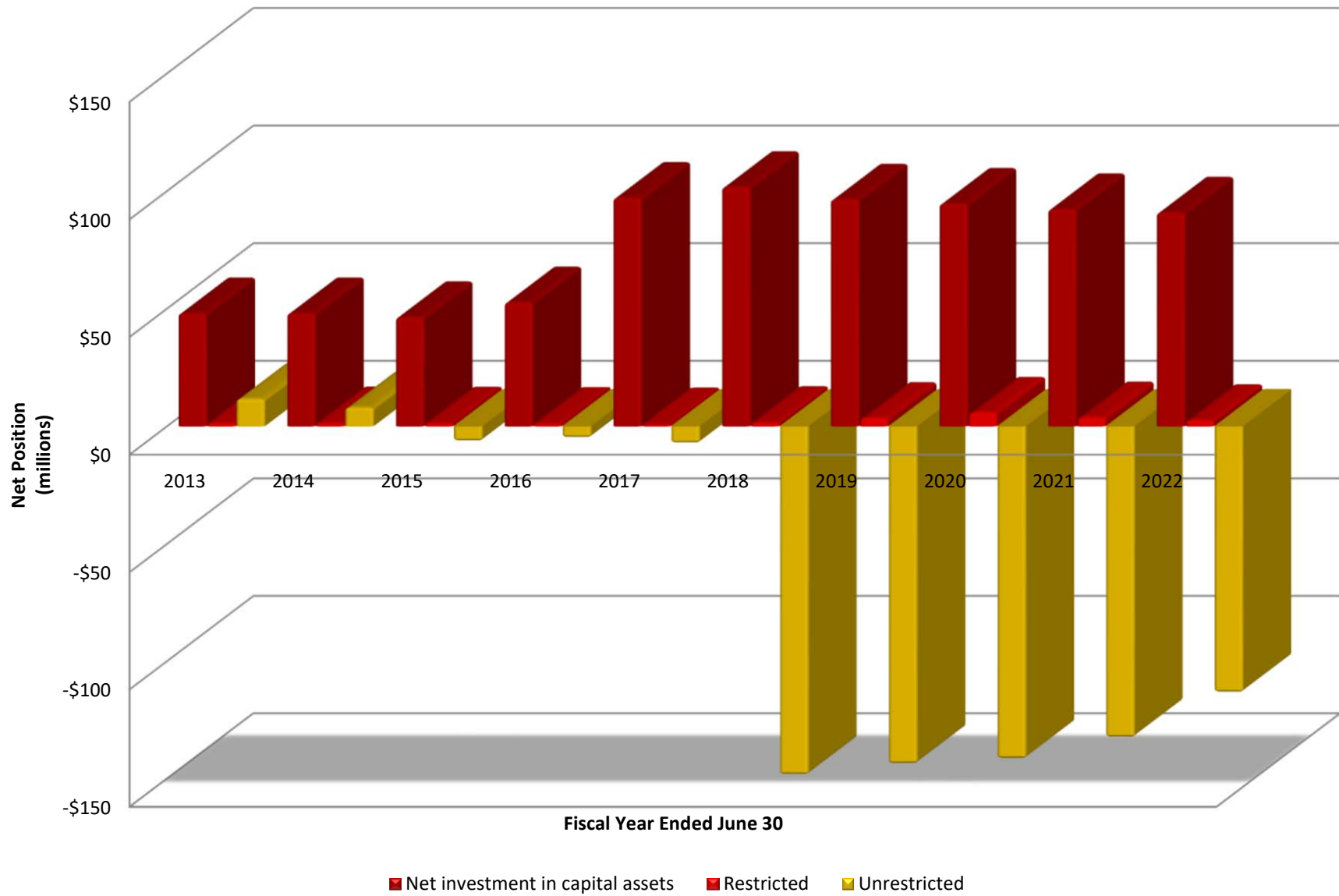


Table 3

DUPLIN COUNTY BOARD OF EDUCATION

**Changes in Net Position
Last Ten Fiscal Years**

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities:										
Instructional services	\$ 63,414,764	\$ 64,523,958	\$ 67,033,854	\$ 68,343,664	\$ 73,491,168	\$ 77,343,214	\$ 70,768,984	\$ 72,179,169	\$ 72,998,962	\$ 73,117,035
System-wide support services	17,914,870	18,359,098	16,163,282	15,459,211	16,849,972	20,183,957	27,936,624	17,488,847	20,171,765	20,671,879
Ancillary services	102,045	29,315	21,141	24,800	21,156	3,990	7,337	12,548	538,555	208,438
Non-programmed charges	990	3,416	3,881	15,669	18,064	28,916	24,062	23,187	32,751	33,241
Interest on long-term debt	-	224,449	58,292	93,514	87,517	81,122	74,389	67,344	59,903	71,695
Unallocated depreciation expense	282,041	115,648	540,788	330,791	352,258	293,181	273,606	215,431	198,123	218,167
Total governmental activities expenses	81,714,710	83,255,884	83,821,238	84,267,649	90,820,135	97,934,380	99,085,002	89,986,526	94,000,059	94,320,455
Business-type activities:										
School food service	5,318,808	5,413,243	5,328,138	5,408,452	5,204,235	5,471,567	5,053,983	5,212,462	4,005,076	5,754,119
Liberty Hall	164,034	157,324	144,388	133,015	235,878	124,013	139,781	184,446	144,798	202,660
Total business-type activities expenses	5,482,842	5,570,567	5,472,526	5,541,467	5,440,113	5,595,580	5,193,764	5,396,908	4,149,874	5,956,779
Total district-wide expenses	\$ 87,197,552	\$ 88,826,451	\$ 89,293,764	\$ 89,809,116	\$ 96,260,248	\$ 103,529,960	\$ 104,278,766	\$ 95,383,434	\$ 98,149,933	\$ 100,277,234
Program Revenues										
Governmental activities:										
Charges for services	386,119	392,546	2,284,623	2,227,766	2,005,040	2,330,644	1,892,394	1,854,107	1,006,565	2,025,235
Operating grants and contributions	61,808,659	57,957,059	63,341,981	64,162,664	66,394,356	66,559,400	74,475,567	69,346,612	74,596,818	87,563,046
Capital grants and contributions	558,283	249,925	658,285	785,003	910,114	966,072	917,376	837,128	818,410	558,271
Total governmental activities program revenues	62,753,061	58,599,530	66,284,889	67,175,433	69,309,510	69,856,116	77,285,337	72,037,847	76,421,793	90,146,552
Business-type activities:										
Charges for services:										
Student meal services	991,501	951,787	587,084	585,668	318,054	152,077	131,644	114,090	30,768	89,986
Liberty Hall	4,804	7,353	5,590	5,254	5,520	6,854	6,287	9,831	2,078	2,866
Operating grants and contributions	4,584,300	4,819,447	4,959,046	5,127,500	5,041,985	5,422,830	4,919,323	4,805,903	4,951,323	8,502,043
Capital grants and contributions	-	-	14,526	22,556	-	-	-	-	-	-
Total business-type activities program revenues	5,580,605	5,778,587	5,566,246	5,740,978	5,365,559	5,581,761	5,057,254	4,929,824	4,984,169	8,594,895
Total district-wide program revenues	\$ 68,333,666	\$ 64,378,117	\$ 71,851,135	\$ 72,916,411	\$ 74,675,069	\$ 75,437,877	\$ 82,342,591	\$ 76,967,671	\$ 81,405,962	\$ 98,741,447
Net (Expense) Revenue										
Governmental activities	\$ (18,961,649)	\$ (24,656,354)	\$ (17,536,349)	\$ (17,092,216)	\$ (21,510,625)	\$ (28,078,264)	\$ (21,799,665)	\$ (17,948,679)	\$ (17,578,266)	\$ (4,173,903)
Business-type activities	97,763	208,020	93,720	199,511	(74,554)	(13,819)	(136,510)	(467,084)	834,295	2,638,116
Total district-wide net (expense) revenue	\$ (18,863,886)	\$ (24,448,334)	\$ (17,442,629)	\$ (16,892,705)	\$ (21,585,179)	\$ (28,092,083)	\$ (21,936,175)	\$ (18,415,763)	\$ (16,743,971)	\$ (1,535,787)

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

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 9,287,444	\$ 9,000,000	\$ 9,485,760	\$ 9,553,920	\$ 9,465,600	\$ 8,800,000	\$ 8,802,624	\$ 8,968,900	\$ 8,968,900	\$ 8,968,900
Unrestricted county appropriations - capital	1,147,462	1,520,827	995,965	6,298,294	47,187,685	10,808,052	1,215,814	793,168	868,599	959,141
Unrestricted State appropriations - operating	3,427,335	6,162,423	5,158,636	5,108,035	4,804,787	5,139,191	5,373,172	5,782,733	5,837,036	6,782,082
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	-	179,548	-	-
Unrestricted State appropriations - capital	1,021,837	729,771	-	2,172,691	-	46,577	-	-	709,655	363,162
Unrestricted Federal appropriations - capital	-	-	-	-	-	-	-	1,046,724	2,566,821	-
Investment earnings, unrestricted	35,482	28,123	22,555	21,122	19,651	13,300	20	24	5	2
Miscellaneous, unrestricted	2,812,356	2,868,013	1,356,736	1,379,599	1,452,766	1,861,104	7,645,702	3,878,462	1,348,478	1,442,160
Transfers	(45,060)	(60,867)	(53,020)	(80,593)	(54,993)	(50,139)	(236,426)	(56,605)	(61,491)	(58,247)
Total governmental activities	17,686,856	20,248,290	16,966,632	24,453,068	62,875,496	26,618,085	22,800,906	20,592,954	20,238,003	18,457,200
Business-type activities:										
Investment earnings, unrestricted	379,626	553,554	(8,402)	(35,224)	414,847	410,953	245,547	333,022	1,176,726	(389,085)
Miscellaneous, unrestricted	-	-	-	-	-	11,776	-	-	8,880	-
Transfers	45,060	60,867	53,020	80,593	54,993	50,139	236,426	56,605	61,491	58,247
Total business-type activities	424,686	614,421	44,618	45,369	469,840	472,868	481,973	389,627	1,247,097	(330,838)
Total district-wide	\$ 18,111,542	\$ 20,862,711	\$ 17,011,250	\$ 24,498,437	\$ 63,345,336	\$ 27,090,953	\$ 23,282,879	\$ 20,982,581	\$ 21,485,100	\$ 18,126,362
Change in Net Position										
Governmental activities	\$ (1,274,793)	\$ (4,408,064)	\$ (569,717)	\$ 7,360,852	\$ 41,364,871	\$ (1,460,179)	\$ 1,001,241	\$ 2,644,275	\$ 2,659,737	\$ 14,283,297
Business-type activities	522,449	822,441	138,338	244,880	395,286	459,049	345,463	(77,457)	2,081,392	2,307,278
Total district-wide change in net position	\$ (752,344)	\$ (3,585,623)	\$ (431,379)	\$ 7,605,732	\$ 41,760,157	\$ (1,001,130)	\$ 1,346,704	\$ 2,566,818	\$ 4,741,129	\$ 16,590,575

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022

Table 4

DUPLIN COUNTY BOARD OF EDUCATION

Governmental Funds

Fund Balances

Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 173,414	\$ 237,037	\$ 449,602	\$ 400,441	\$ 590,125	\$ 526,653	\$ 1,179,503	\$ 993,799	\$ 333,639	\$ 529,025
Restricted	378,212	440,084	317,070	211,692	1,262,433	1,316,620	43,125	9,800	8,233	9,782
Assigned	3,500,000	4,284,138	1,149,850	-	-	-	-	-	-	-
Unassigned	7,361,670	2,171,210	3,964,619	3,609,689	1,530,977	251,999	1,396,144	2,432,167	3,633,045	4,873,340
Total General Fund	<u>\$ 11,413,296</u>	<u>\$ 7,132,469</u>	<u>\$ 5,881,141</u>	<u>\$ 4,221,822</u>	<u>\$ 3,383,535</u>	<u>\$ 2,095,272</u>	<u>\$ 2,618,772</u>	<u>\$ 3,435,766</u>	<u>\$ 3,974,917</u>	<u>\$ 5,412,147</u>
All Other Governmental Funds										
Nonspendable	-	-	-	-	-	-	-	-	-	\$ 50,000
Restricted	1,115,331	1,116,272	1,114,750	1,087,314	893,344	1,208,271	3,144,972	5,515,834	3,551,299	2,366,177
Assigned	-	-	-	-	-	-	235,818	714,965	985,091	1,759,666
Total all other governmental funds	<u>\$ 1,115,331</u>	<u>\$ 1,116,272</u>	<u>\$ 1,114,750</u>	<u>\$ 1,087,314</u>	<u>\$ 893,344</u>	<u>\$ 1,208,271</u>	<u>\$ 3,380,790</u>	<u>\$ 6,230,799</u>	<u>\$ 4,536,390</u>	<u>\$ 4,175,843</u>

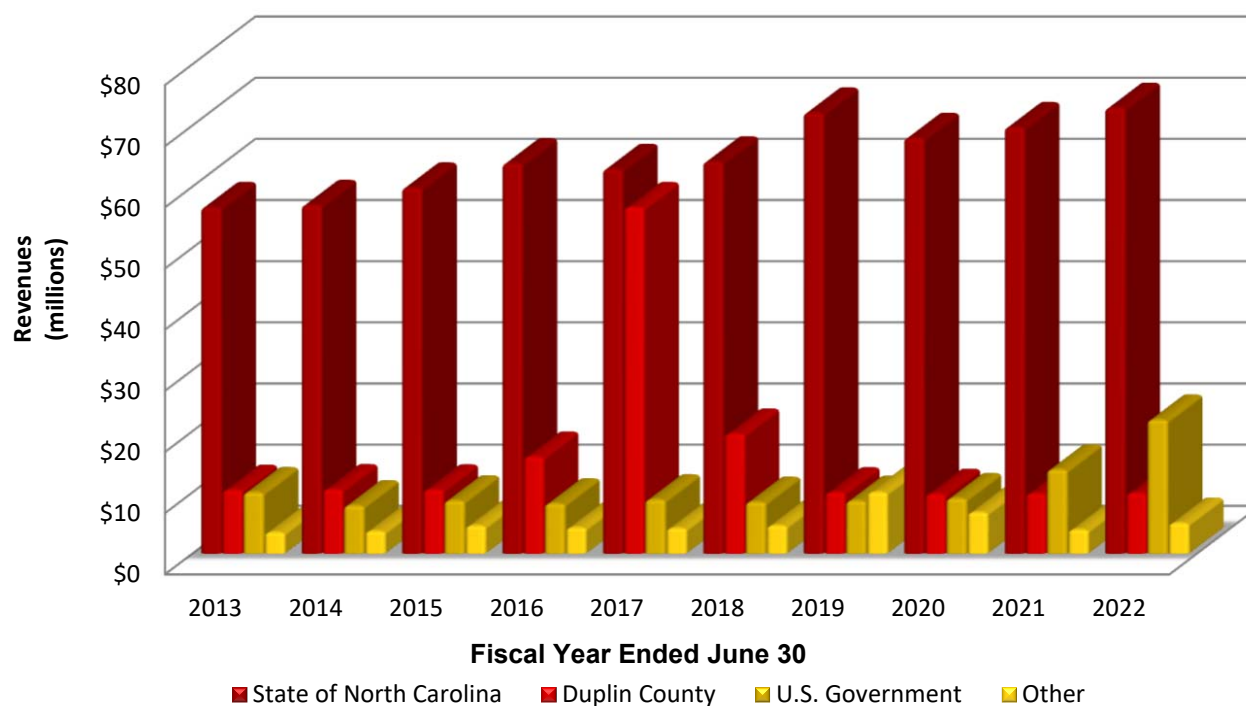
Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022

Table 5

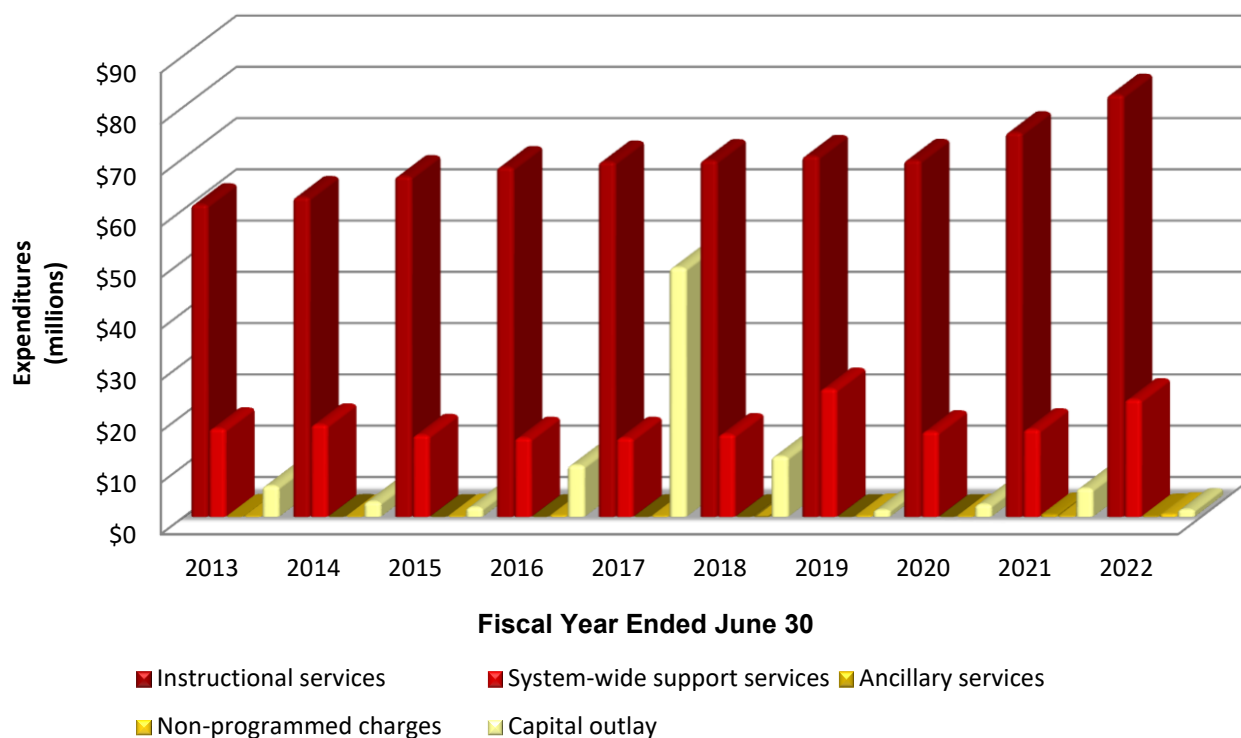
DUPLIN COUNTY BOARD OF EDUCATION Governmental Funds Changes in Fund Balances Last Ten Fiscal Years						
Year Ended June 30	2013	2014	2015	2016	2017	
Revenues						
State of North Carolina	\$ 56,665,606	\$ 57,006,199	\$ 59,859,404	\$ 63,832,009	\$ 62,896,807	
Duplin County	10,434,906	10,520,827	10,481,725	15,852,214	56,653,285	
U.S. Government	10,045,217	7,885,009	8,690,170	8,197,181	8,854,372	
Other	3,519,871	3,712,542	4,594,767	4,288,626	4,184,623	
Total revenues	80,665,600	79,124,577	83,626,066	92,170,030	132,589,087	
Expenditures						
Instructional services	60,970,614	62,386,917	66,466,858	68,231,260	69,292,061	
System-wide support services	17,263,429	18,039,949	15,989,892	15,432,110	15,420,181	
Ancillary services	102,045	29,315	21,158	24,818	21,144	
Non-programmed charges	181,613	130,766	185,406	336,605	227,152	
Debt service - Principal	558,283	451,925	951,224	1,045,721	1,186,437	
Debt service - Interest	-	22,449	58,292	93,514	87,517	
Capital outlay	6,064,226	3,008,758	1,906,136	10,086,660	48,622,266	
Total expenditures	85,140,210	84,070,079	85,578,966	95,250,688	134,856,758	
Revenues over (under) expenditures	(4,474,610)	(4,945,502)	(1,952,900)	(3,080,658)	(2,267,671)	
Other financing sources						
Transfers to other funds	(45,060)	(60,867)	(53,020)	(80,593)	(54,993)	
Installment purchase obligations	3,841,987	720,365	816,720	1,510,574	1,313,160	
Total other financing sources	3,796,927	659,498	763,700	1,429,981	1,258,167	
Net change in fund balances	\$ (677,683)	\$ (4,286,004)	\$ (1,189,200)	\$ (1,650,677)	\$ (1,009,504)	
Ratio of debt service expenditures to total non-capital expenditures	0.71%	0.59%	1.22%	1.36%	1.36%	
Year Ended June 30	2018	2019	2020	2021	2022	
Revenues						
State of North Carolina	\$ 64,125,093	\$ 72,117,633	\$ 67,979,497	\$ 69,738,963	\$ 72,893,244	
Duplin County	19,608,052	10,018,438	9,762,068	9,837,499	9,928,041	
U.S. Government	8,466,239	8,648,331	9,058,999	13,766,761	21,905,663	
Other	4,621,318	10,072,727	6,786,225	3,942,430	5,031,618	
Total revenues	96,820,702	100,857,129	93,586,789	97,285,653	109,758,566	
Expenditures						
Instructional services	69,577,068	70,411,669	69,618,663	75,016,675	82,354,441	
System-wide support services	16,138,701	25,017,269	16,699,179	17,091,468	22,940,535	
Ancillary services	3,958	7,360	12,554	538,555	208,438	
Non-programmed charges	49,425	258,522	172,481	197,117	602,718	
Debt service - Principal	1,258,668	1,222,789	1,159,072	1,158,345	1,041,709	
Debt service - Interest	81,122	74,389	67,344	59,903	71,695	
Capital outlay	11,801,205	1,406,214	2,487,087	5,585,034	1,488,783	
Total expenditures	98,910,147	98,398,212	90,216,380	99,647,097	108,708,319	
Revenues over (under) expenditures	(2,089,445)	2,458,917	3,370,409	(2,361,444)	1,050,247	
Other financing sources (uses)						
Transfers to other funds	(50,139)	(236,426)	(56,605)	(61,491)	(58,247)	
Installment purchase obligations	1,040,556	617,932	376,864	1,238,289	-	
Total other financing sources (uses)	990,417	381,506	320,259	1,176,798	(58,247)	
Net change in fund balances	\$ (1,099,028)	\$ 2,840,423	\$ 3,690,668	\$ (1,184,646)	\$ 992,000	
Ratio of debt service expenditures to total non-capital expenditures	1.49%	1.52%	1.40%	1.25%	1.04%	

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022

Governmental Funds Revenues by Source



Expenditures by Function



DUPLIN COUNTY BOARD OF EDUCATION

Operational Expenditures Per Pupil

Expenditures by Function

Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2013	2014	2015	2016	2017
Average Daily Membership	9,315	9,597	9,881	9,952	9,860
Instructional	\$ 6,545	\$ 6,501	\$ 6,727	\$ 6,856	\$ 7,028
System-wide support	1,853	1,880	1,618	1,551	1,564
Ancillary	11	3	2	2	2
Total expenditures per pupil	\$ 8,409	\$ 8,384	\$ 8,347	\$ 8,409	\$ 8,594

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2018	2019	2020	2021	2022
Average Daily Membership	9,644	9,652	9,634	9,394	9,404
Instructional	\$ 7,215	\$ 7,295	\$ 7,226	\$ 7,986	\$ 8,757
System-wide support	1,673	2,592	1,733	1,819	2,439
Ancillary	-	1	1	57	22
Total expenditures per pupil	\$ 8,888	\$ 9,888	\$ 8,960	\$ 9,862	\$ 11,218

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2013	2014	2015	2016	2017
Instructional	\$ 2,803	\$ 2,728	\$ 2,819	\$ 2,845	\$ 2,869
System-wide support	794	789	678	644	638
Ancillary	5	1	1	1	1
Total expenditures per pupil	\$ 3,602	\$ 3,518	\$ 3,498	\$ 3,490	\$ 3,508

EXPRESSED IN CONSTANT DOLLARS

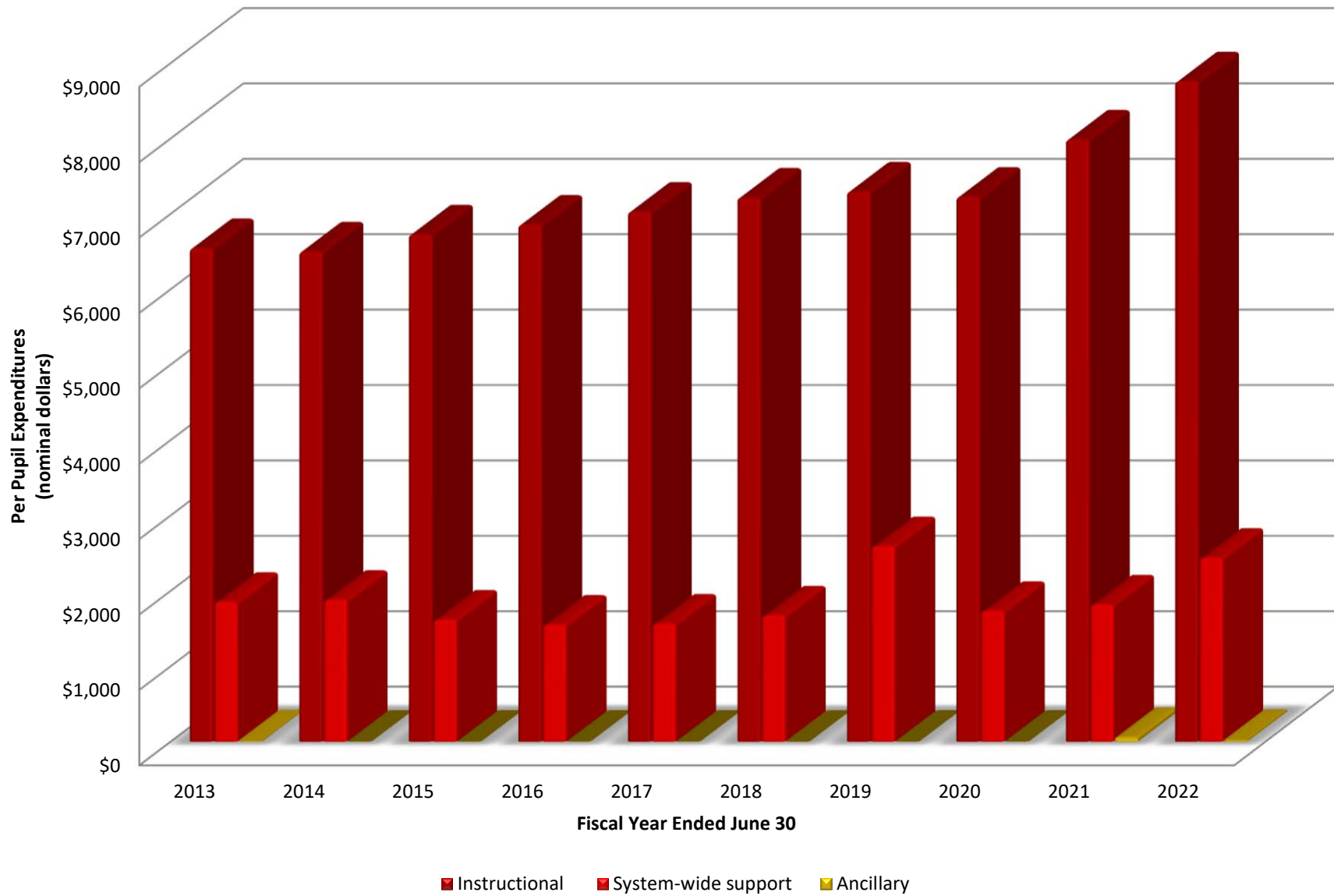
Year Ended June 30	2018	2019	2020	2021	2022
Instructional	\$ 2,863	\$ 2,848	\$ 2,803	\$ 2,939	\$ 2,955
System-wide support	664	1,012	672	669	823
Ancillary	-	-	-	21	7
Total expenditures per pupil	\$ 3,527	\$ 3,860	\$ 3,475	\$ 3,629	\$ 3,785

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022.

The above operational expenditures per pupil include all governmental funds.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Operational Expenditures Per Pupil Expenditures by Function



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

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2013	2014	2015	2016	2017
Food sales	\$ 991,501	\$ 951,787	\$ 587,084	\$ 585,668	\$ 318,054
Federal reimbursements	4,192,117	4,356,053	4,572,431	4,628,794	4,565,804
Federal commodities	293,128	354,616	278,557	387,771	398,780
Other	18,831	16,510	16,527	15,112	7,201
Total revenues	\$ 5,493,031	\$ 5,495,577	\$ 5,678,966	\$ 5,454,599	\$ 5,617,345

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2018	2019	2020	2021	2022
Food sales	\$ 152,077	\$ 131,644	\$ 114,090	\$ 30,768	\$ 89,986
Federal reimbursements	4,961,687	4,477,614	4,342,029	4,489,510	7,981,278
Federal commodities	386,008	346,559	365,524	375,813	437,765
Other	4,268	5,713	6,848	2,336	689
Total revenues	\$ 5,289,839	\$ 5,504,040	\$ 4,828,491	\$ 4,898,427	\$ 8,509,718

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2013	2014	2015	2016	2017
Food sales	\$ 424,618	\$ 399,335	\$ 246,014	\$ 242,998	\$ 129,842
Federal reimbursements	1,795,308	1,827,640	1,916,053	1,920,518	1,863,936
Federal commodities	125,534	148,784	116,728	160,889	162,797
Other	8,065	6,927	6,926	6,270	2,940
Total revenues	\$ 2,353,525	\$ 2,382,686	\$ 2,285,721	\$ 2,330,675	\$ 2,159,515

EXPRESSED IN CONSTANT DOLLARS

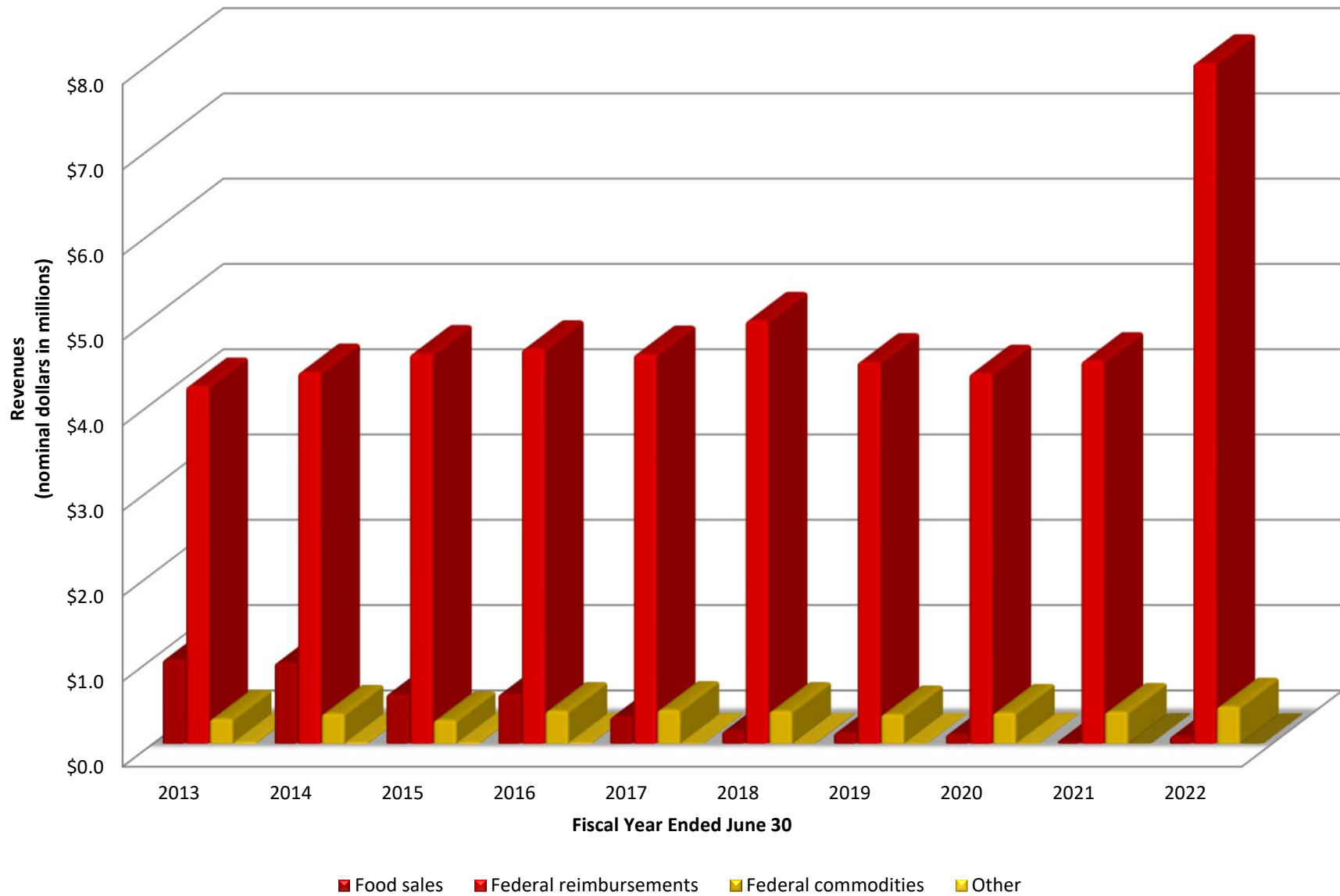
Year Ended June 30	2018	2019	2020	2021	2022
Food sales	\$ 60,351	\$ 51,395	\$ 44,256	\$ 11,324	\$ 30,369
Federal reimbursements	1,969,009	1,748,091	1,684,282	1,652,402	2,693,548
Federal commodities	153,184	135,299	141,788	138,321	147,738
Other	1,694	2,230	2,656	860	233
Total revenues	\$ 2,184,238	\$ 1,937,015	\$ 1,872,982	\$ 1,802,907	\$ 2,871,888

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022.

Note: Other revenue includes interest earned, State reimbursements, indirect costs not paid, and other revenue.

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Services Operations Revenues by Source



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

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2013	2014	2015	2016	2017
Purchase of food	\$ 2,545,769	\$ 2,548,443	\$ 2,410,025	\$ 2,469,686	\$ 2,257,049
Salaries and benefits	2,622,182	2,650,849	2,618,349	2,626,208	2,628,160
Other	150,857	213,951	299,764	312,558	319,026
Total expenses	\$ 5,318,808	\$ 5,413,243	\$ 5,328,138	\$ 5,408,452	\$ 5,204,235

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2018	2019	2020	2021	2022
Purchase of food	\$ 2,274,957	\$ 2,171,354	\$ 1,723,718	\$ 1,201,251	\$ 2,888,752
Salaries and benefits	2,705,337	2,391,464	2,596,287	1,943,457	2,028,362
Other	491,273	491,165	892,457	860,368	837,005
Total expenses	\$ 5,471,567	\$ 5,053,983	\$ 5,212,462	\$ 4,005,076	\$ 5,754,119

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2013	2014	2015	2016	2017
Purchase of food	\$ 1,090,246	\$ 1,069,233	\$ 1,009,908	\$ 1,024,689	\$ 921,414
Salaries and benefits	1,122,971	1,112,199	1,097,205	1,089,631	1,072,915
Other	64,606	89,766	125,615	129,682	130,239
Total expenses	\$ 2,277,823	\$ 2,271,198	\$ 2,232,728	\$ 2,244,002	\$ 2,124,568

EXPRESSED IN CONSTANT DOLLARS

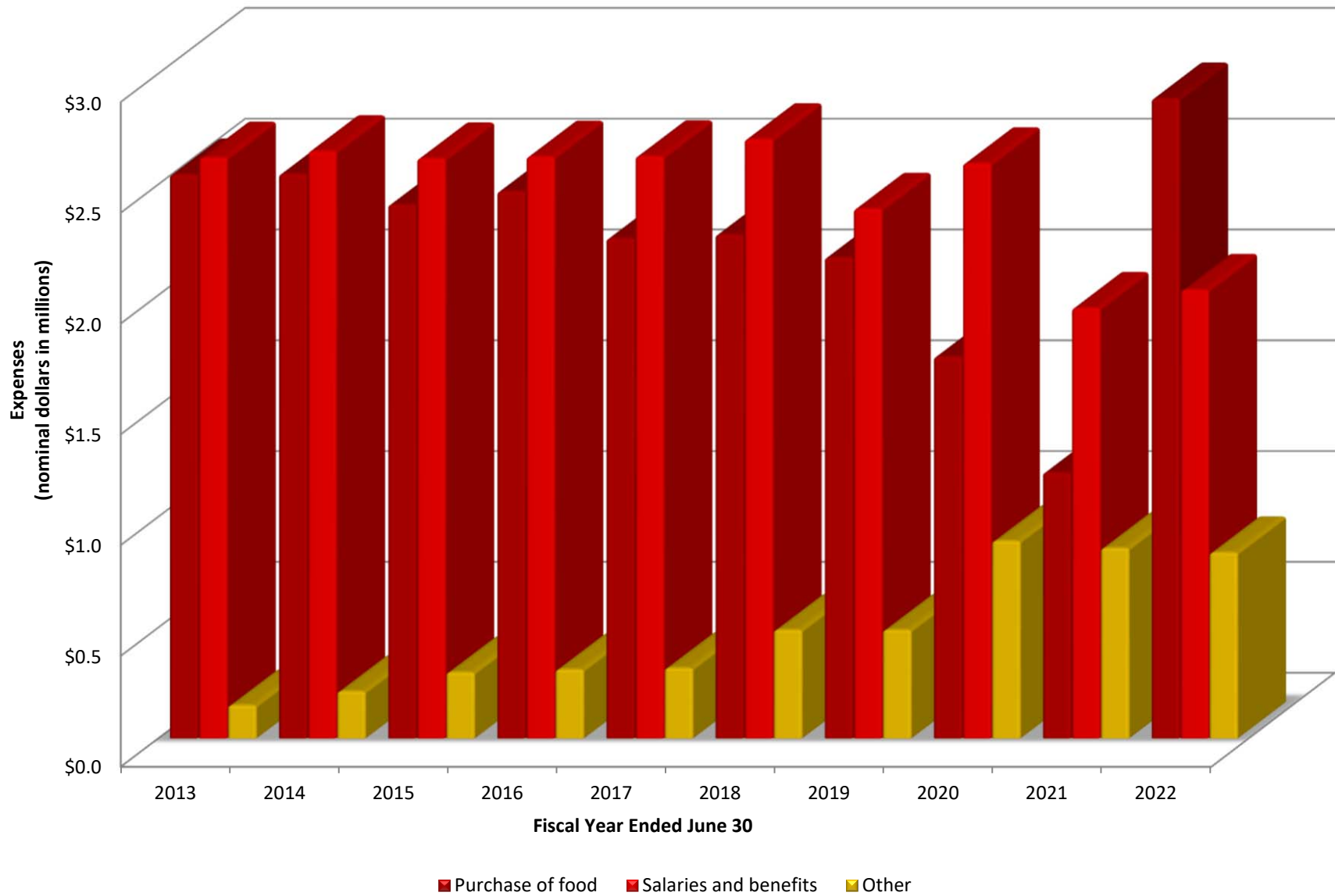
Year Ended June 30	2018	2019	2020	2021	2022
Purchase of food	\$ 902,800	\$ 847,712	\$ 668,634	\$ 442,131	\$ 974,905
Salaries and benefits	1,073,593	933,644	1,007,105	715,306	684,538
Other	194,958	191,754	346,186	316,666	282,475
Total expenses	\$ 2,171,351	\$ 1,973,110	\$ 2,021,925	\$ 1,474,103	\$ 1,941,918

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022.

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

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984 = 100).

Proprietary Fund - Food Services Operations Expenses by Category



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

Year Ended June 30	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2022	\$ 2,848,361	\$ 2,848,361	N/A	N/A
2021	3,744,115	3,744,115	N/A	63
2020	3,664,171	3,664,171	0.16%	62
2019	4,446,379	4,446,379	0.21%	76
2018	5,051,236	5,051,236	0.26%	85
2017	5,269,348	5,269,348	0.46%	87
2016	5,142,625	5,142,625	0.49%	80
2015	4,677,772	4,677,772	0.24%	72
2014	4,812,276	4,812,276	0.25%	18
2013	4,341,836	4,341,836	0.23%	3

N/A = Not available

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022.

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

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

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

DUPLIN COUNTY BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022

Governmental Unit ⁽¹⁾	Debt Outstanding ⁽²⁾	Estimated Percentage Applicable	Amount Applicable to Primary Government
Duplin County Schools	\$ 2,848,361	100.00%	\$ 2,848,361
Direct Debt Total	<u>2,848,361</u>		<u>2,848,361</u>
Duplin County	61,314,629	100.00%	61,314,629
Overlapping Debt Total	<u>61,314,629</u>		<u>61,314,629</u>
Total Direct and Overlapping Debt	<u>\$ 64,162,990</u>		<u>\$ 64,162,990</u>

Notes:

(1) Overlapping governments are those that coincide, at least in part, with geographic boundaries within the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Duplin County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) Total outstanding Governmental activities debt is provided by each governmental unit.

Sources: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2022,
and Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2022.

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

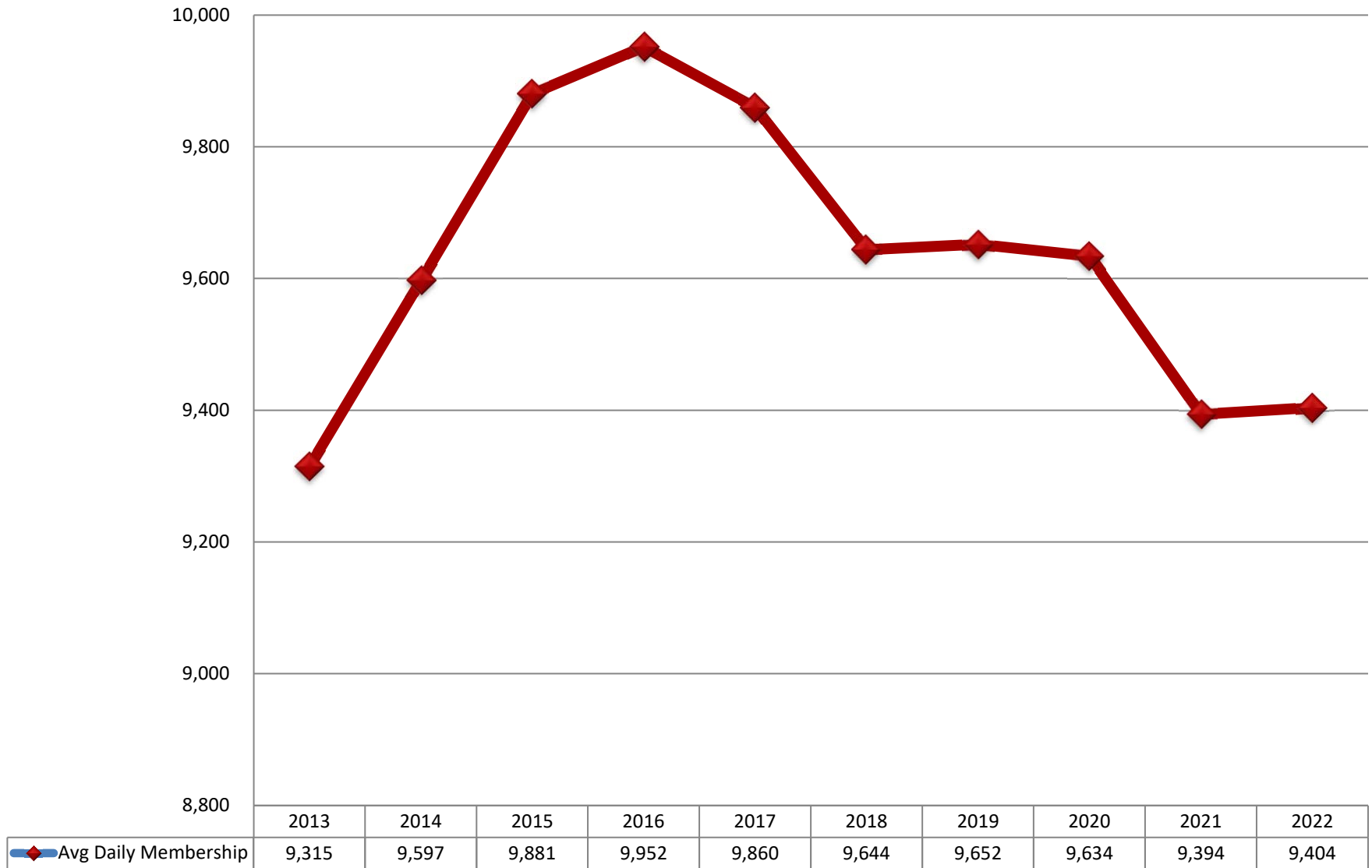


Table 12

DUPLIN COUNTY BOARD OF EDUCATION

Student Statistics Last Ten Fiscal Years

Year Ended June 30	Teaching Staff ⁽¹⁾	Students ⁽²⁾	Pupil/ Teacher Ratio	Student Attendance Percentage ⁽²⁾	Percentage of Students Eligible for Free/Reduced Lunch ⁽³⁾
2022	618	9,404	1/15	93.21%	100.00%
2021	613	9,394	1/15	95.91%	100.00%
2020	597	9,634	1/16	95.86%	68.89%
2019	614	9,652	1/15	94.67%	68.58%
2018	635	9,644	1/16	94.67%	75.25%
2017	635	9,860	1/15	94.52%	75.41%
2016	648	9,952	1/16	94.40%	74.89%
2015	636	9,881	1/16	94.25%	74.74%
2014	619	9,597	1/16	92.00%	71.83%
2013	616	9,315	1/15	94.82%	72.33%

DUPLIN COUNTY BOARD OF EDUCATION

Student Statistics (continued)

Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage ⁽⁴⁾					Graduates ⁽³⁾	Percentage of Graduates Continuing Education ⁽³⁾
	White	Black	Asian	Hispanic	Other		
2022	30%	21%	0%	45%	4%	551	67%
2021	31%	21%	0%	44%	4%	599	65%
2020	33%	22%	0%	44%	1%	638	82%
2019	33%	22%	0%	42%	3%	611	76%
2018	33%	22%	1%	41%	3%	618	74%
2017	34%	24%	1%	40%	3%	574	83%
2016	42%	28%	1%	27%	2%	602	84%
2015	40%	31%	0%	28%	1%	551	81%
2014	35%	24%	0%	38%	3%	469	85%
2013	36%	25%	0%	37%	2%	456	85%

Sources:

(1) Public School Personnel Summary, North Carolina Department of Public Instruction

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

(3) Duplin County Board of Education Student Data

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

Table 13

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

Year Ended June 30	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Officials, admins, mgrs	17	16	17	21	21	19	18	20	22	21
Principals	15	16	16	17	16	13	13	13	14	14
Asst. Principals, non-teaching	15	17	20	20	20	22	21	21	21	20
Total administrators	47	49	53	58	57	54	52	54	57	55
Elementary teachers	445	443	450	473	456	458	442	437	445	441
Secondary teachers	169	170	175	170	173	173	168	158	166	173
Other teachers	2	6	11	5	6	4	4	2	2	4
Total teachers	616	619	636	648	635	635	614	597	613	618
Guidance	20	21	21	23	26	22	24	22	23	24
Psychological	1	1	0	0	1	2	2	4	2	3
Librarian, audiovisual	14	14	14	15	15	13	13	13	12	12
Consultant, supervisor	2	0	0	0	0	1	0	0	1	1
Other professionals	30	35	37	41	30	35	35	36	36	35
Total professionals	730	739	761	785	764	762	740	726	744	748
Teacher Assistants	202	211	208	203	195	187	175	170	169	164
Technicians	7	8	8	8	8	8	8	8	8	10
Clerical, secretarial	67	68	68	68	66	60	63	61	61	61
Service workers	124	132	131	131	120	110	108	101	102	99
Skilled crafts	26	24	27	29	27	32	31	28	30	30
Laborers, unskilled	2	3	3	0	0	0	0	1	1	1
Total employees	1,158	1,185	1,206	1,224	1,180	1,159	1,125	1,095	1,115	1,113

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

DUPLIN COUNTY BOARD OF EDUCATION

Instructional Personnel Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries ⁽¹⁾			Bachelors Degree ⁽²⁾	Masters Degree ⁽²⁾	Advanced Degree ⁽²⁾	Doctorate Degree ⁽²⁾
	Minimum	Maximum	Average				
2022	\$ 35,000	N/A	N/A	N/A	N/A	N/A	N/A
2021	\$ 35,000	\$ 63,440	\$ 42,408	494	120	2	2
2020	35,000	63,440	41,741	514	153	43	1
2019	35,000	65,970	41,898	504	157	51	2
2018	35,000	63,440	46,549	514	109	3	1
2017	35,000	63,530	40,755	505	117	4	1
2016	35,000	61,380	42,498	516	126	2	2
2015	33,000	61,380	39,299	490	116	1	1
2014	30,800	59,500	37,977	479	148	1	1
2013	30,800	65,270	39,714	497	90	0	1

The above tabulation represents total salaries but does not include the following:

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

Sources:

- (1) Duplin County Board of Education Payroll Data
- (2) Public Schools of North Carolina - Statistical Profile

Table 15

DUPLIN COUNTY BOARD OF EDUCATION

School Building Data

June 30, 2022

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
B. F. Grady Elementary	1994	1,155	839	-27%	Good
Beulaville Elementary	1996	935	795	-16%	Good
Chinquapin Elementary	1955	600	514	-15%	Good
Warsaw Elementary	1974	1,347	735	-46%	Good
Duplin Early College	2009	160	206	29%	Good
East Duplin High	1962	750	862	16%	Good
James Kenan High	1956	645	786	23%	Good
Kenansville Elementary	1980	726	585	-19%	Good
North Duplin Elementary	1974	669	664	-1%	Good
North Duplin Jr. Sr. High	1955	654	609	-7%	Good
Rose Hill-Magnolia Elementary	1972	1,155	1,083	-6%	Good
Wallace Elementary	1974	919	1,117	22%	Good
Wallace-Rose Hill High	1955	715	811	12%	Good

Source: Duplin County Board of Education PowerSchool software, final ADM.

Table 16

DUPLIN COUNTY, NORTH CAROLINA
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2013	2014	2015	2016	2017
Population estimate (1)	60,084	58,710	59,159	58,969	60,130
Personal income (2)	\$1,851,108,000	\$1,932,762,000	\$1,911,853,000	\$1,059,083,240	\$1,139,162,850
Per capita income (2)	\$30,809	\$32,920	\$32,317	\$17,960	\$18,945
Median age (3)	35.7	35.6	35.6	35.7	38.9
School enrollment (4)	9,315	9,597	9,881	9,952	9,860
Unemployment rate (5)	9.8%	9.4%	6.9%	5.8%	5.5%
Year Ended June 30	2018	2019	2020	2021	2022
Population estimate (1)	59,350	58,741	58,741	58,967	N/A
Personal income (2)	\$1,974,270,000	\$2,068,142,000	\$2,226,631,000	\$2,068,142,000	N/A
Per capita income (2)	\$33,265	\$35,208	\$37,906	\$35,073	N/A
Median age (3)	38.7	41.1	40.6	37	N/A
School enrollment (4)	9,644	9,652	9,634	9,423	N/A
Unemployment rate (5)	4.6%	4.4%	5.4%	5.4%	N/A

N/A = Not Available

Sources:

(1) U.S. Census Bureau. Estimates are as of beginning of fiscal year.

(2) Bureau of Economic Analysis

(3) Office of State Budget and Management

(4) North Carolina Department of Public Instruction, best 1 of 2.

(5) North Carolina Employment Security Commission, annual average for prior calendar year

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

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

DUPLIN COUNTY, NORTH CAROLINA

Principal Employers
For Years Ended June 30, 2021 and 2012

Employer	2021			2012		
	Employees ⁽¹⁾	Rank	Percentage of Total County Employment	Employees ⁽¹⁾	Rank	Percentage of Total County Employment
Butterball LLC	1000+	1	5%	1000+	1	5%
House of Raeford, Inc.	1000+	2	5%	1000+	3	5%
Smithfield Foods, Inc.	1000+	3	5%	1000+	2	5%
Duplin County Schools	500-999	4	3%	500-999	4	3%
Murphy Family Ventures, LLC	500-999	5	3%	500-999	7	3%
Duplin County Government	500-999	6	3%	500-999	8	3%
Vidant Medical Center	250-499	7	2%	-	-	-
Lear Corp	250-499	8	2%	-	-	-
Thomas and Company Corporation	250-499	9	2%	-	-	-
Johnson Breeders, Inc.	250-499	10	2%	250-499	10	2%
Bar Valley Foods LLC	-	-	-	500-999	5	3%
Guilford Mills, Inc.	-	-	-	500-999	6	3%
Duplin General Hospital, Inc.	-	-	-	250-499	9	2%
			<u>32.00%</u>			<u>34.00%</u>
Total County Employment ⁽¹⁾	<u>23,994</u>			<u>23,879</u>		

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

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2022 had not been released at the time of this report. Therefore, the most recent ten year comparison of principal property tax payers released by Duplin County is shown above.

Table 18

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

Year Ended June 30	Governmental Activities					Business -Type Activities				Percentage of		
	Notes Payable	Certificates of Participation	Board of Education Judgment	General Obligation Debt	Limited Obligation Debt	Capitalized Leases	Notes Payable	General Obligation Debt	Limited Obligation Debt	Total Primary Government	Personal Income	Per Capita
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	9,230,813	-	-	-	43,605,000	-	3,487,330	-	11,505,000	67,828,143	3.28%	1,150
2020	9,115,515	-	-	-	45,540,000	-	3,108,910	-	12,105,000	69,869,425	3.38%	1,189
2019	9,309,757	-	-	-	47,385,000	-	3,470,513	-	12,690,000	72,855,270	3.68%	1,240
2018	9,496,305	-	-	-	49,160,000	-	4,309,676	-	13,275,000	76,240,981	3.86%	1,285
2017	9,675,462	-	-	-	58,345,538	-	3,410,297	-	14,221,311	85,652,608	7.52%	1,424
2016	9,847,522	-	-	-	60,514,251	-	3,626,882	-	14,775,403	88,764,058	8.38%	1,505
2015	10,012,316	-	-	-	-	-	3,883,629	-	15,314,495	29,210,440	1.53%	494
2014	10,171,014	1,357,827	-	-	-	-	1,359,427	-	15,843,587	28,731,855	1.49%	489
2013	10,323,424	2,655,657	-	-	-	-	1,711,577	15,915,000	15,915,000	46,520,658	2.51%	774

N/A = Not Available

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

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

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2022 had not been released at the time of this report. Therefore, June 30, 2022 information from Duplin County's financial statements will be shown above as "N/A" and will be reported for the year ended June 30, 2023, if applicable.

Table 19

DUPLIN COUNTY, NORTH CAROLINA

**Principal Property Taxpayers
June 30, 2021 and June 30, 2012**

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball, Inc.	\$ 152,220,326	1	3.37%	\$ 107,048,068	1	2.82%
House of Raeford	135,857,587	2	3.01%	48,693,259	4	1.28%
Smithfield	132,237,077	3	2.93%	-	-	-
Duke Energy Progress	62,807,551	4	1.39%	37,782,936	7	0.99%
Guilford Mills	51,069,061	5	1.13%	45,753,970	5	1.20%
Murphy Family Ventures	46,218,860	6	1.02%	35,496,090	8	0.93%
Duplin Land Development	46,040,569	7	1.02%	80,940,780	3	2.13%
United State Cold Storage	45,633,665	8	1.01%	-	-	-
Nash Johnson & Sons	38,852,514	9	0.86%	43,546,684	6	1.15%
Four County EMC	28,789,144	10	0.64%	25,571,300	10	0.67%
Coastal Carolina Green Power	-	-	-	27,791,335	9	0.73%
Murphy-Brown, LLC	-	-	-	100,184,922	2	2.64%
	<u>\$ 739,726,354</u>		<u>16.38%</u>	<u>\$ 552,809,344</u>		<u>14.54%</u>
Total Assessed Valuation	<u>\$ 4,516,033,907</u>			<u>\$ 3,801,989,986</u>		

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

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2022 had not been released at the time of this report. Therefore, the most recent ten year comparison of principal property tax payers released by Duplin County is shown above

Table 20

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

EXPRESSED IN NOMINAL DOLLARS						
Year Ended June 30	Collected Within Fiscal Year of Levy			Subsequent Collections	Total Collections to Date	
	Total Tax Levy	Amount	Percent of Levy		Amount	Percent of Levy Collected
2022	N/A	N/A	N/A	N/A	N/A	N/A
2021	30,251,041	29,213,133	96.57%	N/A	29,213,133	96.57%
2020	29,889,507	28,901,695	96.70%	N/A	28,901,695	96.70%
2019	28,076,164	27,257,917	97.09%	210,277	27,468,194	97.83%
2018	26,922,617	26,031,164	96.69%	418,352	26,449,516	98.24%
2017	27,647,111	26,755,749	96.78%	568,905	27,324,654	98.83%
2016	26,948,314	26,102,572	96.86%	931,952	27,034,524	100.32%
2015	29,749,210	28,972,293	97.39%	1,324,670	30,296,963	101.84%
2014	29,583,852	28,461,798	96.21%	1,299,617	29,761,415	100.60%
2013	28,023,946	26,579,982	94.85%	1,346,268	27,926,250	99.65%

EXPRESSED IN CONSTANT DOLLARS						
Year Ended June 30	Collected Within Fiscal Year of Levy			Subsequent Collections	Total Collections to Date	
	Original Tax Levy	Amount	Percent of Levy		Amount	Percent of Levy Collected
2022	N/A	N/A	N/A	N/A	N/A	N/A
2021	11,134,150	10,752,140	96.57%	N/A	10,752,140	96.57%
2020	11,594,203	11,211,028	96.70%	N/A	11,211,028	96.70%
2019	10,961,129	10,641,679	90.34%	82,094	10,723,773	91.04%
2018	10,684,045	10,330,278	89.60%	166,020	10,496,298	91.04%
2017	11,286,608	10,922,720	90.66%	232,249	11,154,969	92.59%
2016	11,181,038	10,830,134	90.71%	386,673	11,216,807	93.95%
2015	12,466,250	12,140,687	88.95%	555,096	12,695,783	93.02%
2014	12,412,302	11,941,529	87.06%	545,272	12,486,801	91.04%
2013	12,001,484	11,383,095	88.88%	576,550	11,959,645	93.38%

Source: Duplin County Finance Department

Note: Nominal dollars reflect actual dollars of the period of the transaction. Constant dollars reflect dollars having a constant general purchasing power as shown by the Consumer Price Index for All Urban Consumers (CPI-U) (Calendar years 1982-1984=100).

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2022 had not been released at the time of this report. Therefore, June 30, 2022 through June 30, 2020 information from Duplin County's financial statements will be shown above as "N/A" and will be reported for the year ended June 30, 2023,



Compliance Section



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Duplin County Board of Education
Kenansville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Duplin County Board of Education, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the basic financial statements, which collectively comprises the Duplin County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated September 27, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Anderson Smith & Wike PLLC

*September 27, 2022
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Duplin County Board of Education
Kenansville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Duplin County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2022. The Duplin County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Duplin County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

*September 27, 2022
West End, North Carolina*



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

To the Duplin County Board of Education
Kenansville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Duplin County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2022. The Duplin County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Duplin County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

*September 27, 2022
West End, North Carolina*

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	<i>Unmodified</i>
Internal control over financial reporting:	
• Material weakness(es) identified?	<i>No</i>
• Significant deficiency(ies) identified that are not considered to be material weaknesses	<i>None Identified for Reporting</i>
Noncompliance material to financial statements noted	<i>No</i>

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	<i>No</i>
• Significant deficiency(ies) identified that are not considered to be material weaknesses	<i>None Identified for Reporting</i>
Type of auditors' report issued on compliance for major federal programs	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<i>No</i>
Identification of major federal programs:	

AL Numbers	Names of Federal Programs or Clusters
	Child Nutrition Cluster:
10.555	National School Lunch Program (Commodities)
10.555	Supply Chain Assistance Funds
10.555	Healthy Meal Program
10.555	Seamless Summer Program
10.559	Summer Food Service Program for Children
21.027	COVID-19 – ARP – State Fiscal Recovery Fund – Employee Bonuses
84.425	COVID-19 – Education Stabilization Fund
32.009	COVID-19 – Emergency Connectivity Fund

Dollar threshold used to distinguish between Type A and Type B Programs	<u><i>\$ 900,000</i></u>
Auditee qualified as low-risk auditee?	<i>Yes</i>

**DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022**

State Awards

Internal control over major State programs:

- Material weakness(es) identified? *No*
- Significant deficiency(ies) identified that are not considered to be material weaknesses *None Identified for Reporting*

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act

No

Identification of major State programs:

Program Name

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

Section II - Financial Statement Findings

No findings were noted that are required to be reported under *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

Section IV - State Award Findings and Questioned Costs

No findings and questioned costs related to the audit of federal awards aggregating \$25,000 or more were noted.

***DUPLIN COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2022***

There were no audit findings reported in the prior year.

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2022

Page 1 of 4

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	\$ 437,765
Cash Assistance:			
Supply Chain Assistance Funds	10.555	PRC 035	186,731
Healthy Meal Program	10.555	PRC 035	619,694
Seamless Summer Program	10.555	PRC 035	6,638,823
Summer Food Service Program for Children	10.559	PRC 035	536,030
Cash Assistance Subtotal			7,981,278
Total Child Nutrition Cluster			8,419,043
Total U.S. Department of Agriculture			8,419,043
<u>U.S. Department of the Treasury</u>			
Passed-through the N.C. Office of State Management and Budget:			
N.C. Pandemic Recovery Office:			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds			
Employee Bonuses	21.027	PRC 141	1,867,971
Total U.S Department of Treasury			1,867,971
<u>U.S. Department of Education</u>			
Office of Elementary and Secondary Education:			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050	3,408,239
Migrant Education	84.011	PRC 051	131,583
Supporting Effective Instruction	84.367	PRC 103	510,660
Language Acquisition Grant	84.365	PRC 104	168,171
Rural and Low Income Schools	84.358	PRC 109	136,040
Student Support and Academic Enrichment	84.424	PRC 108	347,523
Education for Homeless Children	84.196	PRC 026	5,794

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2022

Page 2 of 4

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Education Stabilization Fund:			
CARES Act:			
COVID-19 - K-12 Emergency Relief Fund - ESSER I	84.425D	PRC 163	1,912,651
COVID-19 - ESSER I - Digital Curricula	84.425D	PRC 165	49,682
COVID-19 - ESSER I - Learning Management System	84.425	PRC 166	18,590
COVID-19 - ESSER I - Exceptional Children Grants	84.425D	PRC 167	43,868
COVID-19 - GEER I - Specialized Instructional Support			
Personnel for COVID-19 Response	84.425C	PRC 169	166,482
COVID-19 - GEER I - Supplemental Instructional Services	84.425C	PRC 170	143,388
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	2,396,999
COVID-19 - CRRSA - ESSER II - School Nutrition	84.425D	PRC 174	59,918
COVID-19 - CRRSA - ESSER II - Learning Loss Funding	84.425D	PRC 176	30,125
COVID-19 - CRRSA - ESSER II - Summer Career			
Accelerator Program	84.425D	PRC 177	116,752
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	3,794,606
COVID-19 - ESSER III - Homeless	84.425W	PRC 183	258
COVID-19 - ARP - ESSER III - Identification and			
Location of Missing Students	84.425U	PRC 191	2,240
COVID-19 - ESSER III - Cyberbullying & Suicide Preventio	84.425U	PRC 192	95,583
COVID-19 - ESSER III - Gaggle Grants	84.425U	PRC 193	30,849
COVID-19 - ESSER III - Teacher Bonuses	84.425U	PRC 203	669,095
Total COVID-19 - Education Stabilization Fund	84.425		9,531,086
Office of Special Education and Rehabilitative Services:			
Passed-through the N.C. Department of Public Instruction:			
Individuals with Disabilities Education Act			
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	1,532,368
COVID-19 - ARP - Grants to States - IDEA, part B (611)	84.027	PRC 185	3,860
Special Needs Targeted Assistance	84.027	PRC 118	17,323
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	42,116
Preschool Targeted Assistance	84.173	PRC 119	3,414
Total Special Education Cluster			1,599,081
Title VI-B, Education of the Handicapped	84.323	PRC 082	12,437

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Fiscal Year Ended June 30, 2022

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<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	<u>202,481</u>
Total U.S. Department of Education			<u>16,053,095</u>
<u>U.S. Department of Health and Human Services</u>			
Direct Program:			
Headstart	93.600		1,749,314
Passed-through the N.C. Department of Public Instruction:			
Abstinence Education	93.235	PRC 101	<u>2,387</u>
Total U.S. Department of Health and Human Services			<u>1,751,701</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
ROTC	None		<u>162,354</u>
<u>Federal Communications Commission</u>			
Direct Program:			
COVID-19 - Emergency Connectivity Fund	32.009		<u>2,070,542</u>
Total Federal Assistance			<u>30,324,706</u>
State Grants:			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	66,156,510
Career and Technical Education:			
State Months of Employment		PRC 013	3,220,217
Program Support Funds		PRC 014	218,241
Driver Training		PRC 012	167,621
School Technology Fund		PRC 015	111,590
K-12 Athletic Facilities Grant		PRC 440	<u>121,302</u>
Passed-through Duplin County:			
Public School Capital Fund - Lottery		PRC 076	<u>363,162</u>
Cash assistance subtotal			70,358,643
Non-Cash Assistance:			
State Buses Appropriations		PRC 120	<u>558,271</u>
Total NC Department of Public Instruction			<u>70,916,914</u>

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<u>N.C. Department of Health and Human Services</u>			
Division of Child Development:			
NC Pre-Kindergarten Program		PRC 413	1,695,578
Passed-through the Duplin County Partnership for Children			
Smart Start		PRC 401	262,488
<u>N.C. Department of Cultural Resources</u>			
N.C. Arts Council Grant			18,264
Total NC Department of Health and Human Services			1,976,330
Total State Assistance			72,893,244
Total Federal and State Assistance			\$ 103,217,950

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

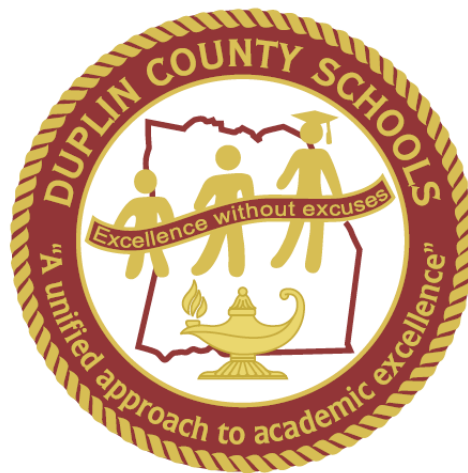
Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Duplin County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Duplin County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Duplin County Schools.

Note 2. Summary of Significant Accounting Policies

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

Duplin County Schools has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



**DUPLIN COUNTY BOARD OF EDUCATION
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