

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

*Annual Comprehensive Financial Statements  
For the Fiscal Year Ended  
June 30, 2021*

# **DUPLIN COUNTY BOARD OF EDUCATION**

**KENANSVILLE, NORTH CAROLINA**



**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR FISCAL YEAR ENDING JUNE 30, 2021**

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

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2021**

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



**DUPLIN COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

Letter of Transmittal .....	i
Board Members and Principal Officers .....	v
Organizational Chart .....	vi
Certificate of Excellence in Financial Reporting – ASBO .....	vii
Certificate of Achievement for Excellence in Financial Reporting – GFOA .....	viii

**FINANCIAL SECTION**

<b><u>Exhibit</u></b>	<b><u>Page No.</u></b>
Independent Auditors' Report .....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government – wide Financial Statements:	
1 Statement of Net Position .....	11
2 Statement of Activities.....	12
Fund Financial Statements:	
3 Balance Sheet – Governmental Funds .....	13
4 Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds.....	15
5 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities .....	16
6 Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund and Annually Budgeted Major Special Revenue Funds .....	17
7 Statement of Net Position – Proprietary Funds.....	21
8 Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	22
9 Statement of Cash Flows – Proprietary Funds .....	23
10 Statement of Fiduciary Net Position .....	25
11 Statement of Changes in Fiduciary Net Position .....	26
Notes to the Basic Financial Statements .....	27
Required Supplementary Information:	
Schedule of the Board's Proportionate Share of the Net Pension Liability – Teachers' and State Employees' Retirement System .....	55
Schedule of Board Contributions – Teachers' and State Employees' Retirement System .....	56
Schedule of the Board's Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund .....	57
Schedule of Board Contributions – Retiree Health Benefit Fund .....	58
Schedule of the Board's Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina .....	59
Schedule of Board Contributions – Disability Income Plan of North Carolina .....	60

**DUPLIN COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS (continued)**

---

Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund .....	61
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Individual Schools Fund .....	63
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – Capital Outlay Fund .....	64
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) School Food Service Fund .....	65
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP) Liberty Hall Fund .....	66

**STATISTICAL SECTION**

<b><u>Table</u></b>		<b><u>Page No.</u></b>
	Statistical Section (Unaudited) .....	67
1	Financial Perspective Governmental and Business-type Activities – Fiscal year ended June 30, 2021 .....	68
2	Net Position by Component .....	69
3	Changes in Net Position .....	71
4	Governmental Funds – Fund Balances .....	73
5	Governmental Funds – Changes in Fund Balances .....	74
6	Operational Expenditures Per Pupil – Expenditures by Function .....	76
7	Proprietary Fund – Food Services Operations – Revenues by Source .....	78
8	Proprietary Fund – Food Service Operations – Expenses by Category .....	80
9	Ratios of Outstanding Debt by Type .....	82
10	Direct and Overlapping Governmental Activities Debt .....	83
11	Average Daily Membership .....	84
12	Student Statistics .....	85
13	Full-Time Equivalent Governmental Employees by Function/Program .....	87
14	Instructional Personnel .....	88
15	School Building Data .....	89
	Duplin County, North Carolina	
16	Demographic Statistics .....	90
17	Principle Employers .....	91
18	Ratios of Outstanding Debt by Type .....	92
19	Principle Property Tax Payers .....	93
20	Property Tax Levies and Current Collections .....	94

**DUPLIN COUNTY BOARD OF EDUCATION**  
**TABLE OF CONTENTS (continued)**

---

<b><u>COMPLIANCE SECTION</u></b>	<b><u>Page No.</u></b>
Compliance Section:	
Report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with <i>Government Auditing Standards</i> .....	95
Report on compliance with requirements applicable to each major federal program and internal control over compliance; in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act .....	97
Report on compliance with requirements applicable to each major state program and internal control over compliance; in accordance with OMB Uniform Guidance and the State Single Audit Implementation Act .....	99
Schedule of findings and questioned costs .....	101
Summary schedule of prior audit findings .....	103
Schedule of expenditures of federal and State awards .....	104



## Introductory Section





**October 22, 2021**

**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, 2021, 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 2020-2021 fiscal year, the school system served students from 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 47 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 2019 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 \$1.27 billion. Duplin County is also recognized as an important agricultural producer nationally. The 2017 U.S. Census of Agriculture ranks Duplin County 19th of 3,077 U.S. counties in market value of agricultural products sold; with 92% of the value generated by livestock sales.

# Letter of Transmittal *(Continued)*

---

The Board of Education had an average daily membership (ADM) of 9,394 during the 2020-2021 school year compared to 9,634 during the 2019-2020 year, a decrease of 240 students. The State projected a slight increase for 2021-2022 with a projected ADM of 9,549 students, an increase of 155 students.

Poultry production continues to expand in Duplin County. Following a 2018 fire that destroyed the House of Raeford's Wallace plant, the company announced plans to partner with the county and the state to invest \$30 million in a new processing plant thereby retaining 600 existing jobs and creating 600 new jobs over the next two years.

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.
- 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 21<sup>st</sup> Century financial, business and technology systems.
- Provide safe and nurturing facilities for all PreK-13 students and staff.

Duplin County Schools is one of two school districts in the nation following a District-Wide Early College Approach to Seamless Education. Through a partnership with James Sprunt Community College, Duplin students are immersed in a college-going climate and culture beginning in Pre-Kindergarten. The goal for each child is college, career, and life success.

## **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.

# Letter of Transmittal *(Continued)*

---

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.

## **FINANCIAL REPORTING AWARDS**

For the fiscal year ended June 30, 2020, 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.

# Letter of Transmittal *(Continued)*

---

## **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, 2020 – JUNE 30, 2021**

**BOARD MEMBERS**

**BRENT DAVIS, CHAIR**

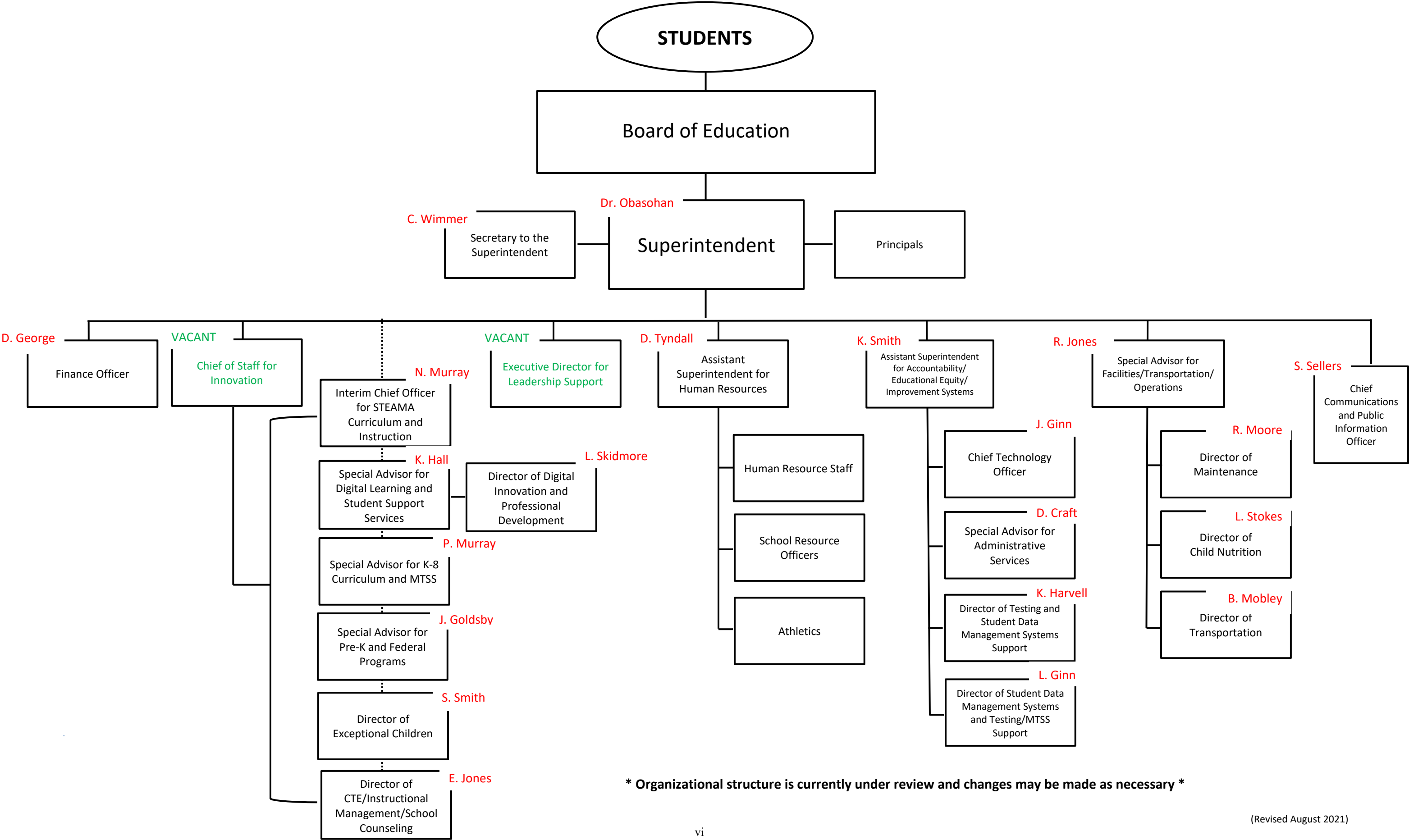
**REGINALD KENAN**

**DAVID JONES**

**PAMELA EDWARDS**

**CLAUDIUS MORRISEY**

DUPLIN COUNTY SCHOOLS  
2021-22 Organizational Chart





ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Duplin County Board of Education**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2020.**

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



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal  
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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*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 Financial Statements**

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, 2021 and the related notes to the basic financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

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, 2021, and the respective changes in financial position and cash flows, where applicable, 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.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3 through 10 and the Schedule of the Board's Proportionate Share of the Net Pension Liability, OPEB Liability and OPEB Asset and the Schedule of Board Contributions on pages 55 through 60, respectively, be presented to supplement the basic financial statements. Such information, 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 and Other 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 introductory section, individual nonmajor fund schedules, budgetary schedules and the statistical tables, as well as the accompanying schedule of expenditures of federal and State awards as required by the *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budgetary schedules and other schedules, as well as the accompanying schedule of expenditures of federal and State awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 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 other schedules, as well as the accompanying schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021 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, grant agreements and other matters. The purpose of that report is 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 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*

October 22, 2021  
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, 2021. This information should be read in conjunction with the audited financial statements included in this report.

### ***Financial Highlights***

- For the fiscal year ended June 30, 2021, the Board's total government-wide net position increased by \$4.7 million. Governmental activities net position increased by \$2.7 million, and business-type activities net position increased by \$2.1 million, or 75.3%.
- The Board experienced a decrease in student enrollment of 240 students from 9,634 students to 9,394 students.
- At year end, the Board's General fund reported fund balance of \$4.0 million an increase of \$539,000 compared to the prior year. The increase is a result of expenditure savings recognized by closing schools as a result of the Covid-19 pandemic.

### ***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.

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.

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

---

### **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 \$36.5 million as of June 30, 2021 as compared to liabilities and deferred inflows exceeding assets and deferred outflows by \$41.3 million as of June 30, 2020, an increase of \$4.7 million. The largest component of net position is net investment in capital assets of \$92.4 million, while restricted and unrestricted net position have a combined balance of negative \$128.9 million. Following is a summary of the Statement of Net Position as of June 30, 2021 and 2020:

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

**Table 1  
Condensed Statement of Net Position  
As of June 30, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Current assets	\$ 10,921,874	\$ 12,553,592	\$ 8,936,464	\$ 7,243,105	\$ 19,858,338	\$ 19,796,697
Capital assets	95,826,007	98,009,791	291,636	329,921	96,117,643	98,339,712
Total assets	106,747,881	110,563,383	9,228,100	7,573,026	115,975,981	118,136,409
Deferred outflows of resources	22,900,151	22,148,968	711,344	725,013	23,611,495	22,873,981
Current liabilities	5,078,083	5,697,475	86,037	90,025	5,164,120	5,787,500
Long-term liabilities	120,994,787	128,866,615	3,611,754	4,063,252	124,606,541	132,929,867
Total liabilities	126,072,870	134,564,090	3,697,791	4,153,277	129,770,661	138,717,367
Deferred inflows of resources	44,939,894	42,172,730	1,395,960	1,380,461	46,335,854	43,553,191
Net investment in						
capital assets	92,081,892	94,345,620	291,636	329,921	92,373,528	94,675,541
Restricted net position	3,836,589	5,864,661	8,606	11,098	3,845,195	5,875,759
Unrestricted net position (deficit)	(137,283,213)	(144,234,750)	4,545,451	2,423,282	(132,737,762)	(141,811,468)
Total net position (deficit)	\$ (41,364,732)	\$ (44,024,469)	\$ 4,845,693	\$ 2,764,301	\$ (36,519,039)	\$ (41,260,168)

The net position of the Board's governmental activities increased \$2.7 million during the year, from \$(44.0) million at June 30, 2020 to \$(41.4) million at June 30, 2021, indicating an improvement in the financial condition of the Board. Unrestricted net position increased by \$7.0 million as a result of a decrease in the OPEB liability of the Retirement Health Care Benefit plan. Restricted net position decreased \$2.0 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 \$2.3 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 \$2.1 million. This increase is the amount of net income generated by our school food service and Liberty Hall operations during the 2021 fiscal year, including \$1.2 million of investment income in the Liberty Hall fund. The net income generated by our school food service operations during the 2021 fiscal year, was primarily because of a decrease in expenses related to decreased meal participation as the Board provided significant virtual learning resulting in fewer meals being served at schools. The decrease in participation was offset by an increase in the reimbursement rate of the meals that were provided. The Board also recognized a net pension and OPEB benefit of \$422,000 in its salaries and benefits expenses related to a significant decrease in the Retirement Health Benefit OPEB liability. 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, 2021 and 2020**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Revenues:						
Program revenues:						
Charges for services	\$ 1,006,565	\$ 1,854,107	\$ 32,846	\$ 123,921	\$ 1,039,411	\$ 1,978,028
Operating grants and contributions	74,596,818	69,346,612	4,951,323	4,805,903	79,548,141	74,152,515
Capital grants and contributions	818,410	837,128	-	-	818,410	837,128
General revenues:						
County appropriations	9,837,499	9,762,068	-	-	9,837,499	9,762,068
State appropriations	6,546,691	5,782,733	-	-	6,546,691	5,782,733
Federal appropriations	2,566,821	1,226,272	-	-	2,566,821	1,226,272
Other revenues	1,348,483	3,878,486	1,185,606	333,022	2,534,089	4,211,508
Total revenues	96,721,287	92,687,406	6,169,775	5,262,846	102,891,062	97,950,252
Expenses:						
Governmental activities:						
Instructional services	72,998,962	72,179,169	-	-	72,998,962	72,179,169
System-wide support services	20,171,765	17,488,847	-	-	20,171,765	17,488,847
Ancillary services	538,555	12,548	-	-	538,555	12,548
Payments to other governments	32,751	23,187	-	-	32,751	23,187
Interest on long-term debt	59,903	67,344	-	-	59,903	67,344
Unallocated depreciation	198,123	215,431	-	-	198,123	215,431
Business-type activities:						
School food service	-	-	4,005,076	5,212,462	4,005,076	5,212,462
Liberty Hall	-	-	144,798	184,446	144,798	184,446
Total expenses	94,000,059	89,986,526	4,149,874	5,396,908	98,149,933	95,383,434
Excess (deficiency) before transfers	2,721,228	2,700,880	2,019,901	(134,062)	4,741,129	2,566,818
Transfers in (out)	(61,491)	(56,605)	61,491	56,605	-	-
Increase (decrease) in net position	2,659,737	2,644,275	2,081,392	(77,457)	4,741,129	2,566,818
Beginning net position (deficit)	(44,024,469)	(46,668,744)	2,764,301	2,841,758	(41,260,168)	(43,826,986)
Ending net position (deficit)	\$ (41,364,732)	\$ (44,024,469)	\$ 4,845,693	\$ 2,764,301	\$ (36,519,039)	\$ (41,260,168)

Total governmental activities generated revenues of \$96.7 million while expenses in this category totaled \$94.0 million for the year ended June 30, 2021, resulting in an increase in net position of \$2.7 million (including transfers out to business-type activities of \$61,000). Comparatively, revenues were \$92.7 million, expenses totaled \$90.0 million and transfers out were \$57,000 for the year ended June 30, 2020, resulting in an increase in net position of \$2.6 million. In comparing the two years, revenues and expenses increased by \$4.0 million. The overall increase in revenues and expenses is attributable to the Education Stabilization and the Coronavirus Relief funds received and used in the current year. The Board also recognized a decrease in pension and OPEB expense of \$2.3 million, partially offset by a \$1.5



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

---

million increase in Hurricane Florence remediation expenses as the Board continues to make all the necessary repairs to the buildings affected by flooding.

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 71.7%, 10.1% and 14.2% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 74.4% of our total expenses during the most recent fiscal year. Of the remaining 25.6% of our total expenses, 20.6% was attributable to system-wide support services.

Our business-type activities generated revenues of \$6.2 million, while expenses in this category totaled \$4.1 million for the year ended June 30, 2021. For the year, net position increased by 2.1 million (including transfers in of \$61,000). Comparatively, revenues were \$5.3 million, expenses totaled \$5.4 million and transfers in were \$57,000 for the year ended June 30, 2020, resulting in a decrease in net position of \$77,000. In comparing the two years, the year-over-year increase in profitability of \$2.2 million is primarily attributable to \$1.2 million of investment income in the Liberty Hall investment account. There was also a decrease in participation due to school being virtual most of the year and meals being picked up or delivered because of the pandemic, this decrease in participation resulted in decreases in salaries and cost of food along with a higher reimbursement rate helped the School Food Service fund increase net position by \$955,000. There was also a decrease in pension and OPEB expense which attributed to profitability. In comparing the two years, revenues increased by \$907,000 while expenses decreased by \$1.2 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.

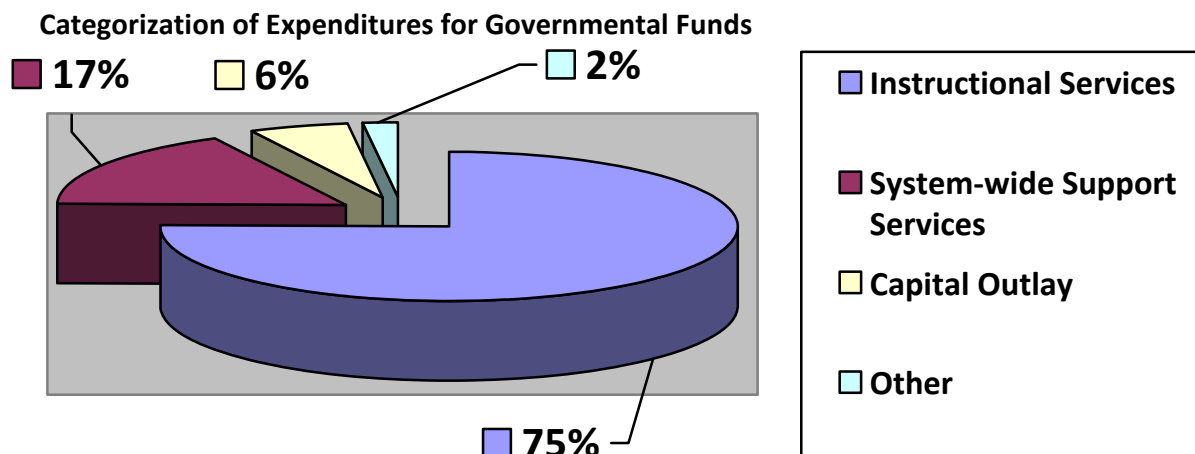
The Board's governmental funds reported a combined fund balance of \$8.5 million at June 30, 2021, a decrease of \$1.2 million from the \$9.7 million reported at June 30, 2020. The Board's General, Individual Schools and Capital Outlay funds reported revenues over expenditures for the year ended June 30, 2021 of \$539,000, \$82,000 and \$105,000, respectively. The Board's Other Special Revenue fund reported a decrease in fund balance of \$1.9 million 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 \$3.7 million, or 4.0%, from the prior year while expenditures increased by \$9.4 million, or 10.5%. The increase in revenues is primarily due to Covid-19 Education Stabilization funds and Coronavirus Relief funds received to offset the costs of providing virtual and in person instructional services during the pandemic. The Board's Other Special Revenue Fund experienced an increase in expenditures totaling \$1.2 million because of the expenditures the Board incurred from hurricane Florence repairs that are still ongoing. The Capital Outlay fund experienced an increase in expenditures of \$1.6 million due to the acquisition of 13 NC Department of Public Instruction yellow school buses and expenditures funded by lottery proceeds for several capital projects.

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, 2021 to 2020, the State Public School Fund reported an increase in revenues (and expenditures) of \$4.2 million, or 6.5%, the Federal Grants Fund reported an increase of \$3.1 million, or 48.6%. These changes are the result of increases in State funding to cover State mandated salary and benefits increases and a change in the utilization of State and Federal funding across the various programs as a result of the receipt of Coronavirus Relief 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 \$2.1 million for the fiscal year ended June 30, 2021 compared to a decrease of \$77,000 for the same 2020 period. As previously discussed, the year-over-year improvement in profitability of \$2.2 million is primarily attributable to investment income in the Liberty Hall fund and an increase in federal reimbursement rates in the School Food Service Fund as well as a decrease in pension and OPEB expenses.

### **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 \$9.7 million. During the fiscal year ended June 30, 2021, 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 \$539,000 of fund balance.

For the year, the Board's General Fund reported an increase in fund balance of \$539,000 compared to an increase of \$817,000 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 \$96.1 million at June 30, 2021 compared to \$98.3 million at June 30, 2020, a decrease of 2.3%. 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.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2021 and 2020:

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

---

**Table 3**  
**Summary of Capital Assets**  
**As of June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	6/30/21	6/30/20	6/30/21	6/30/20	6/30/21	6/30/20
Land	\$ 2,301,154	\$ 2,301,154	\$ 24,000	\$ 24,000	\$ 2,325,154	\$ 2,325,154
Buildings	76,050,681	77,966,783	129,849	142,834	76,180,530	78,109,617
Equipment and furniture	1,220,652	1,291,161	137,787	163,087	1,358,439	1,454,248
Vehicles	7,667,810	6,797,144	-	-	7,667,810	6,797,144
Improvements	8,585,710	9,653,549	-	-	8,585,710	9,653,549
Total	<u>\$ 95,826,007</u>	<u>\$ 98,009,791</u>	<u>\$ 291,636</u>	<u>\$ 329,921</u>	<u>\$ 96,117,643</u>	<u>\$ 98,339,712</u>

**Debt Outstanding**

During the year, the Board's long-term debt increased by \$80,000 from \$3.7 million at June 30, 2020 to \$3.7 million at June 30, 2021. 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, 2021, Duplin County experienced an unemployment rate of approximately 4.6% as compared to an unemployment rate of approximately 5.4% at June 30, 2020. The June 30, 2021 State of N.C. and national unemployment rates were both 4.9% and 5.9%, respectively.
- Property taxes are a major source of revenue for the County. The fiscal year 2021 tax rate is \$0.81 per \$100 valuation. Collection rates vary but are typically in the 94-96% range.

**Impact of Coronavirus on School**

During the fiscal year, the state and nation continued to be affected by the spread of a coronavirus (COVID-19). Educational services were provided to students remotely, within the traditional classroom environment or a hybrid method incorporating on-site instruction and remote learning. The Board incurred additional expenses as a result of COVID-19 including: purchase of personal protective equipment and remote learning educational tools. In addition, the Board received grants from the federal government to assist with these additional expenses incurred due to COVID-19.

**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 Officer for School Finance  
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, 2021**

**Exhibit 1**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and cash equivalents	\$ 8,421,637	\$ 2,399,053	\$ 10,820,690
Investments	-	6,109,885	6,109,885
Due from other governments	1,972,109	333,621	2,305,730
Receivables	58,233	7,847	66,080
Net OPEB asset	136,256	4,232	140,488
Inventories	101,567	81,826	183,393
Prepaid expenses	232,072	-	232,072
Capital assets:			
Land	2,301,154	24,000	2,325,154
Other capital assets, net of depreciation	93,524,853	267,636	93,792,489
Total capital assets	<u>95,826,007</u>	<u>291,636</u>	<u>96,117,643</u>
Total assets	<u>106,747,881</u>	<u>9,228,100</u>	<u>115,975,981</u>
<b>Deferred Outflows of Resources</b>	<u>22,900,151</u>	<u>711,344</u>	<u>23,611,495</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	490,152	-	490,152
Accrued salaries and wages payable	1,784,159	31,825	1,815,984
Unearned revenue	-	7,954	7,954
Long-term liabilities:			
Due within one year	2,803,772	46,258	2,850,030
Due in more than one year	5,941,980	37,888	5,979,868
Net pension liability	38,227,640	1,187,459	39,415,099
Net OPEB liability	<u>76,825,167</u>	<u>2,386,407</u>	<u>79,211,574</u>
Total liabilities	<u>126,072,870</u>	<u>3,697,791</u>	<u>129,770,661</u>
<b>Deferred Inflows of Resources</b>	<u>44,939,894</u>	<u>1,395,960</u>	<u>46,335,854</u>
<b>Net position</b>			
Net investment in capital assets	92,081,892	291,636	92,373,528
Restricted for:			
Stabilization by State statute	8,233	-	8,233
School capital outlay	886,197	-	886,197
Hurricane relief	1,597,517	-	1,597,517
Individual schools activities	1,067,585	-	1,067,585
DIPNC OPEB plan	277,057	8,606	285,663
Unrestricted	<u>(137,283,213)</u>	<u>4,545,451</u>	<u>(132,737,762)</u>
Total net position (deficit)	<u>\$ (41,364,732)</u>	<u>\$ 4,845,693</u>	<u>\$ (36,519,039)</u>

*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, 2021**

**Exhibit 2**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		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	\$ 42,244,190	\$ -	\$ 39,241,538	\$ -	\$ (3,002,652)	\$ -	\$ (3,002,652)
Special populations	8,430,945	-	9,758,255	-	1,327,310	-	1,327,310
Alternative programs	9,814,041	-	8,516,915	-	(1,297,126)	-	(1,297,126)
School leadership	4,517,479	-	3,514,899	-	(1,002,580)	-	(1,002,580)
Co-curricular	1,267,762	795,691	-	-	(472,071)	-	(472,071)
School-based support	6,724,545	-	5,684,453	-	(1,040,092)	-	(1,040,092)
System-wide support services:							
Support and development	1,125,013	-	565,088	-	(559,925)	-	(559,925)
Special population support and development	141,953	-	153,259	-	11,306	-	11,306
Alternative programs and services support and development	200,430	-	181,945	-	(18,485)	-	(18,485)
Technology support	1,073,607	-	68,806	-	(1,004,801)	-	(1,004,801)
Operational support	15,587,141	210,874	5,479,877	818,410	(9,077,980)	-	(9,077,980)
Financial and human resource services	1,083,595	-	415,563	-	(668,032)	-	(668,032)
Accountability	115,516	-	17,330	-	(98,186)	-	(98,186)
System-wide pupil support	96,498	-	-	-	(96,498)	-	(96,498)
Policy, leadership and public relations	748,012	-	300,344	-	(447,668)	-	(447,668)
Ancillary services	538,555	-	534,180	-	(4,375)	-	(4,375)
Payments to other governments	32,751	-	164,366	-	131,615	-	131,615
Interest on long-term debt	59,903	-	-	-	(59,903)	-	(59,903)
Unallocated depreciation expense**	198,123	-	-	-	(198,123)	-	(198,123)
Total governmental activities	94,000,059	1,006,565	74,596,818	818,410	(17,578,266)	-	(17,578,266)
Business-type activities:							
School food service	4,005,076	30,768	4,865,323	-	-	891,015	891,015
Liberty Hall	144,798	2,078	86,000	-	-	(56,720)	(56,720)
Total business-type activities	4,149,874	32,846	4,951,323	-	-	834,295	834,295
Total primary government	\$ 98,149,933	\$ 1,039,411	\$ 79,548,141	\$ 818,410	(17,578,266)	834,295	(16,743,971)
General revenues:							
Unrestricted county appropriations - operating					8,968,900	-	8,968,900
Unrestricted county appropriations - capital					868,599	-	868,599
Unrestricted State appropriations - operating					5,837,036	-	5,837,036
Unrestricted State appropriation - capital					709,655	-	709,655
Unrestricted Federal appropriation - capital					2,566,821	-	2,566,821
Investment earnings, unrestricted					5	1,176,726	1,176,731
Miscellaneous, unrestricted					1,348,478	8,880	1,357,358
Transfers					(61,491)	61,491	-
Total general revenues and transfers					20,238,003	1,247,097	21,485,100
Change in net position					2,659,737	2,081,392	4,741,129
Net position (deficit) - beginning					(44,024,469)	2,764,301	(41,260,168)
Net position (deficit) - ending					\$ (41,364,732)	\$ 4,845,693	\$ (36,519,039)

\*\*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, 2021**

**Exhibit 3**

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Individual Schools	Capital Outlay	
<b>Assets</b>							
Cash and cash equivalents	\$ 3,994,142	\$ -	\$ -	\$ 2,557,977	\$ 1,017,585	\$ 851,933	\$ 8,421,637
Due from other governments	-	1,644,554	92,850	176,976	-	57,729	1,972,109
Accounts receivable	8,233	-	-	-	50,000	-	58,233
Inventories	101,567	-	-	-	-	-	101,567
Prepaid expenditures	232,072	-	-	-	-	-	232,072
Total assets	<u>\$ 4,336,014</u>	<u>\$ 1,644,554</u>	<u>\$ 92,850</u>	<u>\$ 2,734,953</u>	<u>\$ 1,067,585</u>	<u>\$ 909,662</u>	<u>\$ 10,785,618</u>
<b>Liabilities and fund balances</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ 361,097	\$ -	\$ -	\$ 105,590	\$ -	\$ 23,465	\$ 490,152
Accrued salaries and wages payable	-	1,644,554	92,850	46,755	-	-	1,784,159
Total liabilities	<u>361,097</u>	<u>1,644,554</u>	<u>92,850</u>	<u>152,345</u>	<u>-</u>	<u>23,465</u>	<u>2,274,311</u>
Fund balances:							
Nonspendable:							
Inventories	101,567	-	-	-	-	-	101,567
Prepaid expenditures	232,072	-	-	-	-	-	232,072
Restricted:							
Stabilization by State statute	8,233	-	-	-	-	-	8,233
School capital outlay	-	-	-	-	-	886,197	886,197
Hurricane relief	-	-	-	1,597,517	-	-	1,597,517
Individual schools	-	-	-	-	1,067,585	-	1,067,585
Assigned:							
Special revenues	-	-	-	985,091	-	-	985,091
Unassigned	3,633,045	-	-	-	-	-	3,633,045
Total fund balances	<u>3,974,917</u>	<u>-</u>	<u>-</u>	<u>2,582,608</u>	<u>1,067,585</u>	<u>886,197</u>	<u>8,511,307</u>
Total liabilities and fund balances	<u>\$ 4,336,014</u>	<u>\$ 1,644,554</u>	<u>\$ 92,850</u>	<u>\$ 2,734,953</u>	<u>\$ 1,067,585</u>	<u>\$ 909,662</u>	<u>\$ 10,785,618</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, 2021**

**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)	8,511,307
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	95,826,007
Net OPEB asset	136,256
Deferred outflows of resources related to pensions	15,051,084
Deferred outflows of resources related to OPEB	7,849,067
Some liabilities, including those for compensated absences and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(8,745,752)
Net pension liability	(38,227,640)
Net OPEB liability	(76,825,167)
Deferred inflows of resources related to pensions	(1,092,465)
Deferred inflows of resources related to OPEB	<u>(43,847,429)</u>
Net position (deficit) of governmental activities	<u>\$ (41,364,732)</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, 2021**

**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	\$ -	\$ 66,300,974	\$ -	\$ 1,909,924	\$ -	\$ 1,528,065	\$ 69,738,963
Duplin County							
Local current expense	8,968,900	-	-	-	-	-	8,968,900
Other	-	-	-	-	-	868,599	868,599
U.S. Government	-	2,725,216	9,364,630	1,676,915	-	-	13,766,761
Other	497,132	-	-	2,649,607	795,691	-	3,942,430
Total revenues	9,466,032	69,026,190	9,364,630	6,236,446	795,691	2,396,664	97,285,653
Expenditures:							
Current:							
Instructional services:							
Regular instructional	306,758	39,867,105	1,327,207	646,212	-	-	42,147,282
Special populations	5,580	7,344,045	1,602,708	155,259	-	-	9,107,592
Alternative programs	140,876	2,776,896	4,848,676	2,581,384	-	-	10,347,832
School leadership	68,994	4,759,502	-	96,307	-	-	4,924,803
Co-curricular	572,690	-	-	18,215	713,878	-	1,304,783
School-based support	253,988	6,289,207	387,224	253,964	-	-	7,184,383
System-wide support services:							
Support and development	304,848	826,761	130	76,498	-	-	1,208,237
Special population support and development	-	47,098	106,161	1,018	-	-	154,277
Alternative programs and services							
support and development	19,075	21,824	160,121	14,900	-	-	215,920
Technology support	432,999	456,906	6,839	222,913	-	-	1,119,657
Operational support	5,540,839	4,719,660	698,726	1,107,325	-	-	12,066,550
Financial and human resource services	237,069	931,786	61,113	68,902	-	-	1,298,870
Accountability	107,375	17,330	-	-	-	-	124,705
System-wide pupil support	105,751	-	-	-	-	-	105,751
Policy, leadership and public relations	422,463	373,758	-	1,280	-	-	797,501
Ancillary services	4,375	532,821	1,359	-	-	-	538,555
Non-programmed charges	32,751	-	164,366	-	-	-	197,117
Debt service:							
Principal retirement	339,935	-	-	-	-	818,410	1,158,345
Interest and fees	59,903	-	-	-	-	-	59,903
Capital outlay	-	-	-	2,566,821	-	3,018,213	5,585,034
Total expenditures	8,956,269	68,964,699	9,364,630	7,810,998	713,878	3,836,623	99,647,097
Revenues over (under) expenditures	509,763	61,491	-	(1,574,552)	81,813	(1,439,959)	(2,361,444)
Other financing sources (uses):							
Transfers to other funds	-	(61,491)	-	(307,080)	-	307,080	(61,491)
Installment purchase obligations issued	-	-	-	-	-	1,238,289	1,238,289
Total other financing sources (uses)	-	(61,491)	-	(307,080)	-	1,545,369	1,176,798
Net change in fund balance	509,763	-	-	(1,881,632)	81,813	105,410	(1,184,646)
Fund balances:							
Beginning of year	3,435,766	-	-	4,464,240	985,772	780,787	9,666,565
Increase in reserve for inventories	29,388	-	-	-	-	-	29,388
End of year	\$ 3,974,917	\$ -	\$ -	\$ 2,582,608	\$ 1,067,585	\$ 886,197	\$ 8,511,307

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, 2021**

---

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

Net changes in fund balances - total governmental funds	\$ (1,184,646)
---	----------------

Change in fund balance due to change in reserve for inventory	29,388
---	--------

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.

	(1,896,504)
--	-------------

Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	7,421,523
--	-----------

Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	3,459,695
--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

OPEB nonemployer contributions	1,316,013
Loss on disposal of capital assets	(287,280)

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.

	(79,944)
--	----------

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	(10,435,788)
OPEB (expense) benefit	4,129,773
Compensated absences	<u>187,507</u>

Total changes in net position of governmental activities	<u>\$ 2,659,737</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, 2021**

**Exhibit 6**

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Duplin County	9,042,792	8,968,900	8,968,900	-
U.S. Government	-	-	-	-
Other	<u>712,313</u>	<u>740,562</u>	<u>497,132</u>	<u>(243,430)</u>
Total revenues	<u>9,755,105</u>	<u>9,709,462</u>	<u>9,466,032</u>	<u>(243,430)</u>
Expenditures:				
Current:				
Instructional services	1,959,667	1,940,405	1,348,886	591,519
System-wide support services	7,359,768	7,330,529	7,170,419	160,110
Ancillary services	5,832	5,832	4,375	1,457
Non-programmed charges	<u>30,000</u>	<u>32,858</u>	<u>32,751</u>	<u>107</u>
Debt service				
Principal retirement	339,935	339,935	339,935	-
Interest and fees	<u>59,903</u>	<u>59,903</u>	<u>59,903</u>	<u>-</u>
	<u>399,838</u>	<u>399,838</u>	<u>399,838</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>9,755,105</u>	<u>9,709,462</u>	<u>8,956,269</u>	<u>753,193</u>
Revenues over (under) expenditures	-	-	509,763	509,763
Other financing uses:				
Transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other uses	-	-	509,763	509,763
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	509,763	<u>\$ 509,763</u>
Fund balances:				
Beginning of year			3,435,766	
Increase (decrease) in reserve for inventories			<u>29,388</u>	
End of year			<u>\$ 3,974,917</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, 2021**

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ 67,493,638	\$ 68,091,503	\$ 66,300,974	\$ (1,790,529)
Duplin County	-	-	-	-
U.S. Government	-	2,725,216	2,725,216	-
Other	-	-	-	-
Total revenues	67,493,638	70,816,719	69,026,190	(1,790,529)
Expenditures:				
Current:				
Instructional services	59,913,195	62,720,031	61,036,755	1,683,276
System-wide support services	7,548,144	7,501,525	7,395,123	106,402
Ancillary services	-	532,821	532,821	-
Non-programmed charges	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	67,461,339	70,754,377	68,964,699	1,789,678
Revenues over (under) expenditures	32,299	62,342	61,491	(851)
Other financing uses:				
Transfers to other funds	(32,299)	(62,342)	(61,491)	851
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, 2021**

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Duplin County	-	-	-	-
U.S. Government	50,653,263	51,285,954	9,364,630	(41,921,324)
Other	-	-	-	-
Total revenues	50,653,263	51,285,954	9,364,630	(41,921,324)
Expenditures:				
Current:				
Instructional services	17,442,611	17,491,946	8,165,815	9,326,131
System-wide support services	24,639,977	24,380,519	1,033,090	23,347,429
Ancillary services	-	838,522	1,359	837,163
Non-programmed charges	8,570,675	8,574,967	164,366	8,410,601
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	50,653,263	51,285,954	9,364,630	41,921,324
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, 2021**

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	\$ -	\$ 1,975,546	\$ 1,909,924	\$ (65,622)
Duplin County	-	-	-	-
U.S. Government	72,932	2,386,006	1,676,915	(709,091)
Other	<u>639,251</u>	<u>2,208,338</u>	<u>2,649,607</u>	<u>441,269</u>
Total revenues	<u>712,183</u>	<u>6,569,890</u>	<u>6,236,446</u>	<u>(333,444)</u>
Expenditures:				
Current:				
Instructional services	612,897	4,496,070	3,751,341	744,729
System-wide support services	99,286	1,999,040	1,492,836	506,204
Ancillary services	-	-	-	-
Non-programmed charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service				
Principal retirement	-	-	-	-
Interest and fees	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay	<u>-</u>	<u>4,167,798</u>	<u>2,566,821</u>	<u>1,600,977</u>
Total expenditures	<u>712,183</u>	<u>10,662,908</u>	<u>7,810,998</u>	<u>1,250,933</u>
Revenues over (under) expenditures	-	(4,093,018)	(1,574,552)	2,518,466
Other financing uses:				
Transfers to other funds	<u>-</u>	<u>(307,080)</u>	<u>(307,080)</u>	<u>851</u>
Revenues over (under) expenditures and other uses	-	-	-	-
Fund balance appropriated	<u>-</u>	<u>4,400,098</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(1,881,632)	<u>\$ (1,881,632)</u>
Fund balances:				
Beginning of year			4,464,240	
Increase (decrease) in reserve for inventories			<u>-</u>	
End of year			<u>\$ 2,582,608</u>	

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, 2021**

**Exhibit 7**

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall	Totals
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 2,356,746	\$ 42,307	\$ 2,399,053
Investments	-	6,109,885	6,109,885
Due from other governments	333,621	-	333,621
Receivables	7,847	-	7,847
Net OPEB asset	4,232	-	4,232
Inventories	81,826	-	81,826
Total current assets	<u>2,784,272</u>	<u>6,152,192</u>	<u>8,936,464</u>
Noncurrent assets:			
Capital assets:			
Land	-	24,000	24,000
Furniture and equipment, net	137,787	129,849	267,636
Total capital assets	<u>137,787</u>	<u>153,849</u>	<u>291,636</u>
Total assets	<u>2,922,059</u>	<u>6,306,041</u>	<u>9,228,100</u>
<b>Deferred Outflows of Resources</b>	<u>711,344</u>	<u>-</u>	<u>711,344</u>
<b>Liabilities</b>			
Current liabilities:			
Accrued salaries and wages payable	31,825	-	31,825
Compensated absences	46,258	-	46,258
Unearned revenue	7,954	-	7,954
Total current liabilities	<u>86,037</u>	<u>-</u>	<u>86,037</u>
Noncurrent liabilities:			
Net pension liability	1,187,459	-	1,187,459
Net OPEB liability	2,386,407	-	2,386,407
Compensated absences	37,888	-	37,888
Total noncurrent liabilities	<u>3,611,754</u>	<u>-</u>	<u>3,611,754</u>
Total liabilities	<u>3,697,791</u>	<u>-</u>	<u>3,697,791</u>
<b>Deferred Inflows of Resources</b>	<u>1,395,960</u>	<u>-</u>	<u>1,395,960</u>
<b>Net position</b>			
Investment in capital assets	137,787	153,849	291,636
Restricted for DIPNC OPEB plan	8,606	-	8,606
Unrestricted	(1,606,741)	6,152,192	4,545,451
Total net position (deficit)	<u>\$ (1,460,348)</u>	<u>\$ 6,306,041</u>	<u>\$ 4,845,693</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, 2021**

**Exhibit 8**

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall	Totals
Operating revenues:			
Food sales	\$ 30,768	\$ -	\$ 30,768
Other	-	2,078	2,078
Total operating revenues	30,768	2,078	32,846
Operating expenses:			
Food cost:			
Purchase of food	1,201,251	-	1,201,251
Donated commodities	375,813	-	375,813
Salaries and benefits	1,943,457	55,117	1,998,574
Indirect costs	400,000	-	400,000
Materials and supplies	15,132	-	15,132
Repairs and maintenance	22,433	26,443	48,876
Depreciation	25,300	12,985	38,285
Non-capitalized equipment	4,074	-	4,074
Contracted services	8,010	2,150	10,160
Scholarships and donations	-	16,500	16,500
Other	9,606	31,603	41,209
Total operating expenses	4,005,076	144,798	4,149,874
Operating loss	(3,974,308)	(142,720)	(4,117,028)
Nonoperating revenues:			
Federal reimbursements	4,489,510	-	4,489,510
Federal commodities	375,813	-	375,813
Investment income, net	1,526	1,175,200	1,176,726
Contributions and donations	-	86,000	86,000
Other	810	8,070	8,880
Total nonoperating revenues	4,867,659	1,269,270	6,136,929
Income before transfers	893,351	1,126,550	2,019,901
Transfers from other funds	61,491	-	61,491
Change in net position	954,842	1,126,550	2,081,392
Net position (deficit), beginning of year	(2,415,190)	5,179,491	2,764,301
Net position, end of year (deficit)	\$ (1,460,348)	\$ 6,306,041	\$ 4,845,693

*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, 2021**

**Exhibit 9**

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall Fund	Totals
Cash flows from operating activities:			
Cash received from customers	\$ 21,172	\$ 2,078	\$ 23,250
Cash paid for goods and services	(1,688,199)	(76,696)	(1,764,895)
Cash paid to employees for services	(2,296,894)	(55,117)	(2,352,011)
Net cash used by operating activities	(3,963,921)	(129,735)	(4,093,656)
Cash flows from noncapital financing activities:			
Federal and State reimbursements	4,216,928	-	4,216,928
Contributions and donations	-	86,000	86,000
Other noncapital activities	810	8,070	8,880
Net cash provided by noncapital financing activities	4,217,738	94,070	4,311,808
Cash flows from investing activities:			
Interest income	1,526	-	1,526
Net cash provided by investing activities	1,526	-	1,526
Net increase (decrease) in cash and cash equivalents	255,343	(35,665)	219,678
Cash and cash equivalents, beginning of year	2,101,403	77,972	2,179,375
Cash and cash equivalents, end of year	\$ 2,356,746	\$ 42,307	\$ 2,399,053
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	\$ (3,974,308)	\$ (142,720)	\$ (4,117,028)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	25,300	12,985	38,285
Donated commodities	375,813	-	375,813
Salaries paid by other funds	61,491	-	61,491
Changes in assets and liabilities:			
Increase in accounts receivable	(7,847)	-	(7,847)
Increase in inventories	(17,857)	-	(17,857)
Increase in OPEB asset	(195)	-	(195)

*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, 2021**

**Exhibit 9 (continued)**

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall Fund	Totals
Decrease in accounts payable and accrued liabilities	(9,836)	-	(9,836)
Increase in accrued salaries and wages payable	7,007	-	7,007
Decrease in unearned revenue	(1,749)	-	(1,749)
Increase in pension liability	90,293	-	90,293
Decrease in OPEB liability	(540,919)	-	(540,919)
Decrease in deferred outflow	13,669	-	13,669
Increase in deferred inflow	15,499	-	15,499
Decrease in compensated absences payable	(282)	-	(282)
Total adjustments	10,387	12,985	23,372
Net cash used by operating activities	\$ (3,963,921)	\$ (129,735)	\$ (4,093,656)

**NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:**

The School Food Service Fund received donated commodities with a value of \$375,813 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 \$61,491 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 an increase in the fair value of investments net of fees of \$1,175,200 during the year. This increase 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, 2021**

---

**Exhibit 10**

	Private Purpose Trust Fund Dickson Loan Fund
<b>Assets</b>	
Cash and cash equivalents	\$ <u>87,512</u>
<b>Net position</b>	
Assets held in trust for private purpose	\$ <u><u>87,512</u></u>

*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, 2021**

---

**Exhibit 11**

	Private Purpose Trust Fund Dickson Loan Fund
<b>Additions:</b>	
Interest income	\$ 338
<b>Change in net position</b>	338
Beginning net position	87,174
<b>Ending net position</b>	<u>\$ 87,512</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, 2021**

---

**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, 2021**

---

*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 capital leases 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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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



**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has two items that meet this criterion - 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 position 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, 2021 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.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 \$(49,876,039) 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 on government-wide statement in governmental activities column)	\$ 166,381,321
Less accumulated depreciation	<u>(70,555,314)</u>
Net capital assets	95,826,007
Net OPEB asset	136,256
Deferred outflows of resources related to pensions	15,051,084
Deferred outflows of resources related to OPEB	7,849,067
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	(3,744,115)
Compensated absences	(5,001,637)
Net pension liability	(38,227,640)
Net OPEB liability	(76,825,167)
Deferred inflows of resources related to pensions	(1,092,465)
Deferred inflows of resources related to OPEB	<u>(43,847,429)</u>
Total adjustment	<u>\$ (49,876,039)</u>

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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 \$3,844,383 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,406,540
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	(4,303,044)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(1,238,289)
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	1,158,345
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	7,421,523
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	3,459,695
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	1,316,013
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	(10,435,788)
OPEB (expense) benefit	4,129,773
Loss on disposal of asset	(287,280)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	187,507
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	29,388
Total adjustment	<u>\$ 3,844,383</u>

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

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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.

**13. Adoption of New Accounting Standard**

The Board adopted Governmental Accounting Standards Board statement (GASBS) No. 84, *Fiduciary Activities*, in the fiscal year ending June 30, 2021. GASBS No. 84, *Fiduciary Activities*, as amended, establishes general criteria for determining when a governmental unit has a fiduciary role for managing certain types of assets. With the implementation of GASBS No. 84, agency funds are now referred to as custodial funds. The adoption did not have a material impact on the net position of the Board's fiduciary funds.

**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, 2021, the Board had deposits with banks and savings and loans with a carrying amount of \$10,343,068 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$10,391,695 and \$176,781, respectively. Of these balances, \$1,068,424 was covered by federal depository insurance and \$9,500,052 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

**2. Investments**

At June 30, 2021, the Board had \$565,134 invested with the State Treasurer in the Short Term Investment Fund and \$6,109,885 invested in equities and bonds in the Sarah Graham Kenan Endowment Fund.

**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, 2021. The Board's investments in corporate bonds have an average weighted yield of 2.76%.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 1 equity security or corporate bond which exceeds 5% of the total portfolio value, Microsoft stock represents 7.3% of the portfolio value. The Board has 1 mutual fund, the Neuberger Berman High Income Bond Fund which exceeds 5% of the total portfolio, investment in this mutual fund makes up 5.4% of the total 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, 2021, 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>		
PWM Fiduciary Master Deposit Account	\$ 318,244	\$ 318,244
<u>Equities:</u>		
AbbVie Inc	97,321	28,198
American Depository Receipt	45,622	64,422
American Electric Power Inc.	42,380	35,846
Amgen Inc.	100,425	24,824
Apple, Inc.	293,642	10,085
AT&T Inc.	39,342	47,595
Blackrock Inc	199,493	57,221
Broadcom Inc.	72,003	35,450
Cardinal Health Inc.	10,790	8,696
Caterpillar Inc.	39,826	21,155
Chevron Corp.	37,916	26,827
CISCO Systems, Inc.	61,798	31,860
CME Group Inc.	76,565	62,181
CMS Energy Corp.	98,132	54,371
Comcast Corp.	46,756	27,544
Corning Inc.	36,442	16,206

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

	Fair Value	Cost
<u>Equities (continued):</u>		
Corteva Inc.	37,875	24,616
Crown Castle International Corp.	53,653	39,053
Digital Realty Trust Inc.	41,377	36,769
Dow Inc.	54,041	38,031
Dupont De Nemours Inc.	66,108	54,482
Eaton Corp.	62,236	29,681
Emerson Elec Co.	59,765	28,457
Home Depot Inc.	212,381	55,086
Honeywell International Inc.	25,883	15,077
Intel Corp	135,241	57,792
International Paper Co.	44,205	34,603
J.P. Morgan Chase and Co.	200,336	52,770
Johnson & Johnson	123,555	64,050
KLA Corp.	157,242	29,708
Merck & Co.	89,358	39,434
Microsoft Corp.	444,547	60,183
Nextera Energy Inc.	270,550	78,050
Novarts AG American Depository	53,740	48,828
Organon & Co.	3,450	1,923
PepsiCo, Inc.	108,609	53,132
Pfizer Inc.	81,414	43,379
Proctor & Gamble	16,327	13,769
Target Corp.	120,628	45,246
Union Pac Corp.	77,196	48,212
United Parcel Service	100,242	35,290
US Bancorp	47,057	40,846
Verizon Communications	75,473	52,774
Viatis Inc.	3,673	2,378
<u>Corporate Obligations</u>		
Various Corporate Bonds	1,093,801	1,037,914
Various Municipal Bonds	31,643	30,000
<u>Mutual Funds:</u>		
Eaton Vance Atlanta Capital	126,508	65,000
Neuberger Berman High Income Bond	327,827	320,000
Nuveen Small Cap Value Fund	49,627	46,000
T. Rowe Price QM US Small Cap Growth Equity Fund	97,626	34,174
	<u>\$ 6,109,891</u>	<u>\$ 3,527,432</u>



**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2021 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ -	\$ 8,233	\$ 8,233
Other governmental activities	<u>1,972,109</u>	<u>50,000</u>	<u>2,022,109</u>
Total governmental activities	<u>\$ 1,972,109</u>	<u>\$ 58,233</u>	<u>\$ 2,030,342</u>
Business-type activities:			
School Food Service Fund	<u>\$ 333,621</u>	<u>\$ 7,847</u>	<u>\$ 341,468</u>

Due from other governments consists of the following:

Governmental activities:		
State Public School Fund	\$ 1,644,554	Operating funds from DPI
Federal Grants Fund	92,850	Federal grant funds
Capital Outlay Fund	57,729	Amounts due from County
Other Special Revenue Fund	<u>176,976</u>	Amounts due for various federal and state programs
Total	<u>\$ 1,972,109</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 333,621</u>	Federal grant funds

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,301,154	\$ -	\$ -	\$ 2,301,154
Capital assets being depreciated:				
Buildings	119,565,677	644,039	466,320	119,743,396
Equipment and furniture	4,956,181	129,080	132,934	4,952,327
Vehicles	14,551,893	1,633,421	-	16,185,314
Improvements	23,512,287	-	313,157	23,199,130
Total capital assets being depreciated	162,586,038	2,406,540	912,411	164,080,167
Less accumulated depreciation for:				
Buildings	41,598,894	2,294,619	200,798	43,692,715
Equipment and furniture	3,665,020	198,123	131,468	3,731,675
Vehicles	7,754,749	762,755	-	8,517,504
Improvements	13,858,738	1,047,547	292,865	14,613,420
Total accumulated depreciation	66,877,401	4,303,044	625,131	70,555,314
Total capital assets being depreciated, net	95,708,637			93,524,853
Governmental activity capital assets, net	\$ 98,009,791			\$ 95,826,007

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

	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	955,363	25,300	-	980,663
School Food Service capital assets, net	<u>\$ 163,087</u>			<u>\$ 137,787</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	215,685	12,985	-	228,670
Total capital assets being depreciated, net	<u>142,834</u>			<u>129,849</u>
Liberty Hall capital assets, net	<u>\$ 166,834</u>			<u>\$ 153,849</u>
Business-type activities capital assets, net	<u>\$ 329,921</u>			<u>\$ 291,636</u>

Depreciation was charged to governmental functions as follows:

Instructional services	\$ 3,342,166
System-wide support services	762,755
Unallocated depreciation	<u>198,123</u>
Total	<u>\$ 4,303,044</u>

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

*Benefits Provided.* TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service (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 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, 2021, was 14.78% 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 \$7,652,057 for the year ended June 30, 2021.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

*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, 2021, the Board reported a liability of \$39,415,099 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 and at June 30, 2019, the Board's proportion was .32623% and .33390%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$10,724,442. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,171,984	\$ -
Changes of assumptions	1,335,667	-
Net difference between projected and actual earnings on pension plan investments	4,358,906	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	1,126,400
Board contributions subsequent to the measurement date	7,652,057	-
Total	<u>\$ 15,518,614</u>	<u>\$ 1,126,400</u>

\$7,652,057 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, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

2022	\$ 2,166,381
2023	1,724,935
2024	1,550,285
2025	1,298,556
2026	-
Thereafter	-
Total	<u>\$ 6,740,157</u>

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

*Actuarial Assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 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 assumptions used for the December 31, 2019 actuarial valuation are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016. Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
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 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%, which is unchanged from the previous discount rate. 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

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Board's proportionate share of the net pension liability (asset)	\$ 70,937,921	\$ 39,415,099	\$ 12,973,975

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

b. Other Postemployment Benefits

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.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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

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

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

*Contributions.* By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the current fiscal year, the Board contributed 6.68% of covered payroll which amounted to \$3,520,567. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$475.2 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 \$1,356,892.

At June 30, 2021, the Board reported a liability of \$79,211,574 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 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, 2020 and at June 30, 2019, the Board's proportion was .28554% and .29190%, respectively.

\$3,520,567 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

**Year ended June 30:**

2022	\$ (13,570,205)
2023	(13,561,507)
2024	(7,411,098)
2025	(3,194,906)
2026	(3,044,599)
Thereafter	-
Total	<u>\$ (40,782,315)</u>

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

Inflation	3.00%
Salary increases	3.50-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	7.00%

Healthcare cost trend rates:

Medical	5.00-6.50%
Prescription drug	5.00-9.50%
Administrative costs	3.00%
Post-retirement mortality rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78 and projected for mortality improvement using Scale MP-2015

*Discount rate.* The discount rate used to measure the total OPEB liability for the RHBF was 2.21%, a decrease of 1.29% from the previous discount rate of 3.50%. 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 2.21% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

*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 (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>(1.21%)</b>	<b>(2.21%)</b>	<b>(3.21%)</b>
Net OPEB liability	\$ 93,939,914	\$ 79,211,574	\$ 67,345,441

*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:

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

			Healthcare Trend Rates		
		1% Decrease (Medical- 4.00-5.50%, Pharmacy- 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.50%, Pharmacy - 5.00-9.50%, Medicare Advantage -5.00%, Administrative - 3.00%)		1% Increase (Medical- 6.00-7.50%, Pharmacy- 6.00-10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$	63,858,851	\$	79,211,574	\$ 99,732,555

*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.

**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, 2021,

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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 \$46,596 for the year ended June 30, 2021.

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, 2021, Board reported an OPEB asset of \$140,488 its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2019 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, 2020 and at June 30, 2019, the Board's proportion was .28558% and .29520%, respectively.

\$46,596 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, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$	31,696
2023		22,140
2024		12,425
2025		18,607
2026		3,708
Thereafter		<u>10,003</u>
Total	\$	<u>98,579</u>

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

Inflation	3.00%
Salary increases	3.5%-8.10%, include 3.5% inflation and productivity factor
Investment rate of return	3.75%, 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 (2.75 percent) or 1-percentage point higher (4.75 percent) than the current discount rate:

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
Net OPEB asset	\$ 121,331	\$ 140,488	\$ 159,088

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

*Common actuarial assumptions for both OPEB plans.* The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2019 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, 2020. 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, 2010 through December 31, 2014.

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2020. 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, 2020 is 1.2%.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

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, 2021:

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	\$ (4,572,257)	\$ 111,058	\$ (4,461,199)
OPEB Liability (Asset)	79,211,574	(140,488)	79,071,086
Proportionate share of the net OPEB liability (asset)	0.28554%	0.28558%	
Deferred of Outflows of Resources			
Differences between expected and actual experience	71,760	101,772	173,532
Changes of assumptions	3,473,880	10,923	3,484,803
Net difference between projected and actual earnings on plan investments	166,868	-	166,868
Changes in proportion and differences between Board contributions and proportionate share of contributions	679,768	20,747	700,515
Board contributions subsequent to the measurement date	3,520,567	46,596	3,567,163
Total Deferred of Outflows of Resources	<u>7,912,843</u>	<u>180,038</u>	<u>8,092,881</u>
Deferred of Inflows of Resources			
Differences between Expected and actual experience	3,098,854	-	3,098,854
Changes of assumptions	32,145,308	11,063	32,156,371
Net difference between projected and actual earnings on plan investments	-	23,800	23,800
Changes in proportion and differences between Board contributions and proportionate share of contributions	9,930,429	-	9,930,429
Total Deferred of Inflows of Resources	<u>45,174,591</u>	<u>34,863</u>	<u>45,209,454</u>

**2. Accounts Payable**

Accounts payable as of June 30, 2021 are as follows:

	Vendors	Salaries and Benefits	Total
Governmental activities:			
General Fund	\$ 361,097	\$ -	\$ 361,097
Other governmental activities	<u>129,055</u>	<u>1,784,159</u>	<u>1,913,214</u>
Total governmental activities	<u>\$ 490,152</u>	<u>\$ 1,784,159</u>	<u>\$ 2,274,311</u>
Business-type activities:			
School Food Service Fund	\$ -	\$ 31,825	\$ 31,825
Liberty Hall Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>\$ -</u>	<u>\$ 31,825</u>	<u>\$ 31,825</u>

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

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) \$ 7,954

4. Deferred Outflows and Inflows of Resources

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,345,516	\$ 3,098,854
Changes of assumptions	4,820,470	32,156,371
Net difference between projected and actual earnings on pension plan investments	4,525,774	23,800
Changes in proportion and differences between Board contributions and proportionate share of contributions	700,515	11,056,829
Board contributions subsequent to the measurement date	11,219,220	-
Total	<u>\$ 23,611,495</u>	<u>\$ 46,335,854</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, 2021**

---

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. 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, 2021 totaled \$2,233,085. 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 15<sup>th</sup> dates.

The future minimum payments of the direct placement installment purchases as of June 30, 2021, including interest, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2022	\$ 916,895	\$ 52,050
2023	781,781	43,805
2024	695,306	35,147
2025	403,490	26,294
2026	424,400	16,986
2027 - 2031	522,243	6,683
Total	<u>\$ 3,744,115</u>	<u>\$ 180,965</u>

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, 2021:

**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

	July 1, 2020	Increases	Decreases	June 30, 2021	Current Portion
Governmental activities:					
Direct placement					
installment purchases	\$ 3,664,171	\$ 1,238,289	\$ 1,158,345	\$ 3,744,115	\$ 916,895
Net pension liability	33,518,103	4,709,537	-	38,227,640	-
Net OPEB liability	89,428,987	-	12,603,820	76,825,167	-
Compensated absences	5,189,144	2,842,412	3,029,919	5,001,637	1,886,877
Total	<u>\$ 131,800,405</u>	<u>\$ 8,790,238</u>	<u>\$ 16,792,084</u>	<u>\$ 123,798,559</u>	<u>\$ 2,803,772</u>
Business-type activities:					
Net pension liability	\$ 1,097,166	\$ 90,293	\$ -	\$ 1,187,459	\$ -
Net OPEB liability	2,927,326	-	540,919	2,386,407	-
Compensated absences	84,428	102,454	102,736	84,146	46,258
Total	<u>\$ 4,108,920</u>	<u>\$ 192,747</u>	<u>\$ 643,655</u>	<u>\$ 3,658,012</u>	<u>\$ 46,258</u>

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.

**C. Interfund Balances and Activity**

**1. Transfers to/from Other Funds**

Transfers to/from other funds during the year ended June 30, 2021 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	<u>\$ 61,491</u>
From the Other Special Revenue Fund to the Capital Outlay Fund for capital costs	<u>\$ 307,080</u>

**D. 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	\$ 3,974,917
Less:	
Inventories	(101,567)
Prepaid expenditures	(232,072)
Stabilization by State statute	<u>(8,233)</u>
Remaining fund balance	<u>\$ 3,633,045</u>



**DUPLIN COUNTY BOARD OF EDUCATION**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

---

**NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES**

Other revenues for the fiscal year ended June 30, 2021 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursements	\$ 1,023,016
Indirect costs allocated	564,366
Private grants and programs	485,914
Surplus sales	23,517
Insurance proceeds	415,063
Contributions and donations	41,951
Sales and use tax refund	86,817
Tuition and fees	<u>8,963</u>
Total other revenues	<u>\$ 2,649,607</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.



---

## 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 EIGHT FISCAL YEARS\***

	2021	2020	2019
Board's proportion of the net pension liability (asset)	0.32623%	0.33390%	0.34607%
Board's proportionate share of the net pension liability (asset)	\$ 39,415,099	\$ 34,615,269	\$ 34,455,037
Board's covered payroll	\$ 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	78.10%	67.55%	68.04%
Plan fiduciary net position as a percentage of the total pension liability	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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 7,652,057	\$ 6,567,374	\$ 6,298,216	\$ 5,458,864	\$ 5,028,717
Contributions in relation to the contractually required contribution	<u>7,652,057</u>	<u>6,567,374</u>	<u>6,298,216</u>	<u>5,458,864</u>	<u>5,028,717</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809	\$ 50,387,942
Contributions as a percentage of covered payroll	14.78%	12.97%	12.29%	10.78%	9.98%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 4,604,651	\$ 4,528,862	\$ 3,993,922	\$ 3,739,452	\$ 3,193,479
Contributions in relation to the contractually required contribution	<u>4,604,651</u>	<u>4,528,862</u>	<u>3,993,922</u>	<u>3,739,452</u>	<u>3,193,479</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381	\$ 42,923,105
Contributions as a percentage of covered payroll	9.15%	9.15%	8.69%	8.33%	7.44%

**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 FIVE FISCAL YEARS\***

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

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 3,520,567	\$ 3,276,092	\$ 3,213,167	\$ 3,063,648	\$ 2,915,578
Contributions in relation to the contractually required contribution	<u>3,520,567</u>	<u>3,276,092</u>	<u>3,213,167</u>	<u>3,063,648</u>	<u>2,915,578</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809	\$ 50,387,942
Contributions as a percentage of covered payroll	6.68%	6.47%	6.27%	6.05%	5.81%
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 2,811,547	\$ 2,700,852	\$ 2,485,065	\$ 2,379,243	\$ 2,146,155
Contributions in relation to the contractually required contribution	<u>2,811,547</u>	<u>2,700,852</u>	<u>2,485,065</u>	<u>2,379,243</u>	<u>2,146,155</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381	\$ 42,923,105
Contributions as a percentage of covered payroll	5.60%	5.49%	5.40%	5.30%	5.00%

**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 FIVE FISCAL YEARS\***

---

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

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

Note: This is a ten year schedule. However, GASB 75 was not adopted until the fiscal year ended June 30, 2018. Therefore, there are only five 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**

	2021	2020	2019	2018	2017
Contractually required contribution	\$ 46,596	\$ 50,635	\$ 71,745	\$ 70,894	\$ 190,692
Contributions in relation to the contractually required contribution	<u>46,596</u>	<u>50,635</u>	<u>71,745</u>	<u>70,894</u>	<u>190,692</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 51,690,684	\$ 50,464,672	\$ 51,246,676	\$ 50,638,809	\$ 50,387,942
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.38%
	2016	2015	2014	2013	2012
Contractually required contribution	\$ 205,845	\$ 201,703	\$ 202,487	\$ 197,522	\$ 223,200
Contributions in relation to the contractually required contribution	<u>205,845</u>	<u>201,703</u>	<u>202,487</u>	<u>197,522</u>	<u>223,200</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 50,324,059	\$ 49,495,759	\$ 45,959,997	\$ 44,891,381	\$ 42,923,105
Contributions as a percentage of covered payroll	0.41%	0.41%	0.44%	0.44%	0.52%



**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, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
Duplin County	<u>8,968,900</u>	<u>8,968,900</u>	<u>-</u>
Other:			
Fines and forfeitures	346,518	253,295	(93,223)
Interest earned on investment	-	5	5
Rental of school property	1,000	1,000	-
Tuition and fees	98,711	80,218	(18,493)
Transportation	257,915	129,656	(128,259)
Miscellaneous	<u>36,418</u>	<u>32,958</u>	<u>(3,460)</u>
Total other	<u>740,562</u>	<u>497,132</u>	<u>(243,430)</u>
Total revenues	<u>9,709,462</u>	<u>9,466,032</u>	<u>(243,430)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional	465,008	306,758	158,250
Special populations	16,916	5,580	11,336
Alternative programs	140,876	140,876	-
School leadership	119,930	68,994	50,936
Co-curricular	855,068	572,690	282,378
School-based support	<u>342,607</u>	<u>253,988</u>	<u>88,619</u>
Total instructional services	<u>1,940,405</u>	<u>1,348,886</u>	<u>591,519</u>
System-wide support services:			
Support and development	316,554	304,848	11,706
Special population support and development	4,482	-	4,482
Alternative programs and services support and development	19,075	19,075	-
Technology support	441,131	432,999	8,132
Operational support	5,551,310	5,540,839	10,471
Financial and human resource services	294,258	237,069	57,189
Accountability	107,375	107,375	-
System-wide pupil support	105,751	105,751	-
Policy, leadership and public relations	<u>490,593</u>	<u>422,463</u>	<u>68,130</u>
Total system-wide support services	<u>7,330,529</u>	<u>7,170,419</u>	<u>160,110</u>

**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, 2021**

	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):			
Current:			
Ancillary services:			
Community	500	-	500
Nutrition	5,332	4,375	957
Total ancillary services	5,832	4,375	1,457
Non-programmed charges:			
Payments to other governments	32,858	32,751	107
Debt service:			
Principal retirement	339,935	339,935	-
Interest and fees	59,903	59,903	-
Total debt service	399,838	399,838	-
Total expenditures	9,709,462	8,956,269	753,193
Revenues over expenditures	\$ -	509,763	\$ 509,763
Fund balance:			
Beginning of year		3,435,766	
Increase in reserve for inventories		29,388	
End of year		\$ 3,974,917	



**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, 2021**

	Revenues and Transfers	Expenditures	Net change in fund balance	Fund balances June 30, 2020	Fund balances June 30, 2021
BF Grady Elementary	\$ 33,057	\$ 31,718	\$ 1,339	\$ 58,737	\$ 60,076
Beulaville Elementary	26,784	39,355	(12,571)	70,966	58,395
Chinquapin Elementary	24,015	11,559	12,456	37,923	50,379
Kenansville Elementary	37,739	45,215	(7,476)	24,215	16,739
North Duplin Elementary	19,792	23,701	(3,909)	39,186	35,277
Rose Hill Magnolia Elementary	66,669	41,384	25,285	40,363	65,648
Wallace Elementary	21,247	30,492	(9,245)	45,413	36,168
Warsaw Elementary	46,454	36,012	10,442	14,257	24,699
East Duplin High	160,349	131,831	28,518	165,643	194,161
James Kenan High	104,283	94,724	9,559	49,017	58,576
North Duplin Jr. Sr. High	81,451	74,710	6,741	71,876	78,617
Wallace Rose Hill High	112,654	121,776	(9,122)	122,819	113,697
Duplin Early College	10,532	12,982	(2,450)	11,456	9,006
Live Project	<u>50,665</u>	<u>18,419</u>	<u>32,246</u>	<u>233,901</u>	<u>266,147</u>
Totals	<u>\$ 795,691</u>	<u>\$ 713,878</u>	<u>\$ 81,813</u>	<u>\$ 985,772</u>	<u>\$ 1,067,585</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, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	\$ 713,391	\$ 709,655	\$ (3,736)
State appropriations - buses	818,410	818,410	-
Total State of North Carolina	<u>1,531,801</u>	<u>1,528,065</u>	<u>(3,736)</u>
Duplin County:			
General county appropriations	<u>990,045</u>	<u>868,599</u>	<u>(121,446)</u>
Other:			
Miscellaneous	<u>74,106</u>	<u>-</u>	<u>(74,106)</u>
Total revenues	<u>2,595,952</u>	<u>2,396,664</u>	<u>(199,288)</u>
Expenditures:			
Debt service:			
Principal retirement	<u>818,410</u>	<u>818,410</u>	<u>-</u>
Capital outlay:			
Real property, buildings and improvements			
Other real property, buildings and improvements		1,560,592	
Total real property, buildings and improvements	<u>2,632,761</u>	<u>1,560,592</u>	<u>1,072,169</u>
Furnishings and equipment	<u>113,337</u>	<u>102,567</u>	<u>10,770</u>
Vehicles	<u>1,357,600</u>	<u>1,355,054</u>	<u>2,546</u>
Total capital outlay	<u>4,103,698</u>	<u>3,018,213</u>	<u>1,085,485</u>
Total expenditures	<u>4,922,108</u>	<u>3,836,623</u>	<u>1,085,485</u>
Revenues over (under) expenditures	(2,326,156)	(1,439,959)	886,197
Other financing sources:			
Installment purchase obligations issued	1,238,289	1,238,289	-
Transfers from other funds	<u>307,080</u>	<u>307,080</u>	<u>-</u>
Total other financing sources (uses)	<u>1,545,369</u>	<u>1,545,369</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	(780,787)	(201,670)	886,197
Fund balance appropriated	<u>780,787</u>	<u>-</u>	<u>(780,787)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures	<u>\$ -</u>	105,410	<u>\$ 105,410</u>
Fund balance:			
Beginning of year		<u>780,787</u>	
End of year		<u>\$ 886,197</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, 2021**

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	\$ 153,000	\$ 30,768	\$ (122,232)
Operating expenditures:			
Business support services:			
Purchase of food		1,219,108	
Donated commodities		375,813	
Salaries and benefits		2,365,392	
Indirect costs		400,000	
Materials and supplies		15,132	
Repairs and maintenance		22,433	
Non-capitalized equipment		4,074	
Contracted services		8,010	
Other		9,606	
Total operating expenditures	5,629,000	4,419,568	1,209,432
Operating loss	(5,476,000)	(4,388,800)	1,087,200
Nonoperating revenues:			
Federal reimbursements		4,489,510	
Federal commodities		375,813	
Interest earned		1,526	
Other	-	810	810
Total nonoperating revenues	5,476,000	4,867,659	(608,341)
Revenues over (under) expenditures before other financing sources	-	478,859	478,859
Other financing sources:			
Transfers from other funds	-	61,491	61,491
Revenues and other financing sources over (under) expenditures	\$ -	540,350	\$ 540,350
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(25,300)	
Net OPEB asset		195	
Net pension liability		(90,293)	
Net OPEB liability		540,919	
Deferred outflows - pension and OPEB		(13,669)	
Deferred inflows - pension and OPEB		(15,499)	
Decrease in compensated absences payable		282	
Increase in inventories		17,857	
Change in net position (full accrual)		\$ 954,842	

**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, 2021**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Operating revenues:			
Other	<u>\$ 11,254</u>	<u>\$ 2,078</u>	<u>\$ (9,176)</u>
Operating expenditures:			
Salaries and benefits		55,117	
Repairs and maintenance		26,443	
Contracted services		2,150	
Scholarships and donations		16,500	
Other		31,603	
Total operating expenditures	<u>337,529</u>	<u>131,813</u>	<u>205,716</u>
Operating loss	<u>(326,275)</u>	<u>(129,735)</u>	<u>196,540</u>
Nonoperating revenues:			
Investment income, net		1,175,200	
Contributions and donations		86,000	
Insurance proceeds		8,070	
Total nonoperating revenues	<u>326,275</u>	<u>1,269,270</u>	<u>942,995</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>1,139,535</u>	<u>\$ 1,139,535</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		<u>(12,985)</u>	
Change in net position (full accrual)		<u>\$ 1,126,550</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.

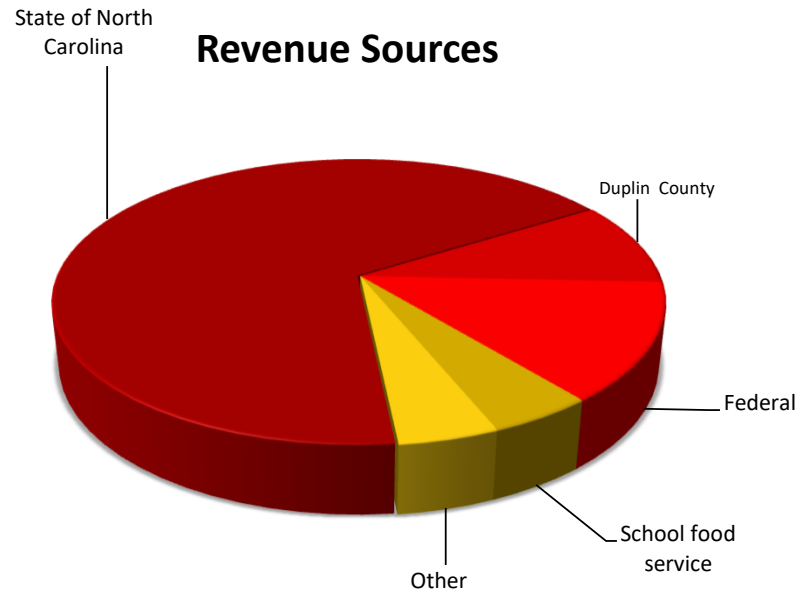
#### **Operating Information**

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.

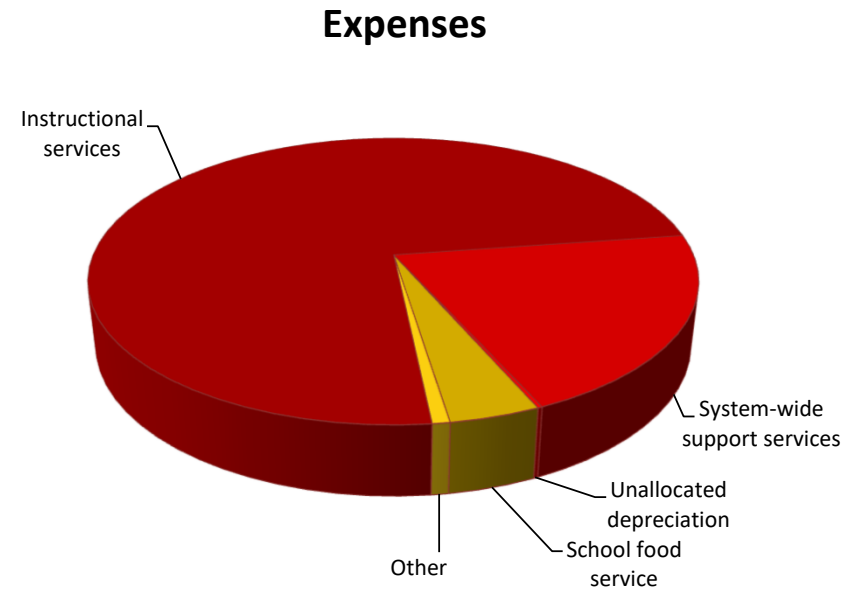




**DUPLIN COUNTY BOARD OF EDUCATION**  
**Financial Perspective**  
**Governmental and Business-type Activities**  
**For Year Ended June 30, 2021**



State of North Carolina	\$ 69,738,963
Duplin County	9,837,499
Federal	13,766,761
School food service	4,898,427
Other	4,649,412
<b>Total revenue sources</b>	<b><u>\$ 102,891,062</u></b>



Instructional services	\$ 72,998,962
System-wide support services	20,171,765
Unallocated depreciation	198,123
School food service	4,005,076
Other	776,007
<b>Total expenses</b>	<b><u>\$ 98,149,933</u></b>

Table 2

**DUPLIN COUNTY BOARD OF EDUCATION**

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Governmental activities:</b>										
Net investment in capital assets	\$ 47,963,740	\$ 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
Restricted	1,306,762	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
Unrestricted	8,061,690	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)
Total governmental activities net position (deficit)	\$ 57,332,192	\$ 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)
<b>Business-type activities:</b>										
Net investment in capital assets	\$ 267,655	\$ 218,169	\$ 190,493	\$ 179,510	\$ 180,366	\$ 175,329	\$ 192,456	\$ 196,112	\$ 329,921	\$ 291,636
Restricted	-	-	-	-	-	-	11,496	13,380	11,098	8,606
Unrestricted	4,477,419	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
Total business-type activities net position (deficit)	\$ 4,745,074	\$ 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
<b>District-wide:</b>										
Net investment in capital assets	\$ 48,231,395	\$ 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
Restricted	1,306,762	1,493,543	1,556,356	1,431,820	1,299,006	955,777	1,675,586	3,600,406	5,875,759	3,845,195
Unrestricted	12,539,109	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)
Total primary government net position (deficit)	\$ 62,077,266	\$ 61,324,922	\$ 57,739,299	\$ 41,316,047	\$ 48,921,779	\$ 90,681,936	\$ (45,185,186)	\$ (43,840,366)	\$ (41,260,168)	\$ (36,519,039)

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

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

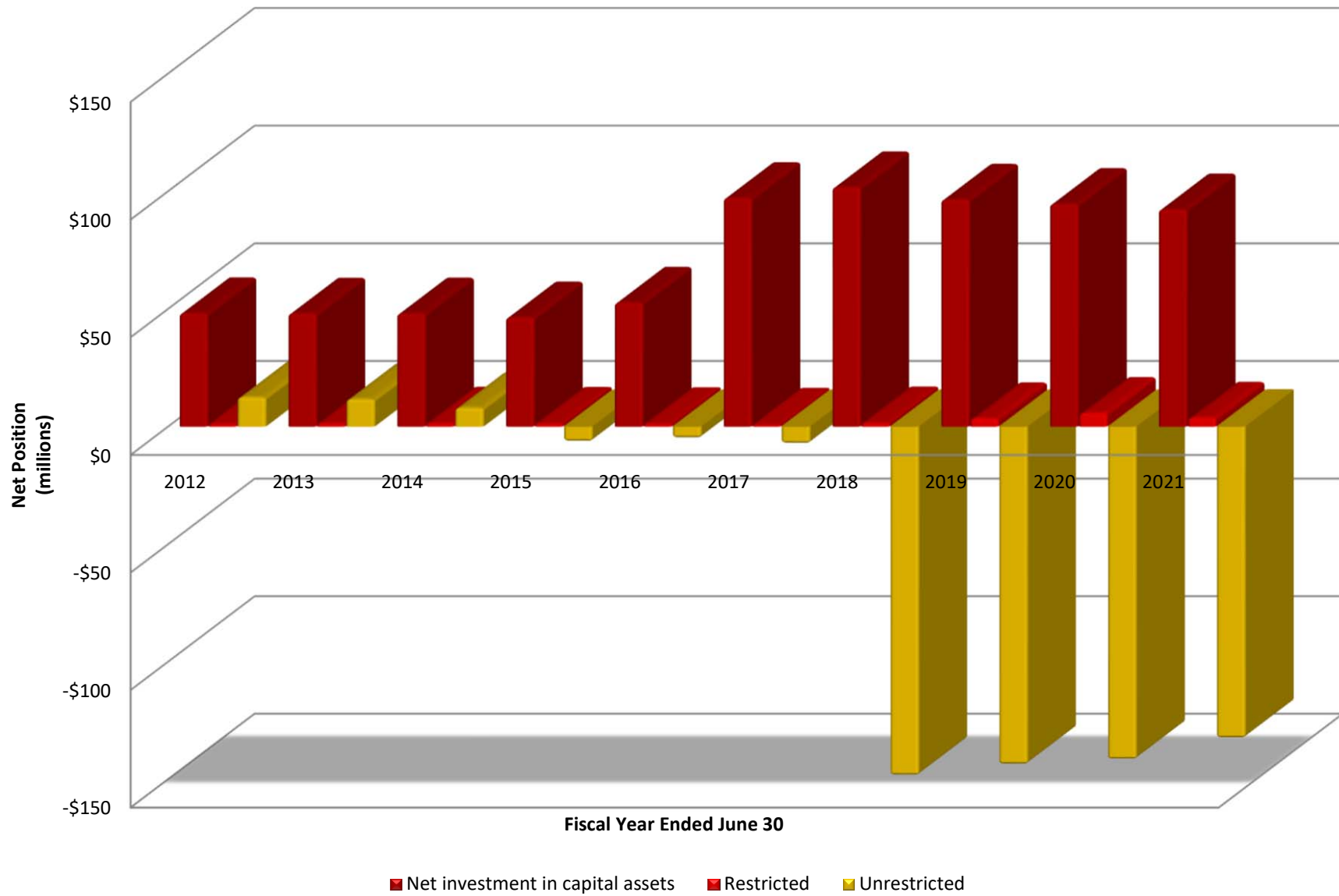


Table 3

**DUPLIN COUNTY BOARD OF EDUCATION**

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 59,583,949	\$ 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
System-wide support services	17,037,224	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
Ancillary services	105,019	102,045	29,315	21,141	24,800	21,156	3,990	7,337	12,548	538,555
Non-programmed charges	1,689	990	3,416	3,881	15,669	18,064	28,916	24,062	23,187	32,751
Interest on long-term debt	-	-	224,449	58,292	93,514	87,517	81,122	74,389	67,344	59,903
Unallocated depreciation expense	393,268	282,041	115,648	540,788	330,791	352,258	293,181	273,606	215,431	198,123
Total governmental activities expenses	77,121,149	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
Business-type activities:										
School food service	5,537,060	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
Child care	41,504	-	-	-	-	-	-	-	-	-
Liberty Hall	130,697	164,034	157,324	144,388	133,015	235,878	124,013	139,781	184,446	144,798
Total business-type activities expenses	5,709,261	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
Total district-wide expenses	\$ 82,830,410	\$ 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
<b>Program Revenues</b>										
Governmental activities:										
Charges for services	490,915	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
Operating grants and contributions	61,300,880	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
Capital grants and contributions	78,326	558,283	249,925	658,285	785,003	910,114	966,072	917,376	837,128	818,410
Total governmental activities program revenues	61,870,121	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
Business-type activities:										
Charges for services:										
Student meal services	1,025,967	991,501	951,787	587,084	585,668	318,054	152,077	131,644	114,090	30,768
Child care services	51,082	-	-	-	-	-	-	-	-	-
Liberty Hall	7,129	4,804	7,353	5,590	5,254	5,520	6,854	6,287	9,831	2,078
Operating grants and contributions	4,544,082	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
Capital grants and contributions	-	-	-	14,526	22,556	-	-	-	-	-
Total business-type activities program revenues	5,628,260	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
Total district-wide program revenues	\$ 67,498,381	\$ 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
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (15,251,028)	\$ (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)
Business-type activities	(81,001)	97,763	208,020	93,720	199,511	(74,554)	(13,819)	(136,510)	(467,084)	834,295
Total district-wide net (expense) revenue	\$ (15,332,029)	\$ (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)

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

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 8,861,720	\$ 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
Unrestricted county appropriations - capital	956,217	1,147,462	1,520,827	995,965	6,298,294	47,187,685	10,808,052	1,215,814	793,168	868,599
Unrestricted State appropriations - operating	1,158,761	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
Unrestricted Federal appropriations - operating	-	-	-	-	-	-	-	-	179,548	-
Unrestricted State appropriations - capital	1,051,444	1,021,837	729,771	-	2,172,691	-	46,577	-	-	709,655
Unrestricted Federal appropriations - capital	-	-	-	-	-	-	-	-	1,046,724	2,566,821
Investment earnings, unrestricted	42,973	35,482	28,123	22,555	21,122	19,651	13,300	20	24	5
Miscellaneous, unrestricted	5,857,923	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
Transfers	(17,937)	(45,060)	(60,867)	(53,020)	(80,593)	(54,993)	(50,139)	(236,426)	(56,605)	(61,491)
Total governmental activities	17,911,101	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
Business-type activities:										
Investment earnings, unrestricted	16,732	379,626	553,554	(8,402)	(35,224)	414,847	410,953	245,547	333,022	1,176,726
Miscellaneous, unrestricted	-	-	-	-	-	-	11,776	-	-	8,880
Transfers	17,937	45,060	60,867	53,020	80,593	54,993	50,139	236,426	56,605	61,491
Total business-type activities	34,669	424,686	614,421	44,618	45,369	469,840	472,868	481,973	389,627	1,247,097
Total district-wide	\$ 17,945,770	\$ 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
<b>Change in Net Position</b>										
Governmental activities	\$ 2,660,073	\$ (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
Business-type activities	(46,332)	522,449	822,441	138,338	244,880	395,286	459,049	345,463	(77,457)	2,081,392
Total district-wide change in net position	\$ 2,613,741	\$ (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

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

Table 4

# DUPLIN COUNTY BOARD OF EDUCATION

## Governmental Funds

### Fund Balances

#### Last Ten Fiscal Years

Year Ended June 30	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 243,155	\$ 173,414	\$ 237,037	\$ 449,602	\$ 400,441	\$ 590,125	\$ 526,653	\$ 1,179,503	\$ 993,799	\$ 333,639
Restricted	98,409	378,212	440,084	317,070	211,692	1,262,433	1,316,620	43,125	9,800	8,233
Assigned	4,022,835	3,500,000	4,284,138	1,149,850	-	-	-	-	-	-
Unassigned	7,703,299	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
Total General Fund	<u>\$ 12,067,698</u>	<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>
All Other Governmental Funds										
Restricted	\$ 1,208,353	\$ 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
Assigned	-	-	-	-	-	-	-	235,818	714,965	985,091
Total all other governmental funds	<u>\$ 1,208,353</u>	<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>

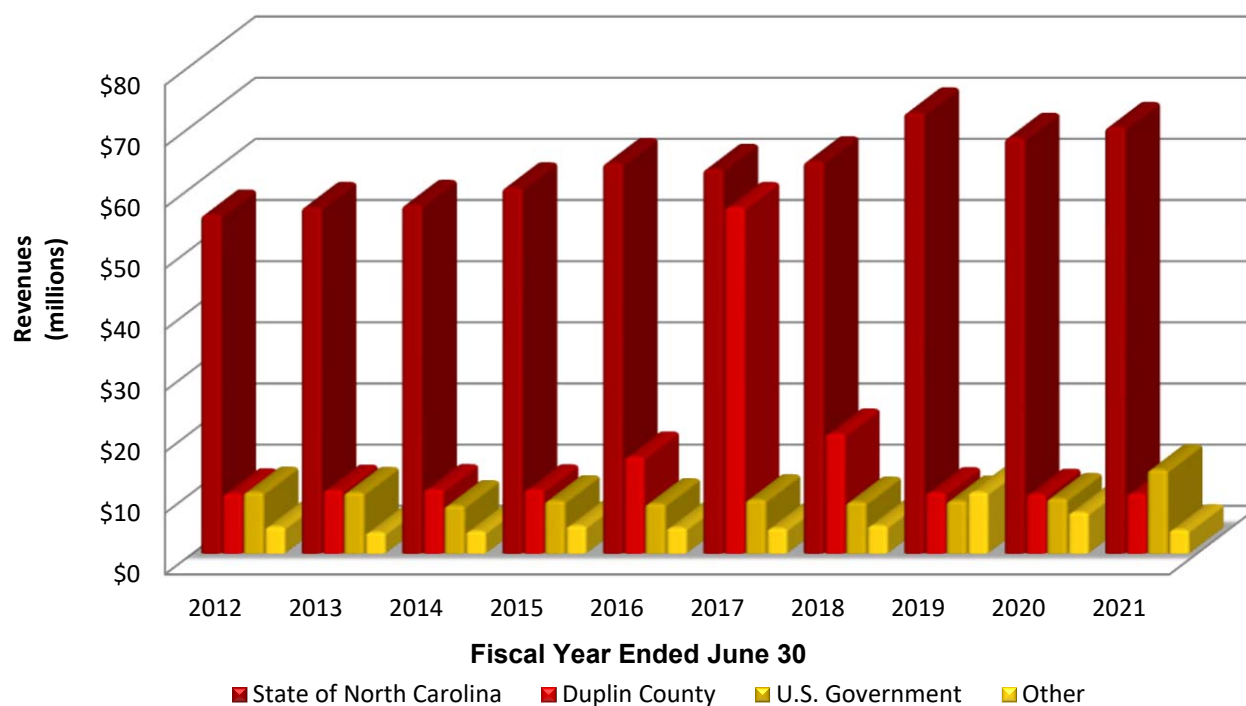
Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2021

Table 5

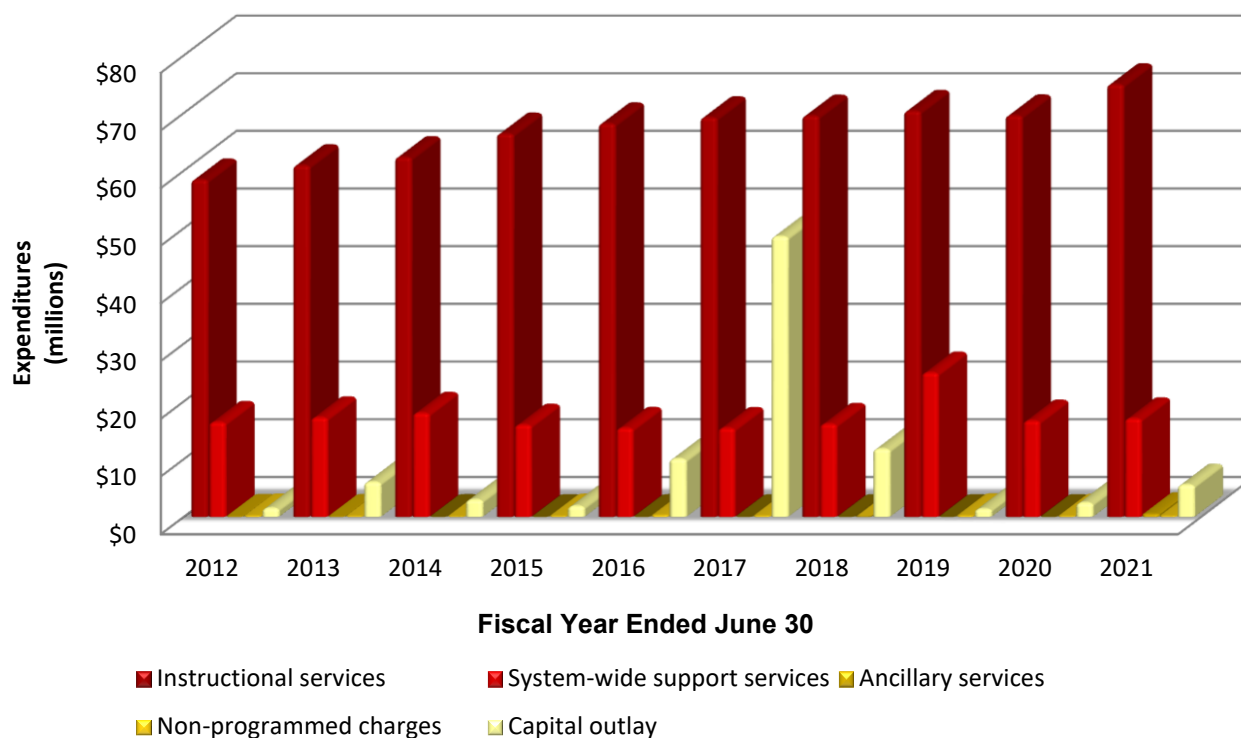
<b>DUPLIN COUNTY BOARD OF EDUCATION</b> <b>Governmental Funds</b> <b>Changes in Fund Balances</b> <b>Last Ten Fiscal Years</b>						
<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	
<b>Revenues</b>						
State of North Carolina	\$ 55,417,688	\$ 56,665,606	\$ 57,006,199	\$ 59,859,404	\$ 63,832,009	
Duplin County	9,817,937	10,434,906	10,520,827	10,481,725	15,852,214	
U.S. Government	10,094,282	10,045,217	7,885,009	8,690,170	8,197,181	
Other	4,439,520	3,519,871	3,712,542	4,594,767	4,288,626	
Total revenues	79,769,427	80,665,600	79,124,577	83,626,066	92,170,030	
<b>Expenditures</b>						
Instructional services	58,500,422	60,970,614	62,386,917	66,466,858	68,231,260	
System-wide support services	16,449,405	17,263,429	18,039,949	15,989,892	15,432,110	
Ancillary services	104,882	102,045	29,315	21,158	24,818	
Non-programmed charges	239,804	181,613	130,766	185,406	336,605	
Debt service - Principal	78,880	558,283	451,925	951,224	1,045,721	
Debt service - Interest	-	-	22,449	58,292	93,514	
Capital outlay	1,554,512	6,064,226	3,008,758	1,906,136	10,086,660	
Total expenditures	76,927,905	85,140,210	84,070,079	85,578,966	95,250,688	
Revenues over (under) expenditures	2,841,522	(4,474,610)	(4,945,502)	(1,952,900)	(3,080,658)	
<b>Other financing sources</b>						
Transfers to other funds	(17,937)	(45,060)	(60,867)	(53,020)	(80,593)	
Installment purchase obligations	999,698	3,841,987	720,365	816,720	1,510,574	
Total other financing sources	981,761	3,796,927	659,498	763,700	1,429,981	
Net change in fund balances	\$ 3,823,283	\$ (677,683)	\$ (4,286,004)	\$ (1,189,200)	\$ (1,650,677)	
Ratio of debt service expenditures to total non-capital expenditures	0.11%	0.71%	0.59%	1.22%	1.36%	
<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	
<b>Revenues</b>						
State of North Carolina	\$ 62,896,807	\$ 64,125,093	\$ 72,117,633	\$ 67,979,497	\$ 69,738,963	
Duplin County	56,653,285	19,608,052	10,018,438	9,762,068	9,837,499	
U.S. Government	8,854,372	8,466,239	8,648,331	9,058,999	13,766,761	
Other	4,184,623	4,621,318	10,072,727	6,786,225	3,942,430	
Total revenues	132,589,087	96,820,702	100,857,129	93,586,789	97,285,653	
<b>Expenditures</b>						
Instructional services	69,292,061	69,577,068	70,411,669	69,618,663	75,016,675	
System-wide support services	15,420,181	16,138,701	25,017,269	16,699,179	17,091,468	
Ancillary services	21,144	3,958	7,360	12,554	538,555	
Non-programmed charges	227,152	49,425	258,522	172,481	197,117	
Debt service - Principal	1,186,437	1,258,668	1,222,789	1,159,072	1,158,345	
Debt service - Interest	87,517	81,122	74,389	67,344	59,903	
Capital outlay	48,622,266	11,801,205	1,406,214	2,487,087	5,585,034	
Total expenditures	134,856,758	98,910,147	98,398,212	90,216,380	99,647,097	
Revenues over (under) expenditures	(2,267,671)	(2,089,445)	2,458,917	3,370,409	(2,361,444)	
<b>Other financing sources (uses)</b>						
Transfers to other funds	(54,993)	(50,139)	(236,426)	(56,605)	(61,491)	
Installment purchase obligations	1,313,160	1,040,556	617,932	376,864	1,238,289	
Total other financing sources (uses)	1,258,167	990,417	381,506	320,259	1,176,798	
Net change in fund balances	\$ (1,009,504)	\$ (1,099,028)	\$ 2,840,423	\$ 3,690,668	\$ (1,184,646)	
Ratio of debt service expenditures to total non-capital expenditures	1.36%	1.49%	1.52%	1.40%	1.27%	

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

## 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	2012	2013	2014	2015	2016
Average Daily Membership	9,158	9,315	9,597	9,881	9,952
Instructional	\$ 6,388	\$ 6,545	\$ 6,501	\$ 6,727	\$ 6,856
System-wide support	1,796	1,853	1,880	1,618	1,551
Ancillary	11	11	3	2	2
Total expenditures per pupil	\$ 8,195	\$ 8,409	\$ 8,384	\$ 8,347	\$ 8,409

#### EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2017	2018	2019	2020	2021
Average Daily Membership	9,860	9,644	9,652	9,634	9,394
Instructional	\$ 7,028	\$ 7,215	\$ 7,295	\$ 7,226	\$ 7,986
System-wide support	1,564	1,673	2,592	1,733	1,819
Ancillary	2	-	1	1	57
Total expenditures per pupil	\$ 8,594	\$ 8,888	\$ 9,888	\$ 8,960	\$ 9,862

#### EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2012	2013	2014	2015	2016
Instructional	\$ 2,784	\$ 2,803	\$ 2,728	\$ 2,819	\$ 2,845
System-wide support	783	794	789	678	644
Ancillary	5	5	1	1	1
Total expenditures per pupil	\$ 3,572	\$ 3,602	\$ 3,518	\$ 3,498	\$ 3,490

#### EXPRESSED IN CONSTANT DOLLARS

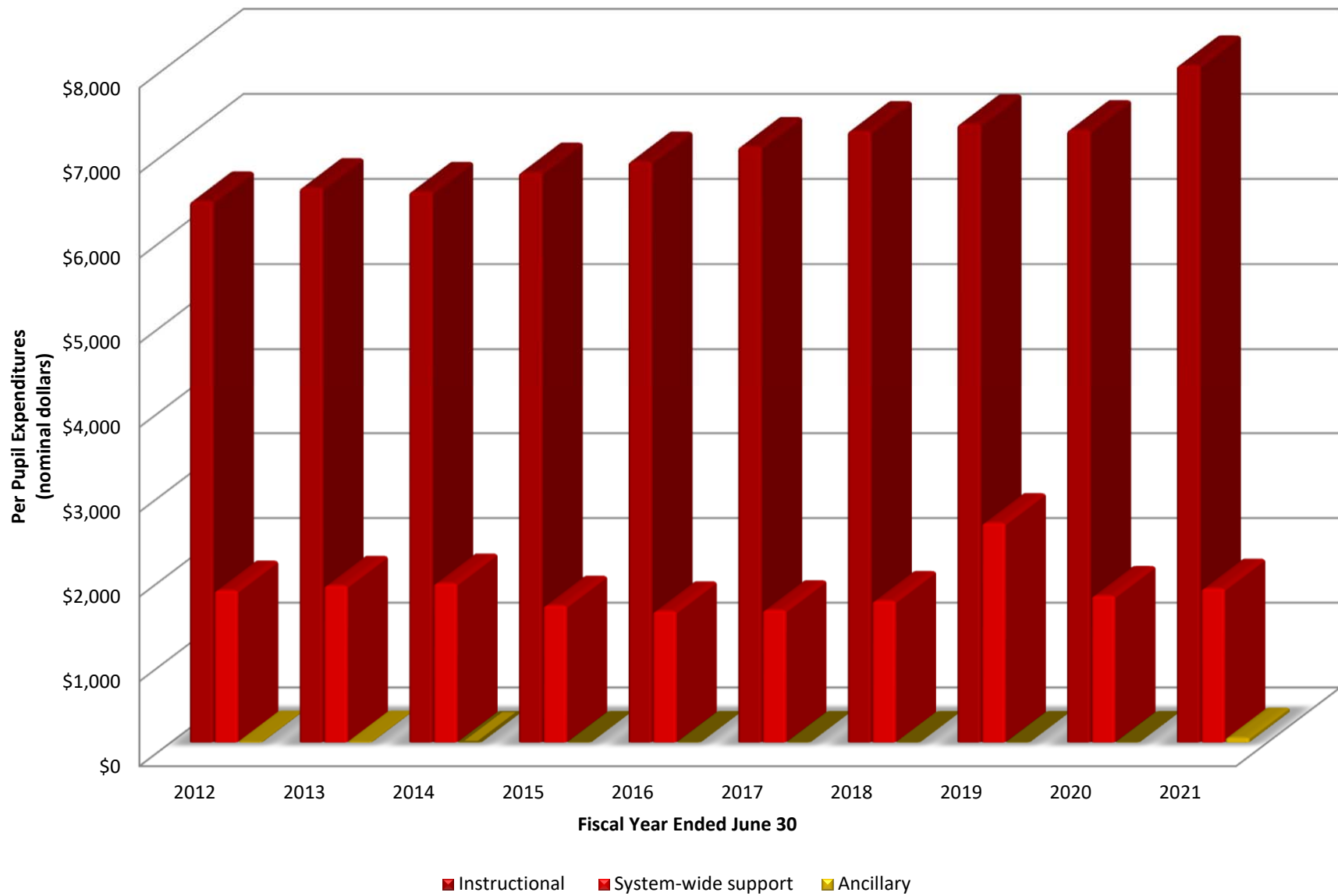
Year Ended June 30	2017	2018	2019	2020	2021
Instructional	\$ 2,869	\$ 2,863	\$ 2,848	\$ 2,803	\$ 2,939
System-wide support	638	664	1,012	672	669
Ancillary	1	-	-	-	21
Total expenditures per pupil	\$ 3,508	\$ 3,527	\$ 3,860	\$ 3,475	\$ 3,629

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

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**

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Food sales	\$ 1,025,967	\$ 991,501	\$ 951,787	\$ 587,084	\$ 585,668
Federal reimbursements	3,941,518	4,192,117	4,356,053	4,572,431	4,628,794
Federal commodities	285,987	293,128	354,616	278,557	387,771
Other	239,559	18,831	16,510	16,527	15,112
<b>Total revenues</b>	<b>\$ 5,174,413</b>	<b>\$ 5,493,031</b>	<b>\$ 5,495,577</b>	<b>\$ 5,678,966</b>	<b>\$ 5,454,599</b>

**EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Food sales	\$ 318,054	\$ 152,077	\$ 131,644	\$ 114,090	\$ 30,768
Federal reimbursements	4,565,804	4,961,687	4,477,614	4,342,029	4,489,510
Federal commodities	398,780	386,008	346,559	365,524	375,813
Other	7,201	4,268	5,713	6,848	2,336
<b>Total revenues</b>	<b>\$ 5,617,345</b>	<b>\$ 5,289,839</b>	<b>\$ 5,504,040</b>	<b>\$ 4,828,491</b>	<b>\$ 4,898,427</b>

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Food sales	\$ 447,087	\$ 424,618	\$ 399,335	\$ 246,014	\$ 242,998
Federal reimbursements	1,717,602	1,795,308	1,827,640	1,916,053	1,920,518
Federal commodities	124,625	125,534	148,784	116,728	160,889
Other	104,393	8,065	6,927	6,926	6,270
<b>Total revenues</b>	<b>\$ 2,393,707</b>	<b>\$ 2,353,525</b>	<b>\$ 2,382,686</b>	<b>\$ 2,285,721</b>	<b>\$ 2,330,675</b>

**EXPRESSED IN CONSTANT DOLLARS**

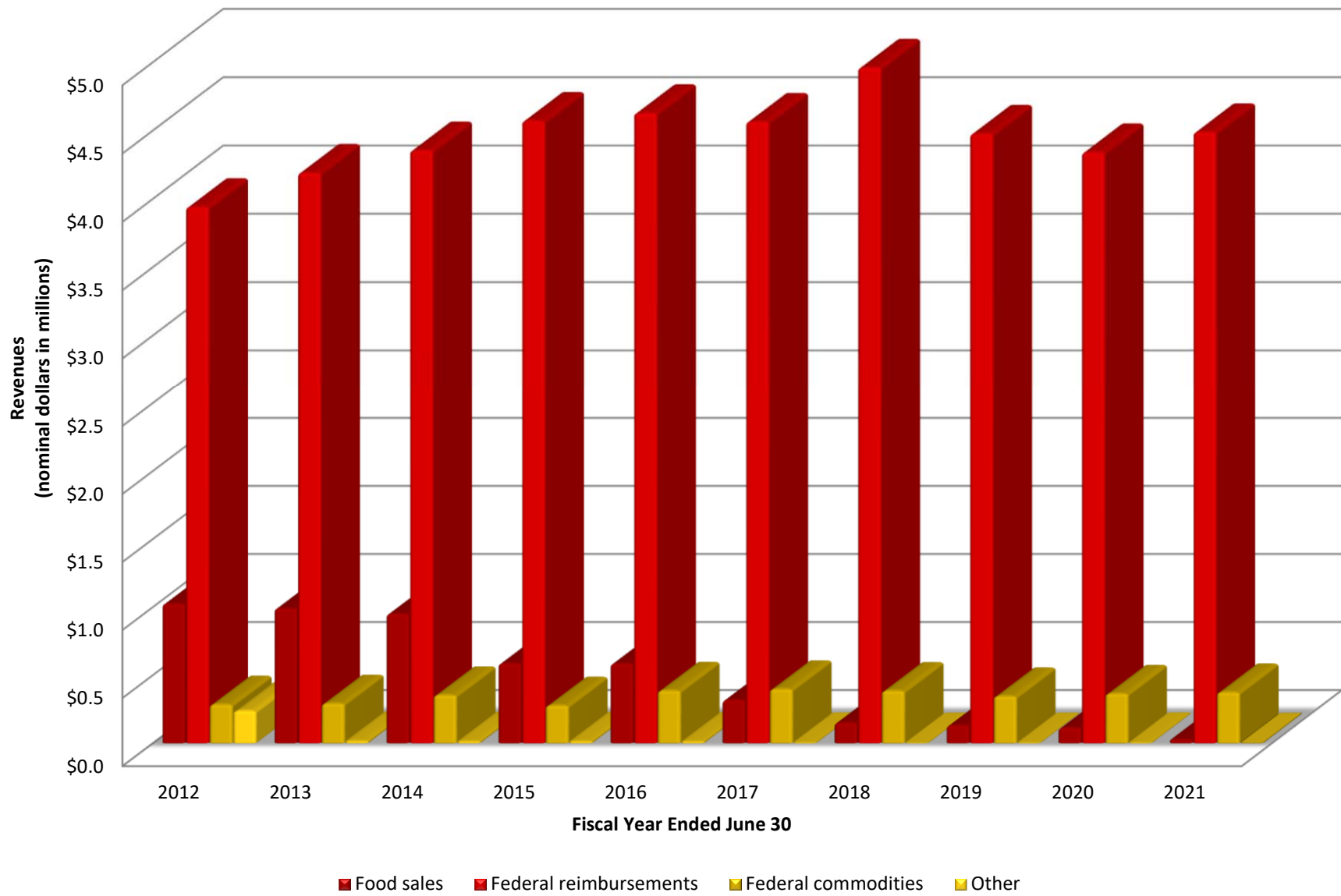
<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Food sales	\$ 129,842	\$ 60,351	\$ 51,395	\$ 44,256	\$ 11,324
Federal reimbursements	1,863,936	1,969,009	1,748,091	1,684,282	1,652,402
Federal commodities	162,797	153,184	135,299	141,788	138,321
Other	2,940	1,694	2,230	2,656	860
<b>Total revenues</b>	<b>\$ 2,159,515</b>	<b>\$ 2,184,238</b>	<b>\$ 1,937,015</b>	<b>\$ 1,872,982</b>	<b>\$ 1,802,907</b>

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

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**

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Purchase of food	\$ 2,246,664	\$ 2,545,769	\$ 2,548,443	\$ 2,410,025	\$ 2,469,686
Salaries and benefits	2,484,177	2,622,182	2,650,849	2,618,349	2,626,208
Other	806,219	150,857	213,951	299,764	312,558
Total expenses	<u>\$ 5,537,060</u>	<u>\$ 5,318,808</u>	<u>\$ 5,413,243</u>	<u>\$ 5,328,138</u>	<u>\$ 5,408,452</u>

**EXPRESSED IN NOMINAL DOLLARS**

<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Purchase of food	\$ 2,257,049	\$ 2,274,957	\$ 2,171,354	\$ 1,723,718	\$ 1,201,251
Salaries and benefits	2,628,160	2,705,337	2,391,464	2,596,287	1,943,457
Other	319,026	491,273	491,165	892,457	860,368
Total expenses	<u>\$ 5,204,235</u>	<u>\$ 5,471,567</u>	<u>\$ 5,053,983</u>	<u>\$ 5,212,462</u>	<u>\$ 4,005,076</u>

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Purchase of food	\$ 979,032	\$ 1,090,246	\$ 1,069,233	\$ 1,009,908	\$ 1,024,689
Salaries and benefits	1,082,534	1,122,971	1,112,199	1,097,205	1,089,631
Other	351,327	64,606	89,766	125,615	129,682
Total expenses	<u>\$ 2,412,893</u>	<u>\$ 2,277,823</u>	<u>\$ 2,271,198</u>	<u>\$ 2,232,728</u>	<u>\$ 2,244,002</u>

**EXPRESSED IN CONSTANT DOLLARS**

<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Purchase of food	\$ 921,414	\$ 902,800	\$ 847,712	\$ 668,634	\$ 442,131
Salaries and benefits	1,072,915	1,073,593	933,644	1,007,105	715,306
Other	130,239	194,958	191,754	346,186	316,666
Total expenses	<u>\$ 2,124,568</u>	<u>\$ 2,171,351</u>	<u>\$ 1,973,110</u>	<u>\$ 2,021,925</u>	<u>\$ 1,474,103</u>

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

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

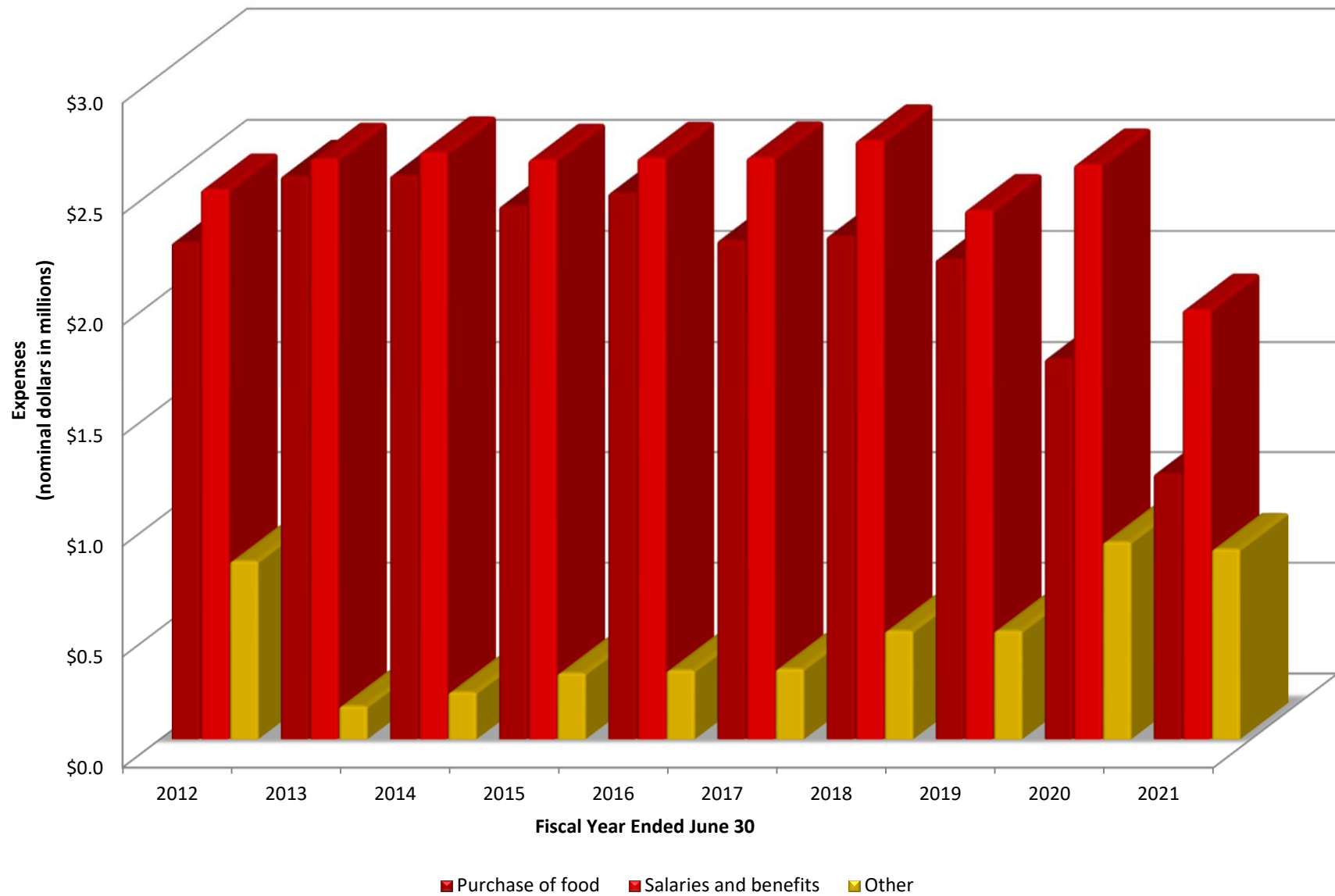


Table 9

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

<b>Year Ended June 30</b>	<b>Installment Purchases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
2021	\$ 3,744,115	\$ 3,744,115	N/A	N/A
2020	3,664,171	3,664,171	N/A	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
2012	1,058,132	1,058,132	0.06%	0

N/A = Not available

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

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, 2020 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, 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, 2020 and June 30, 2021 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

**DUPLIN COUNTY BOARD OF EDUCATION**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2021**

<b>Governmental Unit <sup>(1)</sup></b>	<b>Debt Outstanding <sup>(2)</sup></b>	<b>Estimated Percentage Applicable</b>	<b>Amount Applicable to Primary Government</b>
Duplin County Schools	\$ 3,744,115	100.00%	\$ 3,744,115
Direct Debt Total	<u>3,744,115</u>		<u>3,744,115</u>
Duplin County	60,954,914	100.00%	60,954,914
Overlapping Debt Total	<u>60,954,914</u>		<u>60,954,914</u>
Total Direct and Overlapping Debt	<u>\$ 64,699,029</u>		<u>\$ 64,699,029</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, 2021,  
and Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2020.



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

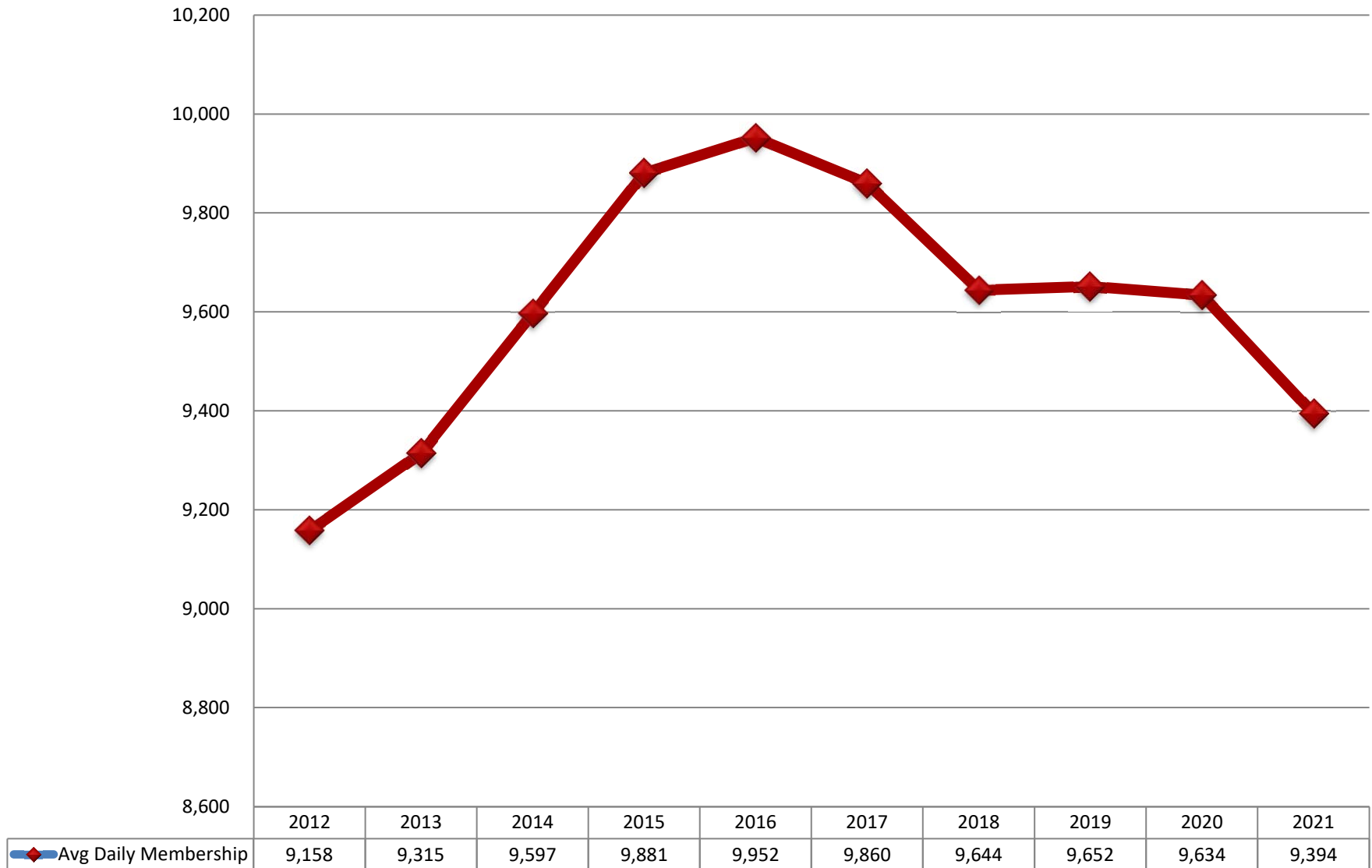


Table 12

# DUPLIN COUNTY BOARD OF EDUCATION

## Student Statistics Last Ten Fiscal Years

Year Ended June 30	Teaching Staff <sup>(1)</sup>	Students <sup>(2)</sup>	Pupil/ Teacher Ratio	Student Attendance Percentage <sup>(2)</sup>	Percentage of Students Eligible for Free/Reduced Lunch <sup>(3)</sup>
2021	613	9,394	1/15	94.90%	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%
2012	610	9,158	1/15	95.47%	76.40%

# DUPLIN COUNTY BOARD OF EDUCATION

## Student Statistics (continued)

Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage <sup>(4)</sup>					Graduates <sup>(3)</sup>	Percentage of Graduates Continuing Education <sup>(3)</sup>
	White	Black	Asian	Hispanic	Other		
2021	31%	22%	1%	45%	4%	647	81%
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%
2012	38%	25%	0%	35%	2%	533	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 (2012-2021 Editions).

Table 13

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Officials, admins, mgrs	13	17	16	17	21	21	19	18	20	22
Principals	16	15	16	16	17	16	13	13	13	14
Asst. Principals, non-teaching	13	15	17	20	20	20	22	21	21	21
Total administrators	42	47	49	53	58	57	54	52	54	57
Elementary teachers	438	445	443	450	473	456	458	442	437	445
Secondary teachers	171	169	170	175	170	173	173	168	158	166
Other teachers	1	2	6	11	5	6	4	4	2	2
Total teachers	610	616	619	636	648	635	635	614	597	613
Guidance	23	20	21	21	23	26	22	24	22	23
Psychological	1	1	1	0	0	1	2	2	4	2
Librarian, audiovisual	15	14	14	14	15	15	13	13	13	12
Consultant, supervisor	-	2	0	0	0	0	1	0	0	1
Other professionals	31	30	35	37	41	30	35	35	36	36
Total professionals	722	730	739	761	785	764	762	740	726	744
Teacher Assistants	203	202	211	208	203	195	187	175	170	169
Technicians	6	7	8	8	8	8	8	8	8	8
Clerical, secretarial	69	67	68	68	68	66	60	63	61	61
Service workers	122	124	132	131	131	120	110	108	101	102
Skilled crafts	28	26	24	27	29	27	32	31	28	30
Laborers, unskilled	2	2	3	3	0	0	0	0	1	1
Total employees	1,152	1,158	1,185	1,206	1,224	1,180	1,159	1,125	1,095	1,115

Source: North Carolina Public Schools Statistical Profile (2012 -2021 Editions)

# DUPLIN COUNTY BOARD OF EDUCATION

## Instructional Personnel Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries <sup>(1)</sup>			Bachelors Degree <sup>(2)</sup>	Masters Degree <sup>(2)</sup>	Advanced Degree <sup>(2)</sup>	Doctorate Degree <sup>(2)</sup>
	Minimum	Maximum	Average				
2021	\$ 35,000	\$ 65,970	\$ 41,166	N/A	N/A	N/A	N/A
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
2012	30,430	64,625	39,734	489	106	1	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, 2021**

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
B. F. Grady Elementary	1994	880	869	-1%	Good
Beulaville Elementary	1996	645	817	26%	Good
Chinquapin Elementary	1955	552	498	-11%	Good
Warsaw Elementary	1974	855	844	-2%	Good
Duplin Early College	2009	184	181	-2%	Good
East Duplin High	1962	911	848	-6%	Good
James Kenan High	1956	824	768	-6%	Good
Kenansville Elementary	1980	595	608	2%	Good
North Duplin Elementary	1974	672	705	5%	Good
North Duplin Jr. Sr. High	1955	613	571	-7%	Good
Rose Hill-Magnolia Elementary	1972	1,236	1,152	-7%	Good
Wallace Elementary	1974	1,224	1,168	-5%	Good
Wallace-Rose Hill High	1955	751	712	-6%	Good

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

Table 16

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

<b>Year Ended June 30</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Population estimate (1)	60,033	60,084	58,710	59,159	58,969
Personal income (2)	\$1,849,253,000	\$1,851,108,000	\$1,932,762,000	\$1,911,853,000	\$1,059,083,240
Per capita income (2)	\$30,804	\$30,809	\$32,920	\$32,317	\$17,960
Median age (3)	35.7	35.7	35.6	35.6	35.7
School enrollment (4)	9,158	9,315	9,597	9,881	9,952
Unemployment rate (5)	9.0%	9.8%	9.4%	6.9%	5.8%
<b>Year Ended June 30</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2020</b>
Population estimate (1)	60,130	59,350	58,741	58,741	N/A
Personal income (2)	\$1,139,162,850	\$1,974,270,000	\$2,068,142,000	N/A	N/A
Per capita income (2)	\$18,945	\$33,265	\$35,208	N/A	N/A
Median age (3)	38.9	38.7	41.1	40.6	40.6
School enrollment (4)	9,860	9,644	9,652	9,634	9,394
Unemployment rate (5)	5.5%	4.6%	4.4%	5.4%	4.6%

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, 2021 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2022, 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, 2020 and June 30, 2021 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

Table 17

# DUPLIN COUNTY, NORTH CAROLINA

Principal Employers  
For Years Ended June 30, 2020 and 2011

Employer	2020			2011		
	Employees <sup>(1)</sup>	Rank	Percentage of Total County Employment	Employees <sup>(1)</sup>	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%
County of Duplin	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 <sup>(1)</sup>	<u>24,394</u>			<u>23,312</u>		

Sources:

(1) Duplin County Economic Development



**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
2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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	3.52%	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
2012	10,470,245	4,093,487	-	450,000	-	-	1,181,223	16,593,300	-	32,788,255	1.77%	546

N/A = Not Available

Source: Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2020.

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, 2022, 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, 2020 and June 30, 2021 income based information will be shown above as "N/A", and the June 30, 2020 information will be reported for the year ended June 30, 2022, if applicable.

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2021 had not been released at the time of this report. Therefore, June 30, 2021 information from Duplin County's financial statements will be shown above as "N/A" and will be reported for the year ended June 30, 2022, if applicable.

Table 19

**DUPLIN COUNTY, NORTH CAROLINA**

**Principal Property Taxpayers  
June 30, 2020 and June 30, 2011**

Taxpayer	2020			2011		
	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	3.33%	\$ 92,216,621	2	2.46%
Smithfield	132,237,077	2	2.89%	-	-	-
House of Raeford	135,857,587	3	2.97%	43,936,877	5	1.17%
Duke Energy Progress	62,807,551	4	1.38%	37,605,503	7	1.00%
Guilford Mills	51,069,031	5	1.12%	29,095,526	8	0.78%
Murphy Family Ventures	46,218,860	6	1.01%	42,938,954	6	1.14%
Duplin Land Development	46,040,569	7	1.01%	80,519,123	3	2.14%
United State Cold Storage	45,633,665	8	1.00%	-	-	-
Nash Johnson & Sons	38,852,514	9	0.85%	46,739,959	4	1.25%
Four County EMC	28,789,144	10	0.63%	24,457,345	10	0.65%
Murphy-Brown, LLC	-	-	-	105,445,663	1	2.81%
Coastal Carolina Green Power	-	-	-	24,828,918	9	0.66%
	<u>\$ 739,726,324</u>		<u>16.19%</u>	<u>\$ 527,784,489</u>		<u>14.06%</u>
Total Assessed Valuation	<u>\$ 4,567,805,267</u>			<u>\$ 3,754,093,931</u>		

Source: Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2020.

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2021 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

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

EXPRESSED IN NOMINAL DOLLARS						
Year Ended June 30	Total Tax Levy	Collected Within Fiscal Year of Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy Collected
2021	N/A	N/A	N/A	N/A	N/A	N/A
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%
2012	27,109,094	25,724,577	94.89%	1,429,287	27,153,864	100.17%

EXPRESSED IN CONSTANT DOLLARS						
Year Ended June 30	Original Tax Levy	Collected Within Fiscal Year of Levy		Subsequent Collections	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy Collected
2021	N/A	N/A	N/A	N/A	N/A	N/A
2020	12,400,330	11,990,514	96.70%	N/A	11,990,514	96.70%
2019	11,765,169	11,422,287	97.09%	88,115	11,510,402	97.83%
2018	11,295,745	10,921,724	96.69%	175,525	11,097,249	98.24%
2017	11,840,102	11,458,369	96.78%	243,638	11,702,007	98.83%
2016	11,743,310	11,374,760	96.86%	406,118	11,780,878	100.32%
2015	13,179,579	12,835,387	97.39%	586,859	13,422,246	101.84%
2014	13,572,753	13,057,967	96.21%	596,250	13,654,217	100.60%
2013	12,992,515	12,323,062	94.85%	624,159	12,947,221	99.65%
2012	12,389,047	11,756,313	94.89%	653,194	12,409,508	100.17%

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, 2021 had not been released at the time of this report. Therefore, June 30, 2021 information from Duplin County's financial statements will be shown above as "N/A" and will be reported for the year ended June 30, 2022, if applicable.





## **Compliance Section**



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

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*

## **INDEPENDENT AUDITORS' REPORT**

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, 2021, 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 October 22, 2021.

### ***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.

### ***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*

*October 22, 2021  
West End, North Carolina*



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

Report On Compliance With Requirements Applicable to Each Major Federal Program  
And Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and  
the State Single Audit Implementation Act

## ***INDEPENDENT AUDITORS' REPORT***

To the Duplin County Board of Education  
Kenansville, North Carolina

### ***Report on Compliance for Each Major Federal 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 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, 2021. The Duplin County Board of Education's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Duplin County Board of Education's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Duplin County of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the Duplin County Board of Education's compliance.



### ***Opinion on Each Major Federal Program***

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, 2021.

### ***Report on Internal Control Over Compliance***

Management of the Duplin County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Duplin County Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Duplin County Board of Education's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

*Anderson Smith & Wike PLLC*

*October 22, 2021  
West End, North Carolina*



# ANDERSON SMITH & WIKE PLLC

*Certified Public Accountants*

Report On Compliance With Requirements Applicable to Each Major State  
Program and Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and  
The State Single Audit Implementation Act

## **INDEPENDENT AUDITORS' REPORT**

To the Duplin County Board of Education  
Kenansville, North Carolina

### **Report on Compliance for 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 *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, 2021. The Duplin County Board of Education's major State programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its State programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Duplin County Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about the Duplin County Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Duplin County Board of Education's compliance.

### ***Opinion on Each Major State Program***

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, 2021.

### ***Report on Internal Control Over Compliance***

Management of the Duplin County Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Duplin County Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on a major State program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Duplin County Board of Education's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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. Accordingly, this report is not suitable for any other purpose.

*Anderson Smith & Wike PLLC*

*October 22, 2021  
West End, North Carolina*

**DUPLIN COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2021**

---

**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 Reported</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 Reported</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:	

<b>CFDA Numbers</b>	<b>Names of Federal Programs or Clusters</b>
84.027	Special Education Cluster:
84.173	Special Education Program
	Special Education – Preschool Program
93.600	Head Start
84.425	COVID-19 - Education Stabilization Funds
21.019	COVID-19 - Coronavirus Relief Funds

Dollar threshold used to distinguish between Type A and Type B Programs	<u><i>\$ 750,000</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, 2021**

---

**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 Reported

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  
 North Carolina Pre-Kindergarten Program  
 State Appropriations - Buses  
 Public School Building Capital Fund – Lottery

**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, 2021***

---

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 YEAR ENDED JUNE 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
<b>Federal Grants:</b>			
<u>U. S. Department of Agriculture</u>			
School Nutrition Program			
<u>Child Nutrition Cluster:</u>			
Noncash Assistance (Commodities):			
Passed-through the N.C. Department of Agriculture:			
National School Lunch Program	10.555	PRC 035	\$ 375,813
Cash Assistance:			
Passed-through the N.C. Department of Public Instruction:			
Summer Food Service Program for Children	10.559	PRC 035	4,489,510
Total Child Nutrition Cluster:			4,865,323
Total U.S. Department of Agriculture			4,865,323
<u>U.S. Department of Education</u>			
<u>Office of Elementary and Secondary Education</u>			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies			
Educationally Deprived Children	84.010	PRC 050	3,711,804
Education for Homeless Children	84.196	PRC 026	28,475
Supporting Effective Instruction	84.367	PRC 103	699,785
Student Support and Academic Enrichment	84.424	PRC 108	292,060
Rural and Low Income Education	84.658	PRC 109	205,863
English Language Acquisition Grants	84.365	PRC 104	80,346
Language Acquisition - Significant Increase	84.365	PRC 111	18,428
Special Education - State Personnel Development	84.323	PRC 082	9,884
Title I, Migrant Education	84.011	PRC 051	114,858
<u>Office of Special Education and Rehabilitative Services</u>			
Passed-through the N.C. Department of Public Instruction:			
<u>Special Education Cluster:</u>			
Individuals with Disabilities Education Act			
- Education of the Handicapped	84.027	PRC 060	1,577,929
- Targeted Assistance	84.027	PRC 118	6,722
- Preschool Handicapped	84.173	PRC 049	38,400
Total Special Education Cluster:			1,623,051
Carl D. Perkins Vocational and Applied Technology			
Education Act Amendments of 1990			
Basic Grants to States			
- Program Development & Career Pathways Grant	84.048	PRC 017 & 058	199,007

**DUPLIN COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
Education Stabilization Fund			
COVID-19 - CARES Act - K-12 Emergency Relief Fund - ESSER	84.425D	PRC 163	870,433
COVID-19 - CARES Act - ESSER I - Digital Curricula	84.425D	PRC 165	18,319
COVID-19 - CARES Act - ESSER I - Exceptional Children Grants	84.425D	PRC 167	3,057
COVID-19 - CRRSA - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	6,960
COVID-19 - ARP - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	1,459,836
Total Education Stabilization Fund	84.425		<u>2,358,605</u>
Total U.S. Department of Education			<u>9,342,166</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
JROTC	12.000		<u>182,403</u>
<u>U.S. Department of Health and Human Services</u>			
<u>Health Resources and Services Administration</u>			
Direct Program:			
Head Start	93.600		<u>1,494,512</u>
Passed-through the N.C. Department of Public Instruction:			
Title V Abstinence Education	93.235	PRC 101	<u>22,464</u>
Total U.S. Department of Health and Human Services			<u>1,516,976</u>
<u>U.S. Department of the Treasury</u>			
Passed-through NC Office of State Management and Budget			
NC Pandemic Recovery Office			
Passed-through the N.C. Department of Public Instruction:			
Coronavirus Relief Fund			
COVID-19 - Summer Learning Program	21.019	PRC 121	581,000
COVID-19 - Nondigital Resources	21.019	PRC 123	10,917
COVID-19 - Student Computers and Devices	21.019	PRC 124	127,479
COVID-19 - School Nutrition	21.019	PRC 125	532,821
COVID-19 - Personnel Computers and Devices	21.019	PRC 126	154
COVID-19 - Bus WiFi	21.019	PRC 127	7,560
COVID-19 - Home and Community WiFi	21.019	PRC 128	96,644
COVID-19 - Learning Management System	21.019	PRC 129	15,390
COVID-19 - Grants for Exceptional Children Services	21.019	PRC 132	43,910
COVID-19 - Low Wealth Supplemental Funds	21.019	PRC 134	1,052,169
COVID-19 - Cybersecurity	21.019	PRC 135	23,396
COVID-19 - Personal Protective Equipment	21.019	PRC 137	217,371
COVID-19 - Gaggle Safety Management	21.019	PRC 138	16,405
Total Coronavirus Relief Fund			<u>2,725,216</u>
<b>Total federal assistance</b>			<u>18,632,084</u>



**DUPLIN COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Expenditures
<b>State Grants:</b>			
<u>N.C. Department of Public Instruction:</u>			
Cash Assistance:			
State Public School Fund		Various	62,967,662
Driver Training - SPSF		PRC 012	168,047
Career and Technical Education			
- State Months of Employment		PRC 013	3,030,557
- Program Support Funds		PRC 014	134,708
FAST NC Grant			1,510
Passed-through Duplin County			
Public School Building Capital Fund - Lottery			709,655
Cash assistance subtotal			67,012,139
Non-Cash Assistance:			
School buses - Noncash			818,410
Total N.C. Department of Public Instruction			67,830,549
<u>N.C. Department of Health and Human Services:</u>			
North Carolina Pre-Kindergarten Program			1,715,399
Passed-through the Duplin County Partnership for Children			
Smart Start			131,244
Total N.C. Department of Health and Human Services			1,846,643
<u>N.C. Department of Cultural Resources</u>			
N.C. Arts Council Grant			18,215
<u>N.C. Department of Commerce</u>			
Plasma Games Grant			36,000
<u>N.C. Department of Juvenile Justice and Delinquency Prevention</u>			
Gang Awareness Grant			694
<u>Office of the Governor</u>			
Education Workforce & Innovation Program			6,862
<b>Total State assistance</b>			69,738,963
<b>Total federal and State assistance</b>			\$ 88,371,047

**DUPLIN COUNTY BOARD OF EDUCATION**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

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

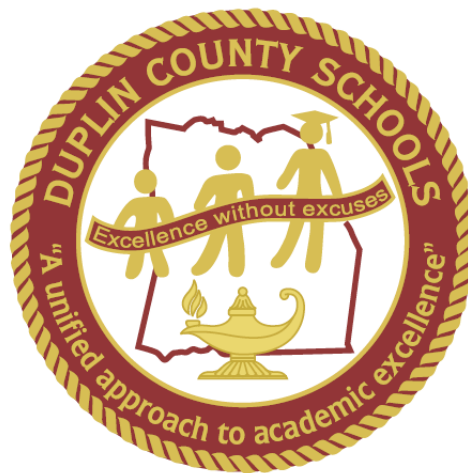
Note 1. Basis of Presentation

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, 2021. 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  
315 NORTH MAIN STREET  
KENANSVILLE, NC 28349  
(910)-296-1521**