

Annual Comprehensive Financial Report

Year Ended June 30, 2023

OCS

ONSLOW
COUNTY
SCHOOLS



Onslow County Board Of Education

Jacksonville, North Carolina

Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Onslow County Board Of Education
Jacksonville, North Carolina

Prepared by the Onslow County Schools' Finance Office



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Onslow County Board of Education, North Carolina
June 30, 2023

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Introductory Section

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Board of Education
Ken Reddic, Chairman • Bradley Williams, Vice-Chairman
Elbert Garvey • Bill Lanier • Melissa Oakley • Louis Rogers • Angie Todd

ONSLow
COUNTY
SCHOOLS



Superintendent
Barry D. Collins, Ed.D.

October 25, 2023

**To the Members of the Onslow County Board of Education
and the Citizens of Onslow County, North Carolina**

The Annual Comprehensive Financial Report of the Onslow County Board of Education (Board) for the fiscal year ended June 30, 2023 is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with management. The Finance Office, in accordance with generally accepted accounting principles, has prepared this report. We believe the data presented is accurate in all material respects and that it is presented in a manner which fairly reflects the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain maximum understanding of the Board's financial activity have been included.

Reporting Entity

The Onslow County Board of Education is an organized governmental entity providing public elementary and secondary education to the students of Onslow County, North Carolina. Programs span from pre-kindergarten through 12th grade and provide instruction through general education, special education, and vocational education classes. Onslow County Schools served 27,742 students in average daily membership during the second month of the 2022-2023 school year. Membership increased by 701 students over the previous year. Over the last ten years, Onslow County Schools has seen an average growth of 279 students per year. Consistent with past growth around this level, student enrollment is projected to continue to increase at this pace. Students are served on forty-one campuses throughout the county. These sites include one early college high school, seven high schools, eight middle schools, twenty-two elementary schools, one pre-kindergarten center, one alternative learning center, and one career technical education center plus a virtual school for grades K-12. Original construction on these campuses ranges from 1 year old to 83 years old with an average of 41 years. (Charter schools are legally separate entities that are not components of the Onslow County Board of Education. Public charter schools are funded by State and local funds on an equivalent per pupil basis as the district's schools. As required by State statute, local funds from county appropriations flow through the school district to charter schools.)

Based upon N.C. General Statute 115C-40 and in accordance with generally accepted accounting principles, the Onslow County Board of Education is not included in any other reporting entity. The statute empowers the Board with general control and supervision of all matters pertaining to public education in Onslow County. Thus, the Board has sufficient discretion in management of its affairs to distinguish it as separate from the administrative structure of any governmental unit.

Management's Discussion and Analysis

A narrative overview accompanies the basic financial statements in the management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A which should be read in conjunction with the financial statements. The MD&A can be found immediately following the independent auditor's report.

Economic Condition and Outlook

Onslow County is located in southeastern North Carolina and is bordered by the Atlantic Ocean to the east. The County is approximately 120 miles east of Raleigh and 50 miles north of Wilmington, NC.

Onslow County has a flat, gently rolling terrain which slopes from an altitude of 63 feet at the town of Richlands to sea level and covers a total of 767 square miles. Of this total, about 246 square miles make up U.S. Marine Corps Base Camp Lejeune and U.S. Marine Corps Air Station New River. The city of Jacksonville is the County seat. Jacksonville and the areas surrounding Jacksonville comprise the major population center in the County. The County is home to about 210,000 people and includes the towns of North Topsail Beach, Holly Ridge, Richlands, Swansboro, and parts of Surf City.

Onslow County also offers a natural playground for the ultimate in outdoor coastal recreation and sports with over 30 miles of beautiful beaches sprinkled with shells, waters teeming with an abundance of marine life, forests filled with sporting wildlife, and farmland rich with harvests.

Construction activity continues in Onslow County as evidenced by 886 new units of residential construction in fiscal year 2023.

Agriculture remains a major economic factor in Onslow County but less so as the County population grows. The total of agricultural products sold for 2021 was reported at \$155.2 million. As of the 2017 USDA Census, Onslow has 52,473 acres of farms which is down 9% from 2012. The number of farms, 340 for 2020, is down 2% from 2012. Agritourism growth has soared with revenues reported by the NC State Cooperative Extension at over \$2 million which is up 1514% from 2012. A 69% increase in greenhouse, sod, nursery, and floriculture products has offset some of the loss from traditional crops. Timber sales within the County are also a significant industry with the County's many acres of woodlands. There are approximately 343,924 acres of timberland in the County. The estimated income for stumpage (price paid to the timber owner for standing timber) for 2021 was \$9.4 million. For the same period, the estimated income for delivered timber (price paid to the timber buyer upon delivery of the timber to the mill) was \$18.1 million. The seafood industry has always been an integral part of the County's economy. The latest figure available from the Division of Marine Fisheries for the dockside value of seafood in 2020 was approximately \$3.5 million.

Camp Lejeune, the largest Marine Corps installation on the East Coast, makes its home in the County. Marine Corps Air Station New River continues to support the Lejeune based units. Marine Corps Installations East, which serves as the regional command for Marine bases located on the East Coast, is located at Camp Lejeune. This command includes air stations and logistics bases. The bases also house a full component of Navy and Coast Guard personnel associated with port security. For fiscal year 2020, the Marine Corps estimated that Camp Lejeune and New River Air Station contributed \$4.4 billion to the local economy of the County and surrounding areas in the form of payroll to military, civilian

employees and retirees, material supply and service contracts, healthcare for service members and families and on base construction.

Several programs to support military dependents have successfully encouraged more dependents to remain in the community during deployments of family members. Changes in troop rotation schedules and practices have also had the effect of reducing the negative effects of deployments of the County.

Tourism continues to be a growing industry for the County. It is estimated that the local tourism industry generates more than \$84.0 million in wages for approximately 2,197 full-time employees. Visitors to Onslow County spent an estimated \$338.49 million in 2021.

The unemployment rate for Onslow County as of June 2023 was 4.2%. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, communications equipment, inbound logistics centers, assembly/light manufacturing industries, industries that are suppliers to the military, and marine trades such as boat building. With a large military dependent population, these industries are well suited for the existing work force.

The County is marketing its 730-acre Industrial Park located on U.S. Highway 258 and within a 10-minute drive of Albert J. Ellis Airport, which serves the County. The N. A. Burton Industrial Park is a Certified Industrial Site with the North Carolina Department of Commerce. It will play a critical role in the economic development of the County as the County works to encourage businesses to locate in eastern North Carolina.

Major Initiatives

Faced with great uncertainties surrounding the reopening of schools in August of 2020 due to the ongoing Covid-19 pandemic, Onslow County Schools accelerated long envisioned aspirations of standing up a fully virtual school. Students were enrolled and staff placed within weeks prior to the start of the 2020-2021 school year at the Onslow Virtual School serving students in grades K-12. Demand for the fully virtual school exceeded 4600 students. Students were provided with necessary resources including laptops and learning management system as well as digital and other resources. Although most students returned to traditional school campuses for the 2021-2022 school year, the fully virtual school choice remains an ongoing option for students who are best served in a virtual school environment.

To increase the educational opportunities available to students, the Onslow County Board of Education has implemented other new major programs. The Onslow County Early College High School is located on the campus of Coastal Carolina Community College. This school empowers students to earn their high school diploma and an Associate Degree simultaneously during their four-year high school experience. In addition, the State provided a grant to construct and outfit the Eastern North Carolina Regional Career Center located in Burton Industrial Park on land donated by the Onslow County Board of Commissioners. The center provides advanced career skills to high school juniors and seniors. Offerings include automotive/collision repair, welding, culinary arts, and cyber security/technology. The center is also available to high school students of other counties in the region as well as high school students from the Department of Defense Education Activity schools located on local military installations.

The Onslow County Board of Commissioners and the Onslow County Board of Education adopted a Joint Educational Funding Policy in fiscal year 2014 with implementation beginning in fiscal year 2015 which provided a comprehensive foundational framework for determining funding in the three areas that the school district relies upon the County for funding - operational, annual capital outlay, and major

construction projects. In 2020, a mutual agreement between the boards was adopted for a new formula for operational expense funding that was based on a percentage of property and sales tax revenues collected by the County with implementation first occurring in fiscal year 2021. Likewise, a mutual agreement was adopted to provide specified successive increases for annual capital outlay funding beginning with fiscal year 2021. These ongoing agreements demonstrate a strong commitment from the Board of County Commissioners and provide the basis for consistent long-range planning.

To meet the demands the school system faces in the future, the Onslow County Board of Education developed a ten-year “Long Range Facility Needs Assessment”. The study outlines future student population projections and matches these trends to existing plant configurations in order to determine facility requirements. The Board has secured funding for these major construction projects through agreements with the County.

The Public Schools Capital Improvement Program established with the County provides for major construction projects necessary to serve the district’s student population with annual reviews and adjustments to be made on an ongoing basis. The initial plan provided for five new schools and one campus expansion being started during the first ten years. Construction of the first new school in this agreement, Dixon Middle School, started in fiscal year 2015 and opened in August 2017. The construction project for the second new school in this plan, Richlands Elementary School, began in fiscal year 2016 and opened in August 2018. Construction of the third new school in this agreement, Coastal Elementary School, started in fiscal year 2020 and opened in August 2021. The fourth school project in this agreement, Clear View Elementary School, started in fiscal year 2020 and opened in August 2022. Projects that are designated to open in upcoming years include a middle school expansion project as well as an additional elementary school. Ongoing discussions are scheduled in order to continue planning for the ten-year construction horizon.

The Onslow County Board of Education, with efforts of the staff, principals, and citizens, has adopted a Strategic Plan. This plan specifies goals, strategies, and outcomes. In the coming school year, Onslow County Schools will continue its implementation of a process designed to achieve quality through a continuous improvement model. The program will continue to increase the standard of excellence in the Onslow County Schools. The district has been recognized for being the first school system in North Carolina and the seventh nationally to achieve district-wide accreditation from the Southern Association of Colleges and Schools/Council on Accreditation and School Improvement. The Onslow County Board of Education also became the first district in North Carolina to achieve district-wide reaccreditation.

For the year 2022-2023, Onslow County Schools continued to strive for strong student achievement. Onslow County Schools’ “Four Year Graduation Rate” was 91.1% which outpaced the State average by almost five percentage points.

The system continues implementation of a long-range technology plan through significant ongoing upgrades to the network infrastructure and the technology support delivery model. The technology implementation strategy is based on a three tiered approach. Tier 1 supports teacher productivity through a one-to-one sustainable laptop deployment for certified instructional staff while Tier 2 supports classroom productivity through devices such as smart boards. Tiers 1 & 2 were the first phases to have been implemented and maintained. Tier 3 supports student productivity through a one-to-one laptop approach for students. Implementation of the first phase of Tier 3 was implemented in fiscal year 2015 in grades 7, 8, and 9. Grades 5 and 10 were added in fiscal year 2016. Grades 4, 6, and 11 were added in fiscal year 2017. With the addition of Grades 3 and 12 in fiscal year 2018, full implementation of the initial Tier 3 plan to cover grades 3 through 12 was achieved. The district has maintained a four-year

rolling replacement cycle for Tier 3 devices. During the spring of 2020, additional laptops were issued to students in grades 1 and 2 while tablet computers were issued to Kindergarten students in order to continue instruction remotely at all grade levels due to the COVID-19 pandemic restrictions on in-person learning. The Tier 3 plan now includes one-to-one technology for grades K-12 in order to support ongoing instructional needs.

Internal Control

The internal control structure is designed to provide reasonable assurance that the assets of the Board are protected from loss, theft, or misuse and to ensure the reliability of financial records for preparing financial statements in accordance with generally accepted accounting principles. This structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived.

Budgetary Control

North Carolina General Statutes require all governmental units to adopt a balanced budget by July 1 of each year. The Board's annual budget resolution authorizes expenditures at the purpose level within each fund on a modified accrual basis. Financial activities are governed by the School Budget and Fiscal Control Act which requires a pre-audit procedure to ensure that funds are available for expenditure.

Independent Audit

North Carolina General Statutes require an annual independent audit by independent certified public accountants. Anderson Smith & Wike, P.L.L.C., a firm of independent certified public accountants, has audited the financial statements and their opinion is included in the financial section of this report. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996 and related OMB Circular A-133. The auditor's reports related specifically to the single audit are included in that supplemental report.

Awards

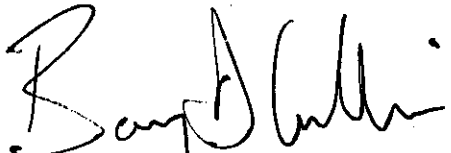
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Onslow County Board of Education for its annual comprehensive financial report for the fiscal year ended June 30, 2022. Also, the Association of School Business Officials International (ASBO) awarded a Certificate of Excellence for Financial Reporting to the Onslow County Board of Education for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the twentieth consecutive year that the Onslow County Board of Education has received these prestigious awards. In order to be awarded a Certificate, the Board must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate Programs' requirements and we are submitting it to the GFOA and ASBO to determine its eligibility for another certificate.

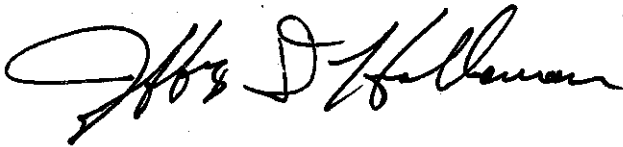
Acknowledgements

This report could not have been prepared without the efficient and dedicated services of the staff in the Finance Office. We would like to express our appreciation to all of these people for their assistance and contributions in developing the final report. Also, we would like to thank the members of the Onslow County Board of Education for their interest and support in planning and conducting the financial operations of the school system in a dedicated and responsible manner.

Respectfully submitted,



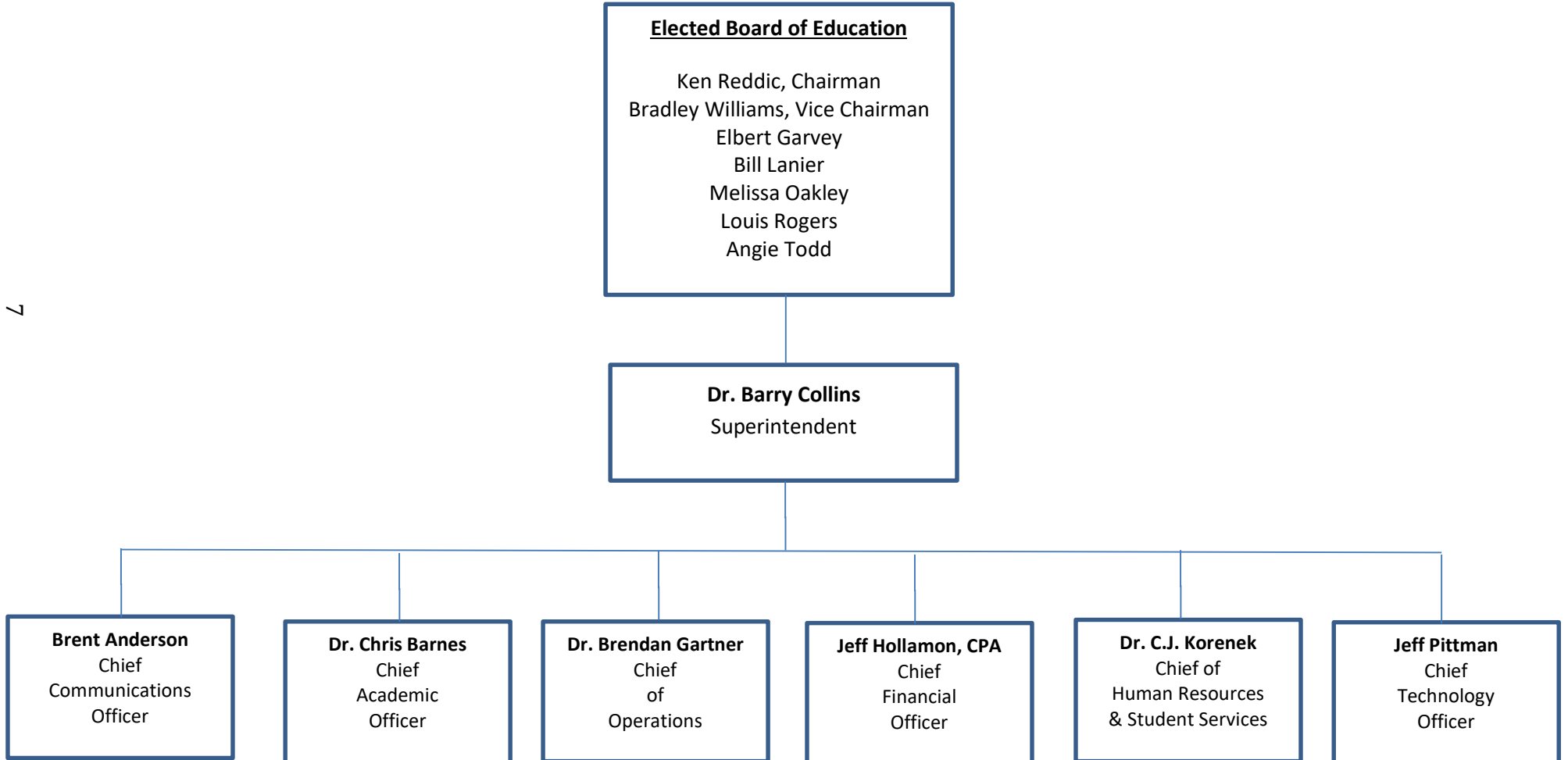
Dr. Barry D. Collins, Superintendent



Jeffrey D. Hollamon, CPA
Chief Financial Officer

**List of Principal Officials
&
Organization Chart
As of June 30, 2023**

7





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Onslow County Board of Education
North Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Onslow County Board of Education

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2022.**

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



A handwritten signature in black ink, reading 'John W. Hutchinson'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchinson
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director



Financial Section

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COUNTY
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ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Onslow County Board of Education
Jacksonville, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Onslow County Board of Education, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Onslow County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Onslow County Board of Education, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, the Other Special Revenue and the Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2023, on our consideration of the Onslow County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Onslow County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Onslow County Board of Education's internal control over financial reporting and compliance.

Anderson Smith & Wike PLLC

October 25, 2023
Rockingham, North Carolina

ONSLow COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Onslow 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, 2023. 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, 2023, the Board's total government-wide net position increased by \$52.9 million. Governmental activities net position increased by \$52.1 million and business-type activities net position increased by \$802 thousand.
- The average daily membership for Onslow County Schools increased by 652 students over the previous year.
- Construction of an additional school was completed with the opening of Clear View Elementary School in August 2022. Two new major construction projects were initiated to address ongoing demands for instructional facilities that will provide another elementary school and will expand an existing middle school.

Overview of the Financial Statements

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

- *Independent Auditor's Report*
- *Management's Discussion and Analysis (required supplementary information)*
- *Basic Financial Statements*
- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*
- *Supplementary section that presents budgetary schedules for the General Fund, the Capital Outlay Fund and for the School Food Service Fund.*

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

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary fund and fiduciary fund. 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 and fiduciary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Board's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the

ONslow COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

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

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

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

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

Fund Financial Statements

The fund financial statements provide more detailed information about the Board's funds, focusing on its most significant or "major" funds. 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.

Onslow 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 fund: Services for which the Board charges a fee are generally reported in the proprietary fund. The proprietary fund statements are reported on the same full accrual basis of accounting as the government-wide statements. The Onslow County Board of Education has one proprietary fund - an enterprise fund – the School Food Service Fund.

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

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

Fiduciary Fund: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Onslow County Board of Education has one fiduciary fund – the Administrative Fund, which is a scholarship fund under the control of the administrative unit. This 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. Total assets and deferred outflows exceeded total liabilities and deferred inflows by \$78.6 million as of June 30, 2023 as compared to \$25.7 million as of June 30, 2022, an increase of \$52.9 million. The largest component of net position is net investment in capital assets, of \$280.3 million. Following is a summary of the Statement of Net Position at June 30, 2023 and 2022:

**Table 1
Condensed Statement of Net Position
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Current and other assets	\$ 114,849,636	\$ 94,648,463	\$ 12,110,439	\$ 11,770,021	\$ 126,960,075	\$ 106,418,484
Capital assets	279,737,264	283,180,797	1,082,893	940,120	280,820,157	284,120,917
Total assets	394,586,900	377,829,260	13,193,332	12,710,141	407,780,232	390,539,401
Deferred outflows of resources	113,403,416	76,232,422	2,074,090	1,324,675	115,477,506	77,557,097
Current and other liabilities	7,137,162	7,256,339	345,308	339,607	7,482,470	7,595,946
Long-term liabilities	323,153,012	295,816,334	5,914,346	5,145,149	329,067,358	300,961,483
Total liabilities	330,290,174	303,072,673	6,259,654	5,484,756	336,549,828	308,557,429
Deferred inflows of resources	106,137,101	131,538,820	1,941,194	2,285,722	108,078,295	133,824,542
Net investment in capital assets	279,215,076	282,582,965	1,082,893	940,120	280,297,969	283,523,085
Restricted net position	31,415,487	31,744,409	-	9,737	31,415,487	31,754,146
Unrestricted net position (deficit)	(239,067,522)	(294,877,185)	5,983,681	5,314,481	(233,083,841)	(289,562,704)
Total net position	\$ 71,563,041	\$ 19,450,189	\$ 7,066,574	\$ 6,264,338	\$ 78,629,615	\$ 25,714,527

The net position of the Board's governmental activities increased \$52.1 million during the year, to a balance of \$71.6 million at June 30, 2023, indicating an improvement in the financial condition of the Board. Restricted net position decreased \$329 thousand from the prior year, and net investment in capital assets decreased \$3.4 million due to an excess of depreciation expense over capital additions for the year. Note that the Board carries capital assets for which Onslow County carries the offsetting debt.

Net position reported in the Board's business-type activities was \$7.1 million at June 30, 2023, an increase of \$802 thousand over the amount reported at June 30, 2022. This increase is the amount of net profit generated by our school food service operations during the 2023 fiscal year.

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

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

**Table 2
Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Revenues:						
Program revenues:						
Charges for services	\$ 6,193,483	\$ 4,949,031	\$ 2,669,014	\$ 276,546	\$ 8,862,497	\$ 5,225,577
Operating grants and contributions	234,013,696	223,242,514	11,000,482	16,704,998	245,014,178	239,947,512
Capital grants and contributions	911,990	663,333	-	-	911,990	663,333
General revenues:						
County appropriations	68,135,385	67,819,224	-	-	68,135,385	67,819,224
State appropriations	11,889,842	6,609,036	-	-	11,889,842	6,609,036
Federal appropriations	7,468,701	6,905,714	-	-	7,468,701	6,905,714
Other revenues	5,494,823	4,032,328	179,618	13,255	5,674,441	4,045,583
Total revenues	<u>334,107,920</u>	<u>314,221,180</u>	<u>13,849,114</u>	<u>16,994,799</u>	<u>347,957,034</u>	<u>331,215,979</u>
Expenses:						
Governmental activities:						
Instructional services	217,520,657	205,427,310	-	-	217,520,657	205,427,310
System-wide support services	50,599,677	45,951,772	-	-	50,599,677	45,951,772
Ancillary services	459,344	480,280	-	-	459,344	480,280
Non-programmed charges	468,922	453,854	-	-	468,922	453,854
Unallocated depreciation	12,528,580	12,486,062	-	-	12,528,580	12,486,062
Business-type activities:						
School food service	-	-	13,464,766	12,586,417	13,464,766	12,586,417
Total expenses	<u>281,577,180</u>	<u>264,799,278</u>	<u>13,464,766</u>	<u>12,586,417</u>	<u>295,041,946</u>	<u>277,385,695</u>
Excess before transfers	52,530,740	49,421,902	384,348	4,408,382	52,915,088	53,830,284
Transfers in (out)	<u>(417,888)</u>	<u>(393,900)</u>	<u>417,888</u>	<u>393,900</u>	<u>-</u>	<u>-</u>
Increase in net position	52,112,852	49,028,002	802,236	4,802,282	52,915,088	53,830,284
Beginning net position (deficit)	<u>19,450,189</u>	<u>(29,577,813)</u>	<u>6,264,338</u>	<u>1,462,056</u>	<u>25,714,527</u>	<u>(28,115,757)</u>
Ending net position	<u>\$ 71,563,041</u>	<u>\$ 19,450,189</u>	<u>\$ 7,066,574</u>	<u>\$ 6,264,338</u>	<u>\$ 78,629,615</u>	<u>\$ 25,714,527</u>

Total governmental activities generated revenues of \$334.1 million while expenses, including transfers, in this category totaled \$282.0 million for the year ended June 30, 2023, resulting in the aforementioned increase in net position of \$52.1 million. Comparatively, revenues were \$314.2 million and expenses and transfers totaled \$265.2 million for the year ended June 30, 2022, resulting in an increase in net position of \$49.0 million. In comparing the two years, there was an increase in revenues of \$19.9 million, or 6.3%, while expenses, including transfers, increased by \$16.8 million, or 6.3%. The changes in both revenues and expenses are largely attributable to an increase of \$15.6 million in State grant funding received and expended through the State Public School Fund. This increased funding was primarily used for instructional services expenses.

To encourage excellence in education, fiscal sustainability, and create more consistent long-range budget planning, the Board of Education and the Board of County Commissioners jointly adopted an Annual Current Expense Funding Agreement and a Capital Outlay Funding Agreement in 2020 with implementation beginning in fiscal year 2022. The base funding amount for the local current expense General Fund is 36.1% of the sum of property tax and sales tax received by the County for the calendar

ONSLow COUNTY BOARD OF EDUCATION MANAGEMENT'S DISCUSSION AND ANALYSIS

year immediately preceding the fiscal year funded. To address sudden wide variations in school population, an additional provision was included. The funding amount is adjusted upward by 0.5% to 36.6% for the fiscal year funded when the immediately preceding school year's second month average daily membership shows a growth of more than 375 students over that figure in the prior year. Likewise, the funding amount is adjusted downward by 0.5% to 35.6% for the fiscal year funded when the immediately preceding school year's second month average daily membership shows a decline of more than 375 students under that figure in the prior year. The initial term of this agreement was for funding through fiscal year 2024 with automatic renewals each year thereafter unless appropriate notice is provided. In accordance with the agreement, the automatic one-year renewal for funding of fiscal year 2025 became effective February 1, 2023. The agreement for Capital Outlay funding provides successive increases to address deferred and ongoing capital needs. Funding levels were established at the following amounts shown in millions: FY2021 - \$3.3, FY2022 - \$3.7, FY2023 - \$4.2, FY2024 - \$4.8, and FY2025 - \$5.5.

The Board's primary sources of revenues were funding from the State of North Carolina, Onslow County, and the United States Government, which respectively comprised 59.2%, 20.1% and 14.9% of our total governmental activities revenues. As would be expected, the major component of our expenses was instructional services which accounted for 77.3% of our total governmental activities expenses during the most recent fiscal year. Of the remaining 22.7% of our total expenses, 18.0% was attributable to system-wide support services.

Total business-type activities generated revenues of \$13.8 million while expenses in this category totaled \$13.5 million for the year ended June 30, 2023. Including \$418 thousand of transfers in from governmental activities, net position increased by \$802 thousand for the year ended June 30, 2023. Comparatively, revenues were \$17.0 million, expenses totaled \$12.6 million and transfers in were \$394 thousand for the year ended June 30, 2022, resulting in an increase in net position of \$4.8 million. In response to the COVID-19 pandemic, the federal government allowed all students to eat free breakfast and lunch during the 2022 fiscal year. This resulted in a significant increase in revenues from the USDA due to the number of free meals the district was able to serve. However, during the 2023 year, the federal government did not provide free meals to all students and the district had to revert back to requiring students complete applications to determine if they qualify for free/reduced meal status. As would be expected with all students not receiving free breakfast and lunch, the district experienced a significant decline in revenues due to a decrease in the number of meals served. The change in expenses was primarily due to inflationary increases related to food and labor costs.

Financial Analysis of the Board's Funds

Governmental Funds: The focus of Onslow 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 \$113.3 million at June 30, 2023, an increase of \$20.2 million over the \$93.1 million reported at June 30, 2022. Revenues were \$338.0 million for the year ended June 30, 2023, compared to \$316.8 million in the prior year, resulting in an increase of \$21.2 million, or 6.7%. Expenditures were \$318.5 million for the current year, compared to \$298.9 million in the prior year, for an increase of \$19.6 million, or 6.6%. As previously discussed, the changes in both revenues and expenditures are largely attributable to an increase of \$15.6 million in State grant funding received and expended through the State Public School Fund. This increased funding was primarily used for instructional services.

The unassigned fund balance in the General fund at June 30, 2023 stood at \$11.4 million, or 3.6%, of total governmental fund expenditures as compared to a balance of \$9.9 million, or 3.3%, at June 30, 2022. Total fund balance in the General Fund increased \$4.2 million for the year ended June 30, 2023 compared to an increase of \$5.9 million for the 2022 year. This resulted primarily due to increased revenues from County appropriations through the local funding agreement previously discussed. The increase in fund balance enabled the district to maintain unassigned fund balance at a comparable level with the previous year, relative to total governmental fund expenditures.

**ONslow COUNTY BOARD OF EDUCATION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues are expended in the year received. Combined revenues in these funds increased \$15.1 million over the prior year. As previously discussed, the increase is primarily attributable to increased State funding received and expended through the State Public School Fund.

The Other Special Revenue Fund reported an increase in fund balance for the year ended June 30, 2023 of \$16.3 million compared to an increase of \$11.1 million in 2022. Revenues rose by \$4.4 million over the previous year, primarily due to increases in indirect cost receipts, interest earned and Medicaid reimbursement program revenues received.

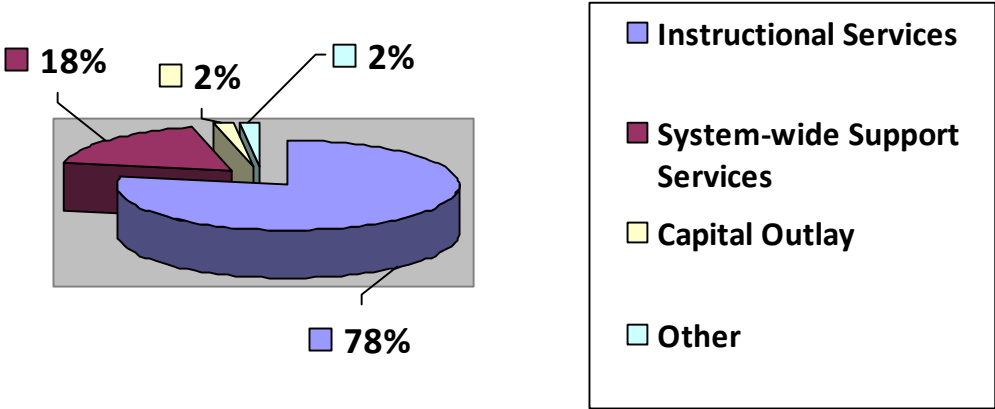
The Capital Outlay Fund reported fund balance of \$14.7 million at June 30, 2023, a decrease of \$573 thousand from the prior year. The most significant revenue reported in the Capital Outlay Fund was \$5.2 million from Onslow County expended for new school construction and renovations.

Proprietary Funds: The Board’s business-type fund, the School Food Service Fund, reported an increase in net position in the past year of \$802 thousand compared to an increase of \$4.8 million in the 2022 year. See the discussion above under “Financial Analysis of the Board as a Whole” for further details regarding the year-over-year changes in operating results for the School Food Service Fund.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the budget several times to account for changes in program allocations and expenditure expectations. Variances between actual expenditures and final budget amounts relate to conservative budgeting practices and cost containment strategies.

Categorization of Expenditures for Governmental Funds



Expenditures presented on modified accrual basis of accounting.

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

Capital Assets

Capital assets decreased by \$3.3 million, or 1.2%, compared to the previous year. The decrease was attributable 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.A.4 to the financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2023 and 2022.

**Table 3
Summary of Capital Assets
As of June 30, 2023 and 2022**

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/23	6/30/22	6/30/23	6/30/22	6/30/23	6/30/22
Land	\$ 10,387,688	\$ 10,387,688	\$ -	\$ -	\$ 10,387,688	\$ 10,387,688
Construction in progress	3,885,821	30,045,267	-	-	3,885,821	30,045,267
Buildings and improvements	255,711,755	233,567,987	-	-	255,711,755	233,567,987
Equipment and furniture	4,790,603	4,637,486	1,018,927	856,915	5,809,530	5,494,401
Vehicles	4,961,397	4,542,369	63,966	83,205	5,025,363	4,625,574
Total	<u>\$ 279,737,264</u>	<u>\$ 283,180,797</u>	<u>\$ 1,082,893</u>	<u>\$ 940,120</u>	<u>\$ 280,820,157</u>	<u>\$ 284,120,917</u>

Debt Outstanding

During the year, the Board's long-term debt decreased from \$598 thousand at June 30, 2022 to \$522 thousand at June 30, 2023. 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. Onslow County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2.B.6 to the financial statements.

Requests for Information

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

Jeffrey D. Hollamon, Chief Financial Officer
Onslow County Board of Education
200 Broadhurst Road
Jacksonville, NC 28540

Basic Financial Statements

ONslow COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
June 30, 2023

Exhibit 1

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 113,506,109	\$ 11,354,743	\$ 124,860,852
Due from other governments	254,529	387,521	642,050
Receivables	45,456	-	45,456
Internal balances	964	(964)	-
Inventories	1,042,578	369,139	1,411,717
Capital assets:			
Land and construction in progress	14,273,509	-	14,273,509
Other capital assets, net of depreciation	265,463,755	1,082,893	266,546,648
Total capital assets	279,737,264	1,082,893	280,820,157
Total assets	394,586,900	13,193,332	407,780,232
Deferred Outflows of Resources	113,403,416	2,074,090	115,477,506
Liabilities			
Accounts payable and accrued expenses	982,041	4,588	986,629
Accrued salaries and wages payable	546,976	-	546,976
Unearned revenue	-	224,448	224,448
Long-term liabilities:			
Due within one year	5,608,145	116,272	5,724,417
Due in more than one year	323,153,012	5,914,346	329,067,358
Total liabilities	330,290,174	6,259,654	336,549,828
Deferred Inflows of Resources	106,137,101	1,941,194	108,078,295
Net position			
Net investment in capital assets	279,215,076	1,082,893	280,297,969
Restricted for:			
Stabilization by State statute	308,927	-	308,927
School capital outlay	2,711,384	-	2,711,384
Hurricane relief	20,839,307	-	20,839,307
Programs	3,558,105	-	3,558,105
Individual schools activities	3,997,764	-	3,997,764
Unrestricted (deficit)	(239,067,522)	5,983,681	(233,083,841)
Total net position	\$ 71,563,041	\$ 7,066,574	\$ 78,629,615

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

ONslow COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit 3

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Assets							
Cash and cash equivalents	\$ 33,063,107	\$ -	\$ -	\$ 61,591,682	\$ 14,845,578	\$ 4,005,742	\$ 113,506,109
Due from other governments	54,251	-	-	200,278	-	-	254,529
Accounts receivable	25,659	-	-	19,797	-	-	45,456
Due from other funds	-	-	-	8,942	-	-	8,942
Inventories	1,042,578	-	-	-	-	-	1,042,578
Total assets	<u>\$ 34,185,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,820,699</u>	<u>\$ 14,845,578</u>	<u>\$ 4,005,742</u>	<u>\$ 114,857,614</u>
Liabilities and fund balances							
Liabilities:							
Accounts payable and accrued liabilities	\$ 814,422	\$ -	\$ -	\$ 55,158	\$ 112,461	\$ -	\$ 982,041
Accrued salaries and wages payable	546,976	-	-	-	-	-	546,976
Due to other funds	-	-	-	-	-	7,978	7,978
Total liabilities	<u>1,361,398</u>	<u>-</u>	<u>-</u>	<u>55,158</u>	<u>112,461</u>	<u>7,978</u>	<u>1,536,995</u>
Fund balances:							
Nonspendable:							
Inventories	1,042,578	-	-	-	-	-	1,042,578
Restricted:							
Stabilization by State statute	79,910	-	-	229,017	-	-	308,927
School capital outlay	-	-	-	-	2,711,384	-	2,711,384
Hurricane relief	-	-	-	8,817,574	12,021,733	-	20,839,307
Programs	-	-	-	3,558,105	-	-	3,558,105
Individual schools	-	-	-	-	-	3,997,764	3,997,764
Committed:							
Disaster recovery	12,000,000	-	-	-	-	-	12,000,000
Assigned:							
Subsequent year's expenditures	8,257,901	-	-	-	-	-	8,257,901
Special revenues	-	-	-	49,160,845	-	-	49,160,845
Unassigned	11,443,808	-	-	-	-	-	11,443,808
Total fund balances	<u>32,824,197</u>	<u>-</u>	<u>-</u>	<u>61,765,541</u>	<u>14,733,117</u>	<u>3,997,764</u>	<u>113,320,619</u>
Total liabilities and fund balances	<u>\$ 34,185,595</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,820,699</u>	<u>\$ 14,845,578</u>	<u>\$ 4,005,742</u>	<u>\$ 114,857,614</u>

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

ONSWLOW COUNTY BOARD OF EDUCATION
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

Exhibit 3 (continued)

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

Total fund balances of governmental funds	\$ 113,320,619
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	279,737,264
Deferred outflows of resources related to pensions	83,349,992
Deferred outflows of resources related to OPEB	30,053,424
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.	(12,662,721)
Net pension liability	(134,853,975)
Net OPEB liability	(181,244,461)
Deferred inflows of resources related to pensions	(5,229,047)
Deferred inflows of resources related to OPEB	<u>(100,908,054)</u>
Net position of governmental activities	<u>\$ 71,563,041</u>

ONslow COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2023

Exhibit 4

	Major Funds					Non-major Fund	Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Capital Outlay	Individual Schools	
Revenues:							
State of North Carolina	\$ -	\$ 198,998,407	\$ -	\$ 159,900	\$ 911,990	\$ -	\$ 200,070,297
Onslow County:							
Local current expense	62,866,646	-	-	-	-	-	62,866,646
Other	-	-	-	-	5,240,780	-	5,240,780
U.S. Government	-	-	39,678,827	10,551,280	-	-	50,230,107
Other	756,281	-	-	12,529,027	191,926	6,151,652	19,628,886
Total revenues	63,622,927	198,998,407	39,678,827	23,240,207	6,344,696	6,151,652	338,036,716
Expenditures:							
Current:							
Instructional services:							
Regular instructional	12,537,167	119,544,887	13,766,773	447,486	-	-	146,296,313
Special populations	789,829	31,327,163	8,238,173	980,155	-	-	41,335,320
Alternative programs	148,797	2,904,326	9,079,282	2,545,942	-	-	14,678,347
School leadership	3,748,223	11,120,602	367,051	91,569	-	-	15,327,445
Co-curricular	2,545,895	-	1,615	422,719	-	5,868,172	8,838,401
School-based support	6,817,230	12,934,132	1,640,755	386,584	-	-	21,778,701
System-wide support services:							
Support and development	1,211,951	147,264	20,992	160,911	-	-	1,541,118
Special population support and development	-	19,657	176,808	1,045	-	-	197,510
Alternative programs and services support and development	5,595	-	304,829	298,959	-	-	609,383
Technology support	1,058,735	640,053	6,459	-	-	-	1,705,247
Operational support	21,577,074	19,409,546	1,796,433	1,260,294	836,345	-	44,879,692
Financial and human resource services	5,355,068	167,998	56,516	-	-	-	5,579,582
Accountability	316,268	-	4,844	-	-	-	321,112
System-wide pupil support	721,063	-	8,074	-	-	-	729,137
Policy, leadership and public relations	2,030,272	737,779	17,390	664	-	-	2,786,105
Ancillary services	144,495	-	314,849	-	-	-	459,344
Non-programmed charges	426,010	-	3,877,984	93,724	-	-	4,397,718
Debt service:							
Principal retirement	-	-	-	-	911,990	-	911,990
Capital outlay	-	-	-	255,917	5,918,132	-	6,174,049
Total expenditures	59,433,672	198,953,407	39,678,827	6,945,969	7,666,467	5,868,172	318,546,514
Revenues over (under) expenditures	4,189,255	45,000	-	16,294,238	(1,321,771)	283,480	19,490,202
Other financing sources (uses):							
Transfers to other funds	-	(45,000)	-	-	(132,371)	-	(177,371)
Proceeds from sale of capital assets	-	-	-	-	44,328	-	44,328
Installment purchase obligations issued	-	-	-	-	836,346	-	836,346
Total other financing sources (uses)	-	(45,000)	-	-	748,303	-	703,303
Net change in fund balance	4,189,255	-	-	16,294,238	(573,468)	283,480	20,193,505
Fund balances:							
Beginning of year	28,584,996	-	-	45,471,303	15,306,585	3,714,284	93,077,168
Change in reserve for inventories	49,946	-	-	-	-	-	49,946
End of year	\$ 32,824,197	\$ -	\$ -	\$ 61,765,541	\$ 14,733,117	\$ 3,997,764	\$ 113,320,619

ON SLOW COUNTY BOARD OF EDUCATION
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, 2023

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 20,193,505
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	49,946
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 expense exceeded capital outlays in the current period.	(3,413,078)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	27,831,913
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	11,193,617
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities.	(44,328)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	1,375,867
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	75,644
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	(26,463,163)
OPEB (expense) benefit	22,051,653
Compensated absences	(752,597)
Gain on disposal of capital assets	<u>13,873</u>
Total changes in net position of governmental activities	<u>\$ 52,112,852</u>

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

ONslow 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, 2023

Exhibit 6

	General Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Onslow County	\$ 62,866,646	\$ 62,866,646	\$ 62,866,646	\$ -
Other	<u>1,130,000</u>	<u>1,130,000</u>	<u>756,281</u>	<u>(373,719)</u>
Total revenues	<u>63,996,646</u>	<u>63,996,646</u>	<u>63,622,927</u>	<u>(373,719)</u>
Expenditures:				
Current:				
Instructional services	36,670,820	34,835,059	26,587,141	8,247,918
System-wide support services	43,846,444	47,682,205	32,276,026	15,406,179
Ancillary services	250,000	250,000	144,495	105,505
Non-programmed charges	<u>741,925</u>	<u>741,925</u>	<u>426,010</u>	<u>315,915</u>
Total expenditures	<u>81,509,189</u>	<u>83,509,189</u>	<u>59,433,672</u>	<u>24,075,517</u>
Revenues over (under) expenditures	(17,512,543)	(19,512,543)	4,189,255	23,701,798
Fund balance appropriated	<u>17,512,543</u>	<u>19,512,543</u>	<u>-</u>	<u>(19,512,543)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	4,189,255	<u>\$ 4,189,255</u>
Fund balances:				
Beginning of year			28,584,996	
Change in reserve for inventories			<u>49,946</u>	
End of year			<u>\$ 32,824,197</u>	

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

ONslow 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, 2023

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 199,394,823	\$ 207,259,048	\$ 198,998,407	\$ (8,260,641)
Expenditures:				
Current:				
Instructional services	180,759,367	185,319,733	177,831,110	7,488,623
System-wide support services	18,590,456	21,894,315	21,122,297	772,018
Total expenditures	199,349,823	207,214,048	198,953,407	8,260,641
Revenues over expenditures	45,000	45,000	45,000	-
Other financing uses:				
Transfers to other funds	(45,000)	(45,000)	(45,000)	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
End of year			\$ -	

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

ONslow 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, 2023

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
U.S. Government	\$ 71,763,020	\$ 79,700,762	\$ 39,678,827	\$ (40,021,935)
Expenditures:				
Current:				
Instructional services	43,566,531	60,474,119	33,093,649	27,380,470
System-wide support services	23,637,381	12,508,573	2,392,345	10,116,228
Ancillary services	-	353,957	314,849	39,108
Non-programmed charges	4,559,108	6,364,113	3,877,984	2,486,129
Total expenditures	71,763,020	79,700,762	39,678,827	40,021,935
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
End of year			\$ -	

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

ONslow 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, 2023

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
State of North Carolina	\$ 100,000	\$ 159,900	\$ 159,900	\$ -
U.S. Government	10,491,100	10,800,382	10,551,280	(249,102)
Other	<u>7,367,095</u>	<u>8,858,967</u>	<u>12,529,027</u>	<u>3,670,060</u>
Total revenues	<u>17,958,195</u>	<u>19,819,249</u>	<u>23,240,207</u>	<u>3,420,958</u>
Expenditures:				
Current:				
Instructional services	20,454,984	22,786,979	4,874,455	17,912,524
System-wide support services	3,285,130	2,679,231	1,721,873	957,358
Non-programmed charges	106,223	107,012	93,724	13,288
Capital outlay	<u>10,791,150</u>	<u>33,612,040</u>	<u>255,917</u>	<u>33,356,123</u>
Total expenditures	<u>34,637,487</u>	<u>59,185,262</u>	<u>6,945,969</u>	<u>52,239,293</u>
Revenues over (under) expenditures	(16,679,292)	(39,366,013)	16,294,238	55,660,251
Fund balance appropriated	<u>16,679,292</u>	<u>39,366,013</u>	-	<u>(39,366,013)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	16,294,238	<u>\$ 16,294,238</u>
Fund balances:				
Beginning of year			<u>45,471,303</u>	
End of year			<u>\$ 61,765,541</u>	

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

ONslow COUNTY BOARD OF EDUCATION
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE
June 30, 2023

Exhibit 7

	Enterprise Major Fund School Food Service
Assets	
Current assets:	
Cash and cash equivalents	\$ 11,354,743
Due from other governments	387,521
Inventories	369,139
Total current assets	<u>12,111,403</u>
Noncurrent assets:	
Capital assets:	
Furniture and equipment, net	<u>1,082,893</u>
Total assets	<u>13,194,296</u>
Deferred Outflows of Resources	<u>2,074,090</u>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	4,588
Due to other funds	964
Compensated absences	116,272
Unearned revenue	224,448
Total current liabilities	<u>346,272</u>
Noncurrent liabilities:	
Net pension liability	2,466,411
Net OPEB liability	3,314,870
Compensated absences	133,065
Total noncurrent liabilities	<u>5,914,346</u>
Total liabilities	<u>6,260,618</u>
Deferred Inflows of Resources	<u>1,941,194</u>
Net position	
Investment in capital assets	1,082,893
Unrestricted	5,983,681
Total net position	<u>\$ 7,066,574</u>

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

ON SLOW COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2023

Exhibit 8

	Enterprise Major Fund School Food Service
Operating revenues:	
Food sales	\$ 2,669,014
Operating expenses:	
Food processing costs:	
Purchase of food	5,856,494
Donated commodities	773,416
Food processing supplies	537,241
Salaries and benefits	5,159,457
Indirect costs	444,662
Materials and supplies	8,547
Repairs and maintenance	122,015
Depreciation	168,358
Non-capitalized equipment	186,248
Contracted services	133,867
Other	74,461
Total operating expenses	<u>13,464,766</u>
Operating loss	<u>(10,795,752)</u>
Nonoperating revenues:	
Federal reimbursements	10,135,196
Federal commodities	773,416
State reimbursements	91,870
Gain on disposal of equipment	825
Interest earned	178,793
Total nonoperating revenues	<u>11,180,100</u>
Income before transfers and contributions	384,348
Transfers from other funds	177,371
Capital contributions	<u>240,517</u>
Change in net position	802,236
Net position, beginning of year	<u>6,264,338</u>
Net position, end of year	<u>\$ 7,066,574</u>

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

ONslow COUNTY BOARD OF EDUCATION
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
For the Fiscal Year Ended June 30, 2023

Exhibit 9

	Enterprise Major Fund School Food Service
Cash flows from operating activities:	
Cash received from customers	\$ 2,673,793
Cash paid for goods and services	(7,204,078)
Cash paid to employees for services	(5,435,163)
Net cash used by operating activities	<u>(9,965,448)</u>
Cash flows from noncapital financing activities:	
Due to other funds	964
Due from other funds	2,061
Federal reimbursements	10,259,477
Net cash provided by noncapital financing activities	<u>10,262,502</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(70,614)
Proceeds from disposal of equipment	825
Net cash used by capital and related financing activities	<u>(69,789)</u>
Cash flows from investing activities:	
Interest earned on investments	178,793
Net increase in cash and cash equivalents	406,058
Cash and cash equivalents, beginning of year	10,948,685
Cash and cash equivalents, end of year	<u>\$ 11,354,743</u>
Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	<u>\$ (10,795,752)</u>
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation	168,358
Donated commodities	773,416
Noncapitalized equipment purchased by the Capital Outlay Fund	132,371
Salaries paid by State Public School Fund	45,000
Changes in assets, liabilities, deferred outflows and deferred inflows:	
Decrease in net OPEB asset	2,313
Decrease in inventories	27,891
Decrease in accounts payable and accrued liabilities	(807)
Increase in unearned revenue	4,779
Increase in net pension liability	1,724,911
Decrease in net OPEB liability	(976,797)
Increase in deferred outflows	(749,415)
Decrease in deferred inflows	(344,528)
Increase in compensated absences payable	22,812
Total adjustments	<u>830,304</u>
Net cash used by operating activities	<u>\$ (9,965,448)</u>

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

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$773,416 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 \$45,000 to personnel of the School Food Service Fund during the fiscal year. This amount is reflected as a transfer in and an operating expense on Exhibit 8.

The School Service Fund reported a gain on disposal of capital assets of \$825.

School Food Service capital assets with a value of \$240,517 were purchased by the Capital Outlay Fund during the year. The value of these assets is reflected as a capital contribution on Exhibit 8.

School Food Service noncapitalized assets with a value of \$132,371 were purchased by the Capital Outlay Fund during the year. The purchase of these assets is reflected as a transfer in and an operating expense on Exhibit 8.

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

**ONslow COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2023**

Exhibit 10

	<u>Administrative Fund</u>
Assets	
Cash	\$ <u>461,580</u>
Net Position	
Assets held in trust for private purpose	\$ <u>461,580</u>

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

ONslow COUNTY BOARD OF EDUCATION
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2023

Exhibit 11

	<u>Administrative Fund</u>
Additions:	
Contributions and other revenue	\$ 15,330
Deductions:	
Instructional costs	<u>5,261</u>
Change in net position	10,069
Beginning net position	<u>451,511</u>
Ending net position	<u>\$ 461,580</u>

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



ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Onslow 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 Onslow 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 Onslow 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 all the nonfiduciary activities of the primary government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. 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, proprietary and fiduciary* – 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 allowed to be 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.

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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

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

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

The Board reports the following nonmajor governmental fund:

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

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

Administrative Fund. The Administrative Fund is used to account for financial resources related to scholarships and awards under the control of the Board.

C. Measurement Focus and Basis of Accounting

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

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

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

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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 fiduciary fund, 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 purpose level, which is the legal level of budgetary control, for all annually budgeted funds. The Board has authorized the Superintendent to move moneys from one purpose to another within a fund with a report of such transfers being required at the next Board meeting. The budgetary purpose levels include instructional services, system-wide support services, ancillary services, non-programmed charges and capital outlay. Amendments are required for any revisions that alter total expenditures of any fund. 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 consists of an internal portion and an external portion in which the Board participates. Investments are restricted to those enumerated in G.S. 147-69.1.

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

2. Cash and Cash Equivalents

The Board pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

3. Inventories

The inventories of the Board are valued at cost, and the Board uses the average cost assumption in determining the 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 reserved.

Proprietary Fund inventories consist of food and supplies and are recorded as expenses when consumed.

4. Capital Assets

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

For capital assets utilized in both governmental and business-type activities, it is the policy of the Board to capitalize those assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

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	5 - 12
Vehicles	8

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

5. Deferred outflows and inflows of resources

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

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

6. Long-term Obligations

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

7. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2023 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

8. Net Position/Fund Balances

Net position in the government-wide and proprietary fund financial statements are 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.

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.

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

Restricted for hurricane relief – portion of fund balance restricted for hurricane relief expenditures in accordance with State grantor guidelines.

Restricted for Programs – portion of fund balance that has externally enforceable limitations on use from grantors or other governments.

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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 – 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.

Disaster recovery – portion of fund balance that is for hurricane or other disaster recovery expenditures.

Assigned fund balance – portion of fund balance that the Board of Education intends to use for specific purposes. The Board of Education is authorized to approve appropriations of fund balance in accordance with restrictions established by N.C. General Statutes.

Subsequent year’s expenditures – portion of fund balance that is appropriated in the next year’s budget that is not already classified in restricted. The Board of Education approves the appropriation.

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 will be used for instructional services, system-wide support services, ancillary services, non-programmed charges or capital outlay, as determined by the Board of Education.

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 may report a positive unassigned fund balance. 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. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in-order by assigned fund balance and lastly unassigned fund balance. Flexibility in implementation of this policy may be utilized if it is in the best interest of the Board of Education.

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9. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The net adjustment of \$(41,757,578) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
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)	\$ 513,347,098
Less accumulated depreciation	<u>(233,609,834)</u>
Net capital assets	279,737,264
Deferred outflows of resources related to pensions	83,349,992
Deferred outflows of resources related to OPEB	30,053,424
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	(522,188)
Compensated absences	(12,140,533)
Net pension liability	(134,853,975)
Net OPEB liability	(181,244,461)
Deferred inflows of resources related to pensions	(5,229,047)
Deferred inflows of resources related to OPEB	<u>(100,908,054)</u>
Total adjustment	<u>\$ (41,757,578)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$31,919,347 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 10,412,276
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	(13,825,354)
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	(836,346)
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	911,990
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	27,831,913
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	11,193,617
Proceeds from the sale of capital assets are recorded as revenues in the fund statements but not in the statement of activities	(44,328)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	
OPEB nonemployer contributions	1,375,867
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the funds	
Pension (expense) benefit	(26,463,163)
OPEB (expense) benefit	22,051,653
Gain on disposal of asset	13,873
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(752,597)
Adjustment due to the use of the consumption method of recording inventory in the government-wide statements	<u>49,946</u>
Total adjustment	<u>\$ 31,919,347</u>

10. Defined Benefit Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' and State Employees' Retirement System (TSERS), the Retiree Health Benefit Fund (RHBF),

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and the Disability Income Plan of NC (DIPNC) and additions to/deductions from TSERS, RHBF, and DIPNC's fiduciary net position have been determined on the same basis as they are reported by TSERS, RHBF, and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Board's employer contributions are recognized when due and the Board has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS, RHBF, and DIPNC. Investments are reported at fair value.

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2023, the Board had deposits with banks and savings and loans with a carrying amount of \$101,116,148 and with the State Treasurer of \$-0-. The bank balances with the financial institutions and the State Treasurer were \$103,127,796 and \$10,026,740, respectively. Of these balances, \$4,015,969 was covered by federal depository insurance and \$109,138,567 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2023, the Board had \$3,438,843 invested with the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's and is classified in Level 1 of the fair value hierarchy. Additionally, at June 30 2023, the Board had \$20,767,441 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is unrated and had a weighted average maturity of 1.3 years at June 30, 2023. The Board has no policy for managing interest rate risk or credit risk. All investments are measured using the market approach. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

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3. Accounts Receivable

Receivables at the government-wide level at June 30, 2023, were as follows

	Due from other funds (Internal balances)	Due from other governments	Other	Total
Governmental activities:				
General Fund	\$ -	\$ 54,251	\$ 25,659	\$ 79,910
Other government activities	<u>964</u>	<u>200,278</u>	<u>19,797</u>	<u>221,039</u>
Total	<u>\$ 964</u>	<u>\$ 254,529</u>	<u>\$ 45,456</u>	<u>\$ 300,949</u>
Business-type activities:				
School Food Service Fund	<u>\$ (964)</u>	<u>\$ 387,521</u>	<u>\$ -</u>	<u>\$ 386,557</u>

Due from other governments consists of the following:

Governmental activities:		
General Fund	\$ 54,251	Amounts due from County State and federal funds
Other Special Revenue Fund	<u>200,278</u>	
Total	<u>\$ 254,529</u>	
Business-type activities:		
School Food Service Fund	<u>\$ 387,521</u>	Federal funds

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4. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 10,387,688	\$ -	\$ -	\$ 10,387,688
Construction in progress	<u>30,045,267</u>	<u>4,945,598</u>	<u>31,105,044</u>	<u>3,885,821</u>
Total capital assets not being depreciated	<u>40,432,955</u>	<u>4,945,598</u>	<u>31,105,044</u>	<u>14,273,509</u>
Capital assets being depreciated:				
Buildings and improvements	421,356,622	33,837,093	37,460	455,156,255
Equipment and furniture	16,224,773	1,018,828	465,819	16,777,782
Vehicles	<u>26,006,277</u>	<u>1,715,801</u>	<u>582,526</u>	<u>27,139,552</u>
Total capital assets being depreciated	<u>463,587,672</u>	<u>36,571,722</u>	<u>1,085,805</u>	<u>499,073,589</u>
Less accumulated depreciation for:				
Buildings and improvements	187,788,635	11,678,416	22,551	199,444,500
Equipment and furniture	11,587,287	850,164	450,272	11,987,179
Vehicles	<u>21,463,908</u>	<u>1,296,774</u>	<u>582,527</u>	<u>22,178,155</u>
Total accumulated depreciation	<u>220,839,830</u>	<u>13,825,354</u>	<u>1,055,350</u>	<u>233,609,834</u>
Total capital assets being depreciated, net	<u>242,747,842</u>			<u>265,463,755</u>
Governmental activity capital assets, net	<u>\$ 283,180,797</u>			<u>\$ 279,737,264</u>
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Furniture and office equipment	\$ 3,843,753	\$ 311,131	\$ -	\$ 4,154,884
Vehicles	<u>181,849</u>	<u>-</u>	<u>7,500</u>	<u>174,349</u>
Total capital assets being depreciated	<u>4,025,602</u>	<u>311,131</u>	<u>7,500</u>	<u>4,329,233</u>
Less accumulated depreciation for:				
Furniture and office equipment	2,986,838	149,119	-	3,135,957
Vehicles	<u>98,644</u>	<u>19,239</u>	<u>7,500</u>	<u>110,383</u>
Total accumulated depreciation	<u>3,085,482</u>	<u>168,358</u>	<u>7,500</u>	<u>3,246,340</u>
School Food Service capital assets, net	<u>\$ 940,120</u>			<u>\$ 1,082,893</u>

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Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 12,528,580
Operational support services	<u>1,296,774</u>
Total	<u>\$ 13,825,354</u>

5. Construction and Other Significant Commitments

As of June 30, 2023, the Board had several projects in progress, including construction of a new elementary school. At year-end, the Board's commitments with contractors for the remaining portion of contracts related to these projects totaled approximately \$47.7 million.

B. Liabilities

1. Pension Plan and Other Postemployment Obligations

a. Teachers' and State Employees' Retirement System

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

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55,

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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, 2023 was 17.38% 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 \$28,340,945 for the year ended June 30, 2023.

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, 2023, the Board reported a liability of \$137,320,386 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 and at June 30, 2021, the Board’s proportion was 0.9252% and 0.9271%, respectively.

For the year ended June 30, 2023, the Board recognized pension expense of \$27,000,193. At June 30, 2023, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ 597,901	\$ 1,871,698
Changes of assumptions	10,834,055	-
Net difference between projected and actual earnings on pension plan investments	45,101,520	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	-	3,452,986
Board contributions subsequent to the measurement date	<u>28,340,945</u>	<u>-</u>
Total	<u>\$ 84,874,421</u>	<u>\$ 5,324,684</u>

\$28,340,945 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, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:

2024	\$ 13,121,001
2025	12,088,221
2026	4,379,172
2027	<u>21,620,398</u>
Total	\$ <u>51,208,792</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

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

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

Discount rate. The discount rate used to measure the total pension liability reported at June 30, 2023 and 2022 was 6.50% for both years. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease <u>(5.50%)</u>	Discount Rate <u>(6.50%)</u>	1% Increase <u>(7.50%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 242,789,439	\$ 137,320,386	\$ 50,264,118

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 Post-employment Benefits

1. Healthcare Benefits

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

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

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

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

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

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

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

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also, by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state-supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the year ended June 30, 2023, the Board contributed 6.89% of covered payroll, which amounted to \$11,235,277 for the entire fiscal year. During the current fiscal year, the plan also recognized a one-time transfer of excess funding from the Public Employees Health Benefits Fund totaling \$180.5 million, which was isolated from the OPEB expense and allocated to participating employers as a separate revenue item. The Board's proportionate share of this allocation totaled \$1,401,031.

At June 30, 2023, the Board reported a liability of \$184,315,139 for its proportionate share of the net RHBF OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 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

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

determined. At June 30, 2022 and 2021, the Board’s proportion was 0.7762% and 0.8128%, respectively.

\$11,235,277 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, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 27,470,252
2025	19,722,577
2026	21,966,982
2027	<u>14,865,730</u>
Total	<u>\$ 84,025,541</u>

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

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

Healthcare cost trend rates:

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

Discount rate. The discount rates used to measure the total OPEB liability for the RHBF at June 30, 2023 and 2022 were 3.54% and 2.16%, respectively. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan’s fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.54% was used as the discount rate used to measure the total OPEB liability. The 3.54% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2022.

Sensitivity of the Board’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54 percent) or 1-percentage point higher (4.54 percent) than the current discount rate:

	1% decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Net OPEB liability	\$ 217,101,998	\$ 184,315,139	\$ 157,537,176

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

**ONSLOW COUNTY BOARD OF EDUCATION
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Fiscal Year Ended June 30, 2023**

trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare trend rates:

	Healthcare Trend Rates		
	1% Decrease (Medical - 4.00-5.00%, Pharmacy - 4.00-8.50%, Medicare Advantage - 4.00%, Administrative - 2.00%)	(Medical - 5.00-6.00%, Pharmacy - 5.00-9.50%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% increase (Medical -6.00- 7.00%, Pharmacy - 6.00- 10.50%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	\$ 151,720,844	\$ 184,315,139	\$ 226,447,924

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

2. Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2023,

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

employers made a statutory contribution of 0.10% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$163,066 for the year ended June 30, 2023.

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, 2023, the Board reported a liability of \$244,192 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 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, 2022 and 2021, the Board's proportion was 0.8209% and 0.8291%, respectively.

\$163,066 reported as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2024	\$ 118,532
2025	136,315
2026	101,334
2027	77,702
2028	14,115
Thereafter	<u>28,674</u>
Total	<u>\$ 476,672</u>

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

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

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
Net OPEB liability	\$ 300,693	\$ 244,192	\$ 187,552

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2021 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, 2022. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2022. 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, 2022 is 1.2%.

Following is information related to OPEB expense, proportionate share, assets, liabilities, deferred outflows of resources and deferred inflows of resources reported by the Board as of and for the year ended June 30, 2023:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB expense (benefit)	\$ (22,530,918)	\$ 337,642	\$ (22,193,276)
OPEB liability (asset)	184,315,139	244,192	184,559,331
Proportionate share of the net OPEB liability / asset	0.7762%	0.8209%	
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 1,789,456	\$ 273,719	\$ 2,063,175
Changes of assumptions	14,756,822	15,695	14,772,517
Net difference between projected and actual earnings on plan investments	1,596,089	258,279	1,854,368
Changes in proportion and differences between Board contributions and proportionate share of contributions	507,543	7,139	514,682
Board contributions subsequent to the measurement date	11,235,277	163,066	11,398,343
Total deferred outflows of resources	<u>\$ 29,885,187</u>	<u>\$ 717,898</u>	<u>\$ 30,603,085</u>
Deferred Inflows of Resources:			
Differences between expected and actual experience	\$ 510,019	\$ -	\$ 510,019
Changes of assumptions	83,886,160	45,238	83,931,398
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	18,279,272	32,922	18,312,194
Total deferred inflows of resources	<u>\$ 102,675,451</u>	<u>\$ 78,160</u>	<u>\$ 102,753,611</u>

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

2. Accounts Payable

Payables at the government-wide level at June 30, 2023 were as follows:

	Vendors and Other	Salaries and Benefits	Total
Governmental activities:			
General	\$ 814,422	\$ 546,976	\$ 1,361,398
Other Governmental	167,619	-	167,619
Total governmental activities	<u>\$ 982,041</u>	<u>\$ 546,976</u>	<u>\$ 1,529,017</u>
Business-type activities:			
School Food Service	<u>\$ 4,588</u>	<u>\$ -</u>	<u>\$ 4,588</u>

3. Unearned Revenues

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

Prepayment of meals (School Food Service Fund)	<u>\$ 224,448</u>
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4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,661,076	\$ 2,381,717
Changes of assumptions	25,606,572	83,931,398
Net difference between projected and actual earnings on pension and OPEB plan investments	46,955,888	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	514,682	21,765,180
Board contributions subsequent to the measurement date	<u>39,739,288</u>	<u>-</u>
Total	<u>\$ 115,477,506</u>	<u>\$ 108,078,295</u>

5. Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1,000,000 each claim made/\$3,150,000 coverage period aggregate. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage.

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

Statutory workers’ compensation coverage is purchased through a private insurer for employees to the extent they are paid from federal and local funds. Workers’ compensation coverage is provided by the State of North Carolina through a self-insured fund, to the extent employees are paid from State funds.

The Board also participates in the State Public Education Property Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Insurance, insuring the tangible property assets of the Board. Coverage is provided on an “all risk” perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on flood, earthquake, business interruption and extra expense. \$10 million per occurrence is provided on increased cost of construction.

In accordance with G.S. 115C-442, the Board’s employees who are required to have an individual performance bond are bonded through a commercial surety bond and the remaining employees that have access to funds are bonded under a blanket bond. The finance officer is bonded for \$200,000.

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

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

6. Contingent Liabilities

As of the date of our report, the Board was a defendant to various legal claims. The Board’s management and the Board’s attorney have been unable to determine the amount of loss, if any, the Board will incur as a result of these legal matters.

7. Long-Term Obligations

a. Direct Placement Installment Purchases

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot moneys for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through third party direct placement financing arrangements. During the current and prior fiscal years, the Board has received buses under such financing contracts. The buses are pledged as collateral for the debt while the debt is outstanding. The original amount of the outstanding installment purchase contracts totaled \$1,252,416. Each contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following three payments due on each subsequent November 15th. The future minimum payments of the installment purchases as of June 30, 2023 are as follows:

Year Ending June 30,	Governmental Activities <hr/> Principal
2024	\$ 313,102
2025	<hr/> 209,086
Total	<hr/> <hr/> \$ 522,188

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

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, 2023:

	<u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement	\$ 597,832	\$ 836,346	\$ 911,990	\$ 522,188	\$ 313,102
installment purchases					
Net pension liability	42,671,830	92,182,145	-	134,853,975	-
Net OPEB liability	246,976,887	-	65,732,426	181,244,461	-
Compensated absences	11,387,936	10,143,399	9,390,802	12,140,533	5,295,043
Total	<u>\$ 301,634,485</u>	<u>\$ 103,161,890</u>	<u>\$ 76,035,218</u>	<u>\$ 328,761,157</u>	<u>\$ 5,608,145</u>
Business-type activities:					
Net pension liability	\$ 741,500	\$ 1,724,911	\$ -	\$ 2,466,411	\$ -
Net OPEB liability	4,291,667	-	976,797	3,314,870	-
Compensated absences	226,525	240,684	217,872	249,337	116,272
Total	<u>\$ 5,259,692</u>	<u>\$ 1,965,595</u>	<u>\$ 1,194,669</u>	<u>\$ 6,030,618</u>	<u>\$ 116,272</u>

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

C. Interfund Balances and Activity

1. Interfund Balances

The composition of interfund balances as of June 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Special Revenue Fund	School Food Service Fund	\$ 964
Other Special Revenue Fund	Individual Schools Fund	\$ 7,978

The balances above represent interfund balances created in the normal operating cycle of the Board. These amounts are expected to be paid prior to June 30, 2024.

2. Transfers to/from other Funds

Transfers to/from other funds during the year ended June 30, 2023 consisted of the following:

The State Public School Fund transferred \$45,000 to the School Food Service Fund. This transfer was made at the request of the State of North Carolina to ensure that the State was in compliance with State matching requirements contained within the National School Lunch Program grant agreement.

The Capital Outlay Fund purchased \$132,371 of noncapitalized equipment for the School Food Service Fund for the opening of a new school.

ONslow COUNTY BOARD OF EDUCATION
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2023

The Capital Outlay Fund purchased \$240,517 of capitalized equipment for the School Food Service Fund for the opening of a new school. This amount is presented as a transfer between governmental and business-type activities in Exhibit 2 and as contributed capital in Exhibit 8.

D. Net Position/Fund Balance

1. Net Investment in Capital Assets – Governmental Activities

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

Total governmental activities capital assets	\$ 279,737,264
Less:	
Installment purchase obligations for school buses	<u>(522,188)</u>
Net investment in capital assets, governmental activities	<u>\$ 279,215,076</u>

2. Fund Balance

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

Total fund balance - General Fund	\$ 32,824,197
Less:	
Inventories	(1,042,578)
Stabilization by State statute	(79,910)
Committed fund balance for disaster recovery	(12,000,000)
Fund balance assigned for subsequent year's expenditures	<u>(8,257,901)</u>
Unassigned fund balance	<u>\$ 11,443,808</u>

NOTE 3 – 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

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

	2023	2022	2021	2020	2019
Board's proportion of the net pension liability/asset	0.925%	0.927%	0.959%	0.952%	0.942%
Board's proportionate share of the net pension liability (asset)	\$ 137,320,386	\$ 43,413,330	\$ 115,856,686	\$ 98,690,321	\$ 93,792,332
Board's covered payroll	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111	\$ 132,888,776
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	93.58%	30.99%	82.75%	70.85%	70.58%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	94.86%	85.98%	87.56%	87.61%
	2018	2017	2016	2015	2014
Board's proportion of the net pension liability/asset	0.919%	0.913%	0.943%	0.902%	0.883%
Board's proportionate share of the net pension liability (asset)	\$ 72,904,818	\$ 83,895,749	\$ 34,758,050	\$ 10,575,472	\$ 53,619,240
Board's covered payroll	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084	\$ 117,261,381	\$ 115,219,705
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	58.33%	69.89%	28.52%	9.02%	46.54%
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.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 28,340,945	\$ 24,035,048	\$ 20,702,353	\$ 18,159,017	\$ 17,119,492
Contributions in relation to the contractually required contribution	<u>28,340,945</u>	<u>24,035,048</u>	<u>20,702,353</u>	<u>18,159,017</u>	<u>17,119,492</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111
Contributions as a percentage of covered payroll	17.38%	16.38%	14.78%	12.97%	12.29%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 14,325,410	\$ 12,473,096	\$ 10,983,606	\$ 11,152,211	\$ 10,190,014
Contributions in relation to the contractually required contribution	<u>14,325,410</u>	<u>12,473,096</u>	<u>10,983,606</u>	<u>11,152,211</u>	<u>10,190,014</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084	\$ 117,261,381
Contributions as a percentage of covered payroll	10.78%	9.98%	9.15%	9.15%	8.69%

**ONslow COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
RETIREE HEALTH BENEFIT FUND
LAST SEVEN FISCAL YEARS***

	2023	2022	2021	2020	2019
Board's proportion of the net OPEB liability/asset	0.776%	0.813%	0.841%	0.838%	0.836%
Board's proportionate share of the net OPEB liability (asset)	\$ 184,315,139	\$ 251,268,554	\$ 233,171,846	\$ 265,038,752	\$ 238,274,599
Board's covered payroll	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111	\$ 132,888,776
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	125.61%	179.39%	166.54%	190.27%	179.30%
Plan fiduciary net position as a percentage of the total OPEB liability	10.58%	7.72%	6.92%	4.40%	4.40%

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	2018	2017
Board's proportion of the net OPEB liability/asset	0.832%	0.800%
Board's proportionate share of the net OPEB liability (asset)	\$ 272,637,438	\$ 348,199,277
Board's covered payroll	\$ 124,980,922	\$ 120,039,410
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	218.14%	290.07%
Plan fiduciary net position as a percentage of the total OPEB liability	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 seven years of data presented.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 11,235,277	\$ 9,229,576	\$ 9,356,679	\$ 9,058,507	\$ 8,733,866
Contributions in relation to the contractually required contribution	<u>11,235,277</u>	<u>9,229,576</u>	<u>9,356,679</u>	<u>9,058,507</u>	<u>8,733,866</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111
Contributions as a percentage of covered payroll	6.89%	6.29%	6.68%	6.47%	6.27%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 8,039,771	\$ 7,261,907	\$ 6,711,275	\$ 6,686,322	\$ 6,328,947
Contributions in relation to the contractually required contribution	<u>8,039,771</u>	<u>7,261,907</u>	<u>6,711,275</u>	<u>6,686,322</u>	<u>6,328,947</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084	\$ 117,261,381
Contributions as a percentage of covered payroll	6.05%	5.81%	5.60%	5.49%	5.40%

**ONslow COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE BOARD'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST SEVEN FISCAL YEARS***

	2023	2022	2021	2020	2019
Board's proportion of the net OPEB liability/asset	0.821%	0.829%	0.852%	0.852%	0.847%
Board's proportionate share of the net OPEB liability (asset)	\$ 244,192	\$ (135,420)	\$ (419,271)	\$ (367,440)	\$ (257,385)
Board's covered payroll	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111	\$ 132,888,776
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.17%	0.10%	0.30%	0.26%	0.19%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.34%	105.18%	115.57%	113.00%	108.47%

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	2018	2017
Board's proportion of the net OPEB liability/asset	0.820%	0.822%
Board's proportionate share of the net OPEB liability (asset)	\$ (501,178)	\$ (510,263)
Board's covered payroll	\$ 124,980,922	\$ 120,039,410
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.40%	0.43%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	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 seven years of data presented.

**ONslow COUNTY BOARD OF EDUCATION
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF BOARD CONTRIBUTIONS
DISABILITY INCOME PLAN OF NORTH CAROLINA
LAST TEN FISCAL YEARS**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 163,066	\$ 132,061	\$ 126,063	\$ 140,008	\$ 195,015
Contributions in relation to the contractually required contribution	<u>163,066</u>	<u>132,061</u>	<u>126,063</u>	<u>140,008</u>	<u>195,015</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 163,066,427	\$ 146,734,115	\$ 140,070,047	\$ 140,007,841	\$ 139,296,111
Contributions as a percentage of covered payroll	0.10%	0.09%	0.09%	0.10%	0.14%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 186,044	\$ 474,961	\$ 491,361	\$ 499,343	\$ 515,692
Contributions in relation to the contractually required contribution	<u>186,044</u>	<u>474,961</u>	<u>491,361</u>	<u>499,343</u>	<u>515,692</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 132,888,776	\$ 124,980,922	\$ 120,039,410	\$ 121,882,084	\$ 117,261,381
Contributions as a percentage of covered payroll	0.14%	0.38%	0.41%	0.41%	0.44%

Individual Fund Schedules

ONSTLOW 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, 2023

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Onslow County:			
County appropriation - regular		\$ 62,444,170	
County appropriation - charter schools		422,476	
Total Onslow County	<u>\$ 62,866,646</u>	<u>62,866,646</u>	<u>\$ -</u>
Other:			
Fines and forfeitures - regular		751,371	
Fines and forfeitures - charter schools		4,910	
Total other	<u>1,130,000</u>	<u>756,281</u>	<u>(373,719)</u>
Total revenues	<u>63,996,646</u>	<u>63,622,927</u>	<u>(373,719)</u>
Expenditures:			
Current:			
Instructional services:			
Regular instructional		12,537,167	
Special populations		789,829	
Alternative programs		148,797	
School leadership		3,748,223	
Co-curricular		2,545,895	
School-based support		6,817,230	
Total instructional services	<u>34,835,059</u>	<u>26,587,141</u>	<u>8,247,918</u>
System-wide support services:			
Support and development		1,211,951	
Alternative programs and services support and development		5,595	
Technology support		1,058,735	
Operational support		21,577,074	
Financial and human resource services		5,355,068	
Accountability		316,268	
System-wide pupil support		721,063	
Policy, leadership and public relations		2,030,272	
Total system-wide support services	<u>47,682,205</u>	<u>32,276,026</u>	<u>15,406,179</u>
Ancillary services:			
Nutrition	<u>250,000</u>	<u>144,495</u>	<u>105,505</u>
Non-programmed charges:			
Payments to charter schools	<u>741,925</u>	<u>426,010</u>	<u>315,915</u>
Total expenditures	<u>83,509,189</u>	<u>59,433,672</u>	<u>24,075,517</u>
Revenues over (under) expenditures	(19,512,543)	4,189,255	23,701,798

ONslow 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, 2023

	Final Budget	Actual	Variance with Final Budget
Fund balance appropriated	19,512,543	-	(19,512,543)
Net change in fund balance	<u>\$ -</u>	4,189,255	<u>\$ 4,189,255</u>
Fund balance:			
Beginning of year		28,584,996	
Change in reserve for inventories		<u>49,946</u>	
End of year		<u>\$ 32,824,197</u>	

ONslow 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, 2023

	Final Budget	Actual	Variance with Final Budget
Revenues:			
State of North Carolina:			
Public School Repair/Renovation Fund	\$ 800,000	\$ -	\$ (800,000)
State appropriations - buses	<u>2,518,804</u>	<u>911,990</u>	<u>(1,606,814)</u>
Total State of North Carolina	<u>3,318,804</u>	<u>911,990</u>	<u>(2,406,814)</u>
Onslow County:			
Construction appropriations	59,850,951	1,040,780	(58,810,171)
General appropriations	<u>4,200,000</u>	<u>4,200,000</u>	<u>-</u>
Total Onslow County	<u>64,050,951</u>	<u>5,240,780</u>	<u>(58,810,171)</u>
Other:			
Local sales tax	47,120	27,959	(19,161)
Interest earned on investments	<u>91</u>	<u>163,967</u>	<u>163,876</u>
Total other	<u>47,211</u>	<u>191,926</u>	<u>144,715</u>
Total revenues	<u>67,416,966</u>	<u>6,344,696</u>	<u>(61,072,270)</u>
Expenditures:			
Current:			
System-wide support services:			
Operational support	2,443,160	836,345	1,606,815
Debt service:			
Principal retirement	911,990	911,990	-
Capital outlay	<u>79,540,377</u>	<u>5,918,132</u>	<u>73,622,245</u>
Total expenditures	<u>82,895,527</u>	<u>7,666,467</u>	<u>75,229,060</u>
Revenues over (under) expenditures	<u>(15,478,561)</u>	<u>(1,321,771)</u>	<u>14,156,790</u>
Other financing sources (uses):			
Installment purchase obligations issued	836,346	836,346	-
Transfers to other funds	(132,371)	(132,371)	-
Proceeds from disposal of capital assets	<u>-</u>	<u>44,328</u>	<u>44,328</u>
Total other financing sources (uses)	<u>703,975</u>	<u>748,303</u>	<u>44,328</u>
Fund balance appropriated	<u>14,774,586</u>	<u>-</u>	<u>(14,774,586)</u>
Net change in fund balance	<u>\$ -</u>	<u>(573,468)</u>	<u>\$ (573,468)</u>
Fund balance:			
Beginning of year		<u>15,306,585</u>	
End of year		<u>\$ 14,733,117</u>	

ONslow 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, 2023

	Final Budget	Actual	Variance with Final Budget
Operating revenues:			
Food sales	\$ 2,620,000	\$ 2,669,014	\$ 49,014
Other	500	-	(500)
Total operating revenues	<u>\$ 2,620,500</u>	<u>\$ 2,669,014</u>	<u>\$ 48,514</u>
Operating expenditures:			
Business support services:			
Purchase of food		5,828,603	
Donated commodities		773,416	
Food processing supplies		537,241	
Salaries and benefits		5,480,161	
Indirect costs		444,662	
Materials and supplies		8,547	
Repairs and maintenance		122,015	
Non-capitalized equipment		186,248	
Contracted services		133,867	
Other		74,461	
Capital outlay		70,614	
Total operating expenditures	<u>16,852,700</u>	<u>13,659,835</u>	<u>3,192,865</u>
Operating loss	<u>(14,232,200)</u>	<u>(10,990,821)</u>	<u>3,241,379</u>
Nonoperating revenues:			
Federal reimbursements	9,140,000	10,135,196	995,196
Federal commodities	960,000	773,416	(186,584)
State reimbursements	32,000	91,870	59,870
Proceeds from disposal of equipment	4,000	825	(3,175)
Interest earned	11,000	178,793	167,793
Total nonoperating revenues	<u>10,147,000</u>	<u>11,180,100</u>	<u>1,033,100</u>
Revenues over (under) expenditures	<u>(4,085,200)</u>	<u>189,279</u>	<u>4,274,479</u>
Other financing sources:			
Transfers from other funds	45,000	177,371	132,371
Fund balance appropriated	<u>4,040,200</u>	<u>-</u>	<u>(4,040,200)</u>
Net change in fund balance	<u>\$ -</u>	<u>366,650</u>	<u>\$ 366,650</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(168,358)	
Net OPEB asset		(2,313)	
Net pension liability		(1,724,911)	
Net OPEB liability		976,797	
Deferred outflows - pension and OPEB		749,415	
Deferred inflows - pension and OPEB		344,528	
Capital contributions		240,517	
Equipment purchases		70,614	
Gain on disposal of equipment		825	
Less proceeds from disposal of equipment		(825)	
Decrease in compensated absences payable		(22,812)	
Decrease in inventories		(27,891)	
Change in net position (full accrual)		<u>\$ 802,236</u>	

Statistical Section

This part of the Onslow County Schools' Annual Comprehensive Financial Report 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 health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changed over time.	75-78
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the county's ability to generate its property and sales taxes.	79-82
Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.	83-86
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.	87-88
Operating Information These schedules contain information about the district's operations and resources to help the reader understand how the district's financial information relates to the services the district provides and the activities it performs.	89-91

Schedule 1
ONSLOW COUNTY BOARD OF EDUCATION
NET POSITION BY COMPONENT
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Net investment in capital assets	\$ 279,215	\$ 282,583	\$ 285,384	\$ 255,457	\$ 236,586	\$ 233,307	\$ 224,751	\$ 210,400	\$ 207,480	\$ 214,009
Restricted	31,415	31,744	53,169	39,827	34,376	19,261	14,564	13,244	9,981	7,247
Unrestricted	(239,067)	(294,877)	(368,131)	(377,055)	(373,009)	(378,202)	(29,679)	(25,906)	(34,203)	15,613
Total governmental activities net position	\$ 71,563	\$ 19,450	\$ (29,578)	\$ (81,771)	\$ (102,047)	\$ (125,634)	\$ 209,636	\$ 197,738	\$ 183,258	\$ 236,869
Business-type activities										
Net investment in capital assets	1,083	940	840	989	1,069	871	673	732	544	451
Restricted	-	10	12	16	19	15	-	-	-	-
Unrestricted	5,984	5,314	610	545	614	(663)	4,932	4,449	4,265	5,166
Total business-type activities net position	\$ 7,067	\$ 6,264	\$ 1,462	\$ 1,550	\$ 1,702	\$ 223	\$ 5,605	\$ 5,181	\$ 4,809	\$ 5,617
Primary government										
Net investment in capital assets	280,298	283,523	286,224	256,446	237,655	234,178	225,424	211,132	208,024	214,460
Restricted	31,415	31,755	53,180	39,843	34,395	19,276	14,565	13,244	9,981	7,247
Unrestricted	(233,083)	(289,563)	(367,520)	(376,510)	(372,395)	(378,865)	(24,748)	(21,457)	(29,938)	20,779
Total primary government net position	\$ 78,630	\$ 25,715	\$ (28,116)	\$ (80,221)	\$ (100,345)	\$ (125,411)	\$ 215,241	\$ 202,919	\$ 188,067	\$ 242,486

Schedule 2
ONSLow COUNTY BOARD OF EDUCATION
CHANGES IN NET POSITION
For the Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Expenses										
Governmental activities:										
Instructional services	\$ 217,521	\$ 205,427	\$ 212,258	\$ 206,680	\$ 188,230	\$ 194,741	\$ 173,804	\$ 156,644	\$ 156,636	\$ 156,981
System-wide support services	50,600	45,952	48,073	49,101	68,402	49,333	46,466	41,653	42,663	43,979
Ancillary services	459	480	403	888	105	140	189	332	299	246
Non-programmed charges	469	454	537	510	481	440	289	277	155	163
Unallocated depreciation expense	12,528	12,486	11,449	11,142	10,695	10,204	9,720	9,704	9,717	9,667
Total governmental activities expenses	281,577	264,799	272,720	268,321	267,913	254,858	230,468	208,610	209,470	211,036
Business-type activities:										
School food service	13,465	12,587	8,480	10,418	10,489	9,740	9,439	9,130	9,497	9,619
Child care	-	-	-	-	511	499	502	457	431	412
Total business-type activities expenses	13,465	12,587	8,480	10,418	11,000	10,239	9,941	9,587	9,928	10,031
Total primary government expenses	\$ 295,042	\$ 277,386	\$ 281,200	\$ 278,739	\$ 278,913	\$ 265,097	\$ 240,409	\$ 218,197	\$ 219,398	\$ 221,067
Program Revenues										
Governmental activities:										
Charges for services:										
Co-curricular - instructional services	\$ 6,151	\$ 4,949	\$ 3,019	\$ 5,069	\$ 5,275	\$ 6,520	\$ 5,836	\$ 5,597	\$ 5,931	\$ 5,391
Operational support-system-wide	42	-	-	-	-	-	-	-	-	-
Operating grants and contributions	234,014	223,243	206,906	184,158	197,246	163,730	155,052	147,826	146,855	138,236
Capital grants and contributions	912	663	1,253	712	750	1,103	979	1,158	844	104
Total governmental activities program revenues	241,119	228,855	211,178	189,939	203,271	171,353	161,867	154,581	153,630	143,731
Business-type activities:										
Charges for services:										
School food service	\$ 2,669	\$ 277	\$ 126	\$ 1,857	\$ 2,193	\$ 2,423	\$ 1,952	\$ 2,424	\$ 2,556	\$ 3,182
Child care	-	-	-	-	8,884	574	517	483	463	436
Operating grants and contributions	11,000	16,705	8,208	8,325	-	7,706	7,830	6,995	6,885	6,846
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	13,669	16,982	8,334	10,182	11,077	10,703	10,299	9,902	9,904	10,464
Total primary government program revenues	\$ 254,788	\$ 245,837	\$ 219,512	\$ 200,121	\$ 214,348	\$ 182,056	\$ 172,166	\$ 164,483	\$ 163,534	\$ 154,195
Net (Expense)										
Governmental activities	\$ (40,458)	\$ (35,944)	\$ (61,542)	\$ (78,382)	\$ (64,642)	\$ (83,505)	\$ (68,601)	\$ (54,029)	\$ (55,840)	\$ (67,305)
Business-type activities	204	4,395	(146)	(236)	77	464	358	315	(24)	433
Total primary government net (expense)	\$ (40,254)	\$ (31,549)	\$ (61,688)	\$ (78,618)	\$ (64,565)	\$ (83,041)	\$ (68,243)	\$ (53,714)	\$ (55,864)	\$ (66,872)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	\$ 62,867	\$ 57,404	\$ 56,456	\$ 53,530	\$ 51,630	\$ 49,264	\$ 46,712	\$ 45,055	\$ 30,987	\$ 40,692
Unrestricted county appropriations - capital	5,269	10,415	39,266	19,903	10,990	19,530	24,533	14,033	3,623	1,775
Unrestricted State appropriations - operating	11,890	6,609	5,228	3,446	2,278	1,098	1,100	1,100	1,100	1,096
Unrestricted Federal appropriations - operating	7,469	6,906	7,004	6,488	6,741	8,449	3,912	4,331	5,311	4,481
Unrestricted State appropriations - capital	-	161	-	-	-	-	-	-	-	-
Investment earnings	1,577	96	194	442	158	114	70	36	57	74
Miscellaneous, unrestricted	3,917	3,775	5,632	14,893	17,058	3,864	4,217	3,998	3,791	3,955
Transfers	(418)	(394)	(45)	(45)	(626)	(311)	(45)	(45)	(45)	(45)
Total governmental activities	92,571	84,972	113,735	98,657	88,229	82,008	80,499	68,508	44,824	52,028
Business-type activities:										
Investment earnings	178	9	12	36	30	20	15	10	4	3
Miscellaneous, unrestricted	1	4	-	4	-	-	6	2	1	5
Discontinuation of child care program	-	-	-	-	746	-	-	-	-	-
Transfers	418	394	45	45	626	311	45	45	45	45
Total business-type activities	597	407	57	85	1,402	331	66	57	50	53
Total primary government	\$ 93,168	\$ 85,379	\$ 113,792	\$ 98,742	\$ 89,631	\$ 82,339	\$ 80,565	\$ 68,565	\$ 44,874	\$ 52,081
Change in Net Position										
Governmental activities	\$ 52,113	\$ 49,028	\$ 52,193	\$ 20,275	\$ 23,587	\$ (1,497)	\$ 11,898	\$ 14,481	\$ (11,016)	\$ (15,277)
Business-type activities	802	4,802	(88)	(151)	1,479	795	424	372	26	486
Total primary government	\$ 52,915	\$ 53,830	\$ 52,105	\$ 20,124	\$ 25,066	\$ (702)	\$ 12,322	\$ 14,853	\$ (10,990)	\$ (14,791)

Schedule 3
ONSLOW COUNTY BOARD OF EDUCATION
FUND BALANCES OF GOVERNMENTAL FUNDS
For the Last Ten Fiscal Years

(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General fund										
Nonspendable	\$ 1,042	\$ 993	\$ 992	\$ 894	\$ 864	\$ 902	\$ 880	\$ 837	\$ 856	\$ 888
Restricted	80	145	280	35	98	75	68	61	74	69
Committed	12,000	10,000	5,000	2,000	1,000	-	-	-	-	-
Assigned	8,258	7,513	7,220	6,582	6,830	6,851	6,976	5,848	5,855	19,870
Unassigned	11,444	9,934	9,194	8,641	7,411	6,865	7,221	8,262	7,148	6,396
Total general fund	<u>\$ 32,824</u>	<u>\$ 28,585</u>	<u>\$ 22,686</u>	<u>\$ 18,152</u>	<u>\$ 16,203</u>	<u>\$ 14,693</u>	<u>\$ 15,145</u>	<u>\$ 15,008</u>	<u>\$ 13,933</u>	<u>\$ 27,223</u>
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Capital Outlay	14,733	15,306	14,563	15,214	15,633	2,148	2,305	2,182	1,740	2,448
Programs	12,605	12,018	34,337	20,633	14,916	13,471	9,429	8,422	5,608	1,997
Individual Schools	3,998	3,714	3,270	3,057	2,645	2,670	2,762	2,579	2,558	2,733
Assigned	49,161	33,454	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>\$ 80,497</u>	<u>\$ 64,492</u>	<u>\$ 52,170</u>	<u>\$ 38,904</u>	<u>\$ 33,194</u>	<u>\$ 18,289</u>	<u>\$ 14,496</u>	<u>\$ 13,183</u>	<u>\$ 9,906</u>	<u>\$ 7,178</u>

Schedule 4
ONSLow COUNTY BOARD OF EDUCATION
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

For the Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
State of North Carolina	\$ 200,070	\$ 178,985	\$ 169,593	\$ 169,613	\$ 182,488	\$ 149,613	\$ 140,977	\$ 135,377	\$ 132,525	\$ 124,152
Onslow County	68,108	67,772	95,609	73,385	62,592	68,772	71,218	59,057	34,585	42,467
U.S. Government	50,230	56,407	47,731	23,724	22,666	23,609	18,907	17,258	19,770	18,985
Other	19,629	13,674	10,927	12,082	12,078	12,009	11,827	12,170	12,229	10,486
Total revenues	338,037	316,838	323,860	278,804	279,824	254,003	242,929	223,862	199,109	196,090
Expenditures:										
Current:										
Instructional services	248,255	234,619	216,143	201,230	191,674	182,031	170,189	161,727	161,098	155,722
System-wide support services	58,349	50,314	48,255	46,189	48,294	48,711	45,422	43,601	43,858	42,725
Ancillary services	459	480	403	888	105	135	188	335	302	246
Non-programmed charges	4,398	3,071	1,509	1,235	1,166	772	807	1,004	765	448
Debt service:										
Principal retirement	912	663	1,253	711	751	1,103	979	1,158	844	104
Capital outlay	6,174	9,759	42,210	31,736	33,946	19,680	24,444	13,571	4,222	1,378
Total expenditures	318,547	298,906	309,773	281,989	275,936	252,432	242,029	221,396	211,089	200,623
Excess of revenues over expenditures	19,490	17,932	14,087	(3,185)	3,888	1,571	900	2,466	(11,980)	(4,533)
Other financing sources (uses)										
Transfers from other funds	-	-	-	-	315	-	-	-	-	-
Transfers to other funds	(177)	(156)	(45)	(45)	(768)	(93)	(45)	(45)	(45)	(45)
Insurance proceeds	-	-	2,072	10,562	12,988	-	-	-	-	-
Proceeds from sale of capital assets	44	29	29	35	29	39	33	33	16	3
Installment purchase obligations issued	836	416	1,559	262	-	1,803	519	1,916	1,480	-
Total other financing sources (uses)	703	289	3,615	10,814	12,564	1,749	507	1,904	1,451	(42)
Net change in fund balances	\$ 20,193	\$ 18,221	\$ 17,702	\$ 7,629	\$ 16,452	\$ 3,320	\$ 1,407	\$ 4,370	\$ (10,529)	\$ (4,575)
Debt service as a percentage of noncapital expenditures	0.30%	0.23%	0.47%	0.28%	0.29%	0.48%	0.44%	0.56%	0.41%	0.05%

Schedule 5
ONslow COUNTY BOARD OF EDUCATION
CO-CURRICULAR REVENUE
For the Last Ten Fiscal Years

Fiscal Year Ended 30-Jun	Receipts	Fees¹
2014	5,391,285	N/A
2015	5,930,399	N/A
2016	5,597,043	N/A
2017	5,836,137	N/A
2018	6,520,363	N/A
2019	5,274,858	N/A
2020	5,069,165	N/A
2021	3,019,402	N/A
2022	4,949,031	N/A
2023	6,151,652	N/A

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Notes:

¹ Primary fees for individual schools include athletics, clubs, organizations, fund raisers and other events which vary by school and type.

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority. Onslow County does not assess a separate levy for the Board of Education.

Schedule 6
ONSLow COUNTY BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES FOR ONSLOW COUNTY
For the Last Ten Fiscal Years
(per \$100 Assessed Value)

Fiscal Year Ended June 30	Onslow County	Holly Ridge	Jacksonville	North Topsail Beach	Richlands	Surf City ¹	Swansboro
2014	\$ 0.5850	\$ 0.4150	\$ 0.5380	\$ 0.3755	\$ 0.3600	\$ 0.3100	0.3500
2015	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2016	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2017	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2018	0.6750	0.4150	0.6420	0.3932	0.3800	0.4100	0.3500
2019	0.7050	0.4050	0.6420	0.3435	0.3800	0.4100	0.3500
2020	0.7050	0.3900	0.6420	0.4100	0.4000	0.4100	0.3500
2021	0.7050	0.3800	0.6420	0.4600	0.4000	0.4100	0.3500
2022	0.7050	0.3800	0.6420	0.4600	0.4000	0.4100	0.3500
2023	0.6550	0.3500	0.6000	0.4300	0.3800	0.4100	0.3500

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¹ This municipality became a multi-county town through annexation in 1988

Notes:

^a property was revalued in 2022

^b For each government, certain motor vehicles were taxed at the preceding year's rates.

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority. Onslow County does not assess a separate levy for the Board of Education.

Schedule 7
ONSLow COUNTY BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS FOR ONSLOW COUNTY
2022 and Nine Years Prior

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Jones Onslow EMC	\$ 160,406,214	1	1.04%	\$ 120,712,441	1	0.95%
Duke Energy Progress	108,421,817	2	0.64%			
PR Jacksonville Limited Partnership	56,289,856	3	0.38%			
Wal Mart Real Estate Business Trust	43,964,304	4	0.29%			
Spectrum Southwest	36,979,529	5	0.23%			
Bailey & Fuller Properties LLC	30,089,846	6	0.20%			
Triangle Palisades at Jacksonville LLC	29,891,869	7	0.19%			
Stanadyne Corporation	26,597,480	8	0.18%	18,399,510	9	
Evolve at Stones Bay LLC	26,163,758	9	0.17%			
Williamsburg Place Holding Company	23,231,056	10	0.16%	21,770,220	7	0.17%
18 Carolina Telephone				45,271,730	3	0.35%
Progress Energy Carolinas				53,223,546	2	0.42%
Secretary of Veteran Affairs				26,658,110	4	0.21%
Liberty Point at Piney Green Apartments				25,265,170	5	0.20%
Plantation at Jacksonville				23,198,360	6	0.18%
Jax Commons LLC				21,065,870	8	0.16%
Rogers Bay Campground				17,683,610	10	0.14%
Total	\$ 542,035,729		3.49%	\$ 373,248,567		2.78%

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority. Onslow County does not assess a separate levy for the Board of Education.

Note: This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2023 could not be obtained from Onslow County prior to this report being issued. Therefore, the most recent available data is provided on this schedule.

Schedule 8
ONSLow COUNTY BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS FOR ONSLOW COUNTY
For the Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended June 30	Taxes levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy Collected		Amount	Percent of Levy Collected
2014	\$ 78,566	\$ 75,301	95.84%	\$ 2,079	\$ 77,396	98.51%
2015	82,177	79,757	97.06%	1,830	81,604	99.30%
2016	83,333	81,172	97.41%	1,959	83,149	99.78%
2017	84,550	82,560	97.65%	1,599	84,189	99.57%
2018	85,825	84,486	98.44%	949	85,467	99.58%
2019	91,165	90,009	98.73%	552	90,628	99.41%
2020	91,948	90,535	98.46%	644	91,342	99.34%
2021	94,652	93,385	98.66%	690	94,075	99.39%
2022	97,839	96,622	98.76%	-	96,622	98.76%
2023	N/A	N/A	N/A	N/A	N/A	N/A

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Notes:

Onslow County levies taxes and makes appropriations to the Onslow County Board of Education as the school district has no taxing authority. Onslow County does not assess a separate levy for the Board of Education.

This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2023 could not be obtained from Onslow County prior to this report being issued. Therefore, the most recent available data is provided on this schedule.

Schedule 9
ONslow COUNTY BOARD OF EDUCATION
OUTSTANDING DEBT BY TYPE
For the Last Ten Fiscal Years

Fiscal Year	Installment Purchase Obligations	Per Capita	Percentage of Personal Income
2014	\$ 103,983	\$ 0.54	0.001%
2015	733,998	3.81	0.009%
2016	1,498,516	7.73	0.017%
2017	1,038,896	5.31	0.012%
2018	1,738,744	8.81	0.019%
2019	988,106	4.97	N/A
2020	538,602	2.63	N/A
2021	845,095	4.09	N/A
2022	597,832	2.86	N/A
2023	522,188	N/A	N/A

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Notes:

Details regarding the Board's outstanding long-term obligations can be found in the notes to Onslow County Board of Education Annual financial statements.

Schedule 10
ONSLow COUNTY BOARD OF EDUCATION
COMPUTATION OF GOVERNMENT ACTIVITIES DIRECT AND OVERLAPPING DEBT
June 30, 2023

<u>Governmental Unit</u>	<u>Governmental Activities</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Direct Debt:			
Onslow County Board of Education	\$ 522,188	100%	\$ <u>522,188</u>
Total direct debt			<u>522,188</u>
Overlapping Debt:			
Onslow County	N/A	100%	N/A
Jacksonville	N/A	100%	N/A
Holly Ridge	N/A	100%	N/A
North Topsail Beach	N/A	100%	N/A
Richlands	N/A	100%	N/A
Surf City*	N/A	42.82%	N/A
Swansboro	N/A	100%	<u>N/A</u>
Total overlapping debt			N/A
Total direct and overlapping debt			N/A

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Notes:

* Municipality is split between Onslow and Pender County this percent represents share of property tax from Onslow County

Details regarding the Board's outstanding long-term obligations can be found in the notes to Onslow County Board of Education annual financial statements.

Bonds and Certificates of Participation are issued by the County as school districts in NC have no authority to issue these types of long-term debt.

The annual comprehensive financial report for the year ended June 30, 2023 could not be obtained from Onslow County prior to this report being issued. Therefore, overlapping debt from the County and cities and townships were not available as noted above.

Schedule 11
ONSLow COUNTY BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION FOR ONSLOW COUNTY
For the Last Ten Fiscal Years

(amounts expressed in thousands)

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Assessed Value of Property	N/A	\$ 15,545,095	\$ 15,037,814	\$ 14,462,298	\$ 14,210,500	\$ 13,935,632	\$ 13,703,946	\$ 13,154,328	\$ 13,036,903	\$ 13,316,023
Debt Limit, 8% of Assessed Value (Statutory Limitation)	N/A	\$ 1,243,608	1,203,025	1,156,984	1,136,840	1,114,851	1,096,316	1,052,346	1,042,952	1,065,282
Amount of Debt Applicable to Limit										
Gross Debt	N/A	\$ 225,395	216,610	234,474	197,114	214,085	231,391	203,349	171,098	195,738
Less: Special obligation bonds	N/A	\$ -	-	-	-	-	780	1,535	2,265	2,970
Total net debt applicable to limit	N/A	\$ 225,395	216,610	234,474	197,114	214,085	230,611	201,814	168,833	192,768
Legal Debt margin	N/A	1,018,213	986,415	922,510	939,726	900,766	865,705	850,532	874,119	872,514
∞ Total net debt applicable to the limit as a percentage of debt limit	N/A	18.12%	18.01%	20.27%	17.34%	19.20%	21.04%	19.18%	16.19%	18.10%

Notes: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds. The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Bonds and Certificates of Participation are issued by the County as school districts in NC have no authority to issue these types of long-term debt.

This table is a ten year schedule. However, annual comprehensive financial report for the year ended June 30, 2023 could not be obtained from Onslow County prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Schedule 12
ONSLow COUNTY BOARD OF EDUCATION
CALCULATION OF DEBT SERVICE COVERAGE - SOLID WASTE FUND FOR ONSLOW COUNTY
Last Ten Years

(amounts expressed in thousands)

Fiscal year Ended June 30	Gross Operating Revenue	Direct Operating Expenses	Non Operating Revenues	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2014	\$ 7,229	5,540	\$ -	\$ 1,689	\$ 680	\$ 129	\$ 809	2.09
2015	6,554	5,135	-	1,419	705	106	811	1.75
2016	6,890	5,256	-	1,634	730	80	810	2.02
2017	6,995	5,304	-	1,691	755	55	810	2.09
2018	6,980	4,919	-	2,061	780	27	807	2.55
2019	10,531	6,998	-	3,533	-	-	-	-
2020	8,279	6,469	-	1,810	-	-	-	-
2021	8,959	6,781	-	2,178	-	-	-	-
2022	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Excludes early retirement

Bonds and Certificates of Participation are issued by the County as school districts in NC have no authority to issue these types of long-term debt.

Note: This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2023 could not be obtained from Onslow County prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Schedule 13
ONSLow COUNTY BOARD OF EDUCATION
DEMOGRAPHIC AND ECONOMIC STATISTICS FOR ONSLOW COUNTY
For the Last Ten Fiscal Years

<u>Year</u>	<u>Population</u>	<u>Personal Income (thousands of dollars)</u>	<u>Per Capita Personal Income</u>	<u>Median Age</u>	<u>Unemployment Rate</u>
2014	193,221	\$ 8,342,524	\$ 44,078	26.29	6.20%
2015	192,645	8,188,720	44,349	26.26	6.30%
2016	193,914	8,892,158	47,517	26.40	5.50%
2017	195,621	8,719,755	44,972	26.51	5.00%
2018	197,455	9,121,475	46,142	26.24	4.60%
2019	198,483	N/A	N/A	N/A	4.80%
2020	204,842	N/A	N/A	N/A	7.20%
2021	206,718	N/A	N/A	26.75	5.30%
2022	208,825	N/A	N/A	26.21	4.30%
2023	N/A	N/A	N/A	N/A	4.20%

Note: This table is a ten year schedule. However, the annual comprehensive financial report for the year ended June 30, 2023 could not be obtained from Onslow County prior to this report being issued. Therefore, there are only nine years of comparative data noted above.

Schedule 14
ONSLow COUNTY BOARD OF EDUCATION
PRINCIPAL EMPLOYERS OF ONSLOW COUNTY
Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
US Department of Defense	1000+	1	See %	1000+	1	See %
Onslow County Board of Education	1000+	2	Below	1000+	2	Below
Camp Lejeune Civil Service	1000+			1000+	3	
Marine Corps Exchange Service	1000+	3				
Wal-Mart Associates, Inc	1000+	4		1000+	6	
Onslow County Government	1000+	5		1000+	4	
Onslow Memorial Hospital	1000+	6		1000+	5	
Food Lion	500-999	7		500-999	7	
City of Jacksonville	500-999	8		500-999	10	
Coastal Carolina Community College	500-999	9		500-999	8	
Results Customer Solutions LLC	500-999	10		500-999		
Convergys Customer Mgmt group				500-999	9	

Note: Actual number of employees is not available; therefore, the range/ranking provided by the Employment Security Commission is used.

Schedule 15
ONSLOW COUNTY BOARD OF EDUCATION
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
For the Last Ten Fiscal Years

	Full-time-Equivalent Employees									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Administrators										
Officials, Adms, Mgrs	7	7	7	7	5	5	6	6	5	6
Principals	40	39	37	36	38	38	37	37	37	37
Assistant principals	49	48	47	48	47	46	46	46	44	45
Total Administrators	96	94	91	91	90	89	89	89	86	88
Teachers										
Elementary classroom teachers	1,273	1,226	1,209	1,210	1,203	1,113	1,064	1,055	790	827
Secondary classroom teachers	217	210	210	209	210	206	213	208	212	212
Other teachers	255	232	237	250	249	239	241	244	493	520
Total Teachers	1,745	1,668	1,656	1,669	1,662	1,558	1,518	1,507	1,495	1,559
Professionals										
Guidance counselors	56	56	54	52	49	49	49	46	47	49
Psychologists	12	12	19	17	14	13	10	14	14	22
Librarians	38	37	36	35	40	40	40	40	37	37
Consultants/supervisors	38	35	34	31	36	31	33	28	34	36
Other professionals	180	175	157	158	144	143	138	149	140	134
Total Professionals	324	315	300	293	283	276	270	277	272	278
Support										
Teacher Assistants	462	424	411	441	416	412	393	380	420	420
Technicians	38	35	38	33	36	36	36	35	35	35
Clerical/secretarial	181	179	182	178	180	179	180	177	178	178
Service workers	430	427	416	420	419	409	409	414	403	389
Skilled crafts	61	63	71	65	65	65	65	66	67	66
Unskilled laborers	1	1	1	2	2	1	1	-	-	-
Total Support	1,173	1,129	1,119	1,139	1,118	1,102	1,084	1,072	1,103	1,088
Total	3,338	3,206	3,166	3,192	3,153	3,025	2,961	2,945	2,956	3,013

Source: NC Public School Statistical Profile 2015 - 2023

Schedule 16
ONSLOW COUNTY BOARD OF EDUCATION
OPERATING STATISTICS
For the Last Ten Fiscal Years

Fiscal Year	Final Average Daily Membership	Modified Accrual Basis of Accounting			Accrual Basis of Accounting			Teaching Staff	Pupil - Teacher Ratio	Percentage of Students Receiving Free or Reduced-Price Meals
		Operating Expenditures	Cost per Pupil	Percentage Change	Expenses	Cost per Pupil	Percentage Change			
2014	24,980	200,532,126	8,028	0.17%	221,067,053	8,850	0.04%	1,559	16.0	47.3%
2015	25,314	205,938,315	8,135	1.34%	219,398,015	8,667	-2.06%	1,495	16.9	46.3%
2016	25,702	205,603,082	7,999	-1.67%	218,197,056	8,489	-2.05%	1,507	17.1	47.2%
2017	25,903	217,353,545	8,391	4.89%	240,409,210	9,281	9.32%	1,518	17.1	50.7%
2018	26,319	231,460,428	8,794	4.81%	265,096,794	10,072	8.53%	1,558	16.9	47.7%
2019	26,410	238,807,406	9,042	2.82%	278,913,217	10,561	4.85%	1,662	15.9	52.3%
2020	26,535	249,613,954	9,407	4.03%	278,738,799	10,505	-0.53%	1,669	15.9	44.4%
2021	25,804	262,984,584	10,192	8.34%	281,200,212	10,898	3.74%	1,656	15.6	N/A
2022	26,780	287,053,294	10,719	5.17%	277,385,695	10,358	-4.95%	1,668	16.1	N/A
2023	27,432	308,071,235	11,230	4.77%	295,041,946	10,755	3.84%	1,745	15.7	N/A

Notes:

∞ Operating expenditures are computed only on current expense expenditures (excluding community services, Head Start, adult education, and inter/intra fund transfers)

Schedule 17
ONSLOW COUNTY BOARD OF EDUCATION
CAMPUS INFORMATION
June 30, 2023

Campus	Grade Span	Building Capacity	% of Capacity Used	Age of Original Construction	Date of Original Construction
<u>Elementary Schools</u>					
Bell Fork Elementary	K-5	544	101%	63	1960
Blue Creek Elementary	K-5	521	93%	68	1955
Carolina Forest Elementary	K-5	588	115%	19	2004
Clear View Elementary	K-5	840	69%	1	2022
Clyde Erwin Elementary	K-5	376	90%	71	1952
Coastal Elementary	K-5	840	97%	2	2021
Heritage Elementary	K-5	588	91%	21	2002
Jacksonville Commons Elementary	K-5	563	96%	28	1995
Meadow View Elementary	K-5	652	81%	15	2008
Northwoods Elementary	K-5	416	86%	69	1954
Parkwood Elementary	K-5	481	104%	54	1969
Richlands Elementary	K-5	897	71%	5	2018
Sand Ridge Elementary	K-5	573	102%	21	2002
Silverdale Elementary	K-5	465	131%	70	1953
Stateside Elementary	K-5	636	89%	14	2009
Swansboro Elementary	K-5	537	124%	53	1970
Dixon Elementary	PK-5	619	115%	33	1990
Hunters Creek Elementary	PK-5	604	105%	27	1996
Morton Elementary	PK-5	588	114%	56	1967
Queens Creek Elementary	PK-5	563	129%	26	1997
Southwest Elementary	PK-5	546	131%	29	1994
Summersill Elementary	PK-5	619	79%	57	1966
<u>Middle Schools</u>					
Dixon Middle	6-8	1003	94%	6	2017
Hunters Creek Middle	6-8	826	112%	34	1989
Jacksonville Commons Middle	6-8	852	118%	27	1996
New Bridge Middle	6-8	504	97%	83	1940
Northwoods Park Middle	6-8	720	96%	60	1963
Southwest Middle	6-8	518	101%	33	1990
Swansboro Middle	6-8	912	106%	71	1952
Trexler Middle	6-8	940	88%	59	1964
<u>High Schools</u>					
Dixon High	9-12	957	120%	56	1967
Jacksonville High	9-12	1476	96%	63	1960
Northside High	9-12	1177	92%	23	2000
Richlands High	9-12	928	103%	73	1950
Southwest High	9-12	1016	69%	47	1976
Swansboro High	9-12	1240	90%	33	1990
White Oak High	9-12	1303	93%	53	1970
Onslow Early College High	9-12	N/A	N/A	N/A	N/A
<u>Virtual School</u>					
Onslow Virtual School	K-12			N/A	N/A
<u>Pre-Kindergarten Center</u>					
Thompson Early Childhood Center	PK		N/A	75	1948
<u>Alternative Learning Center</u>					
Onslow County Learning Center	6-12		N/A	38	1985
<u>Career Technical Education Center</u>					
ENC Regional Skills Center	9-12		N/A	4	2019