DUPLIN COUNTY
BOARD OF EDUCATION
Kenansville, North Carolina

Annual Comprehensive Financial Statements
For the Fiscal Year Ended
June 30, 2024

DUPLIN COUNTY
BOARD OF EDUCATION

KENANSVILLE, NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2024

Duplin County Board of Education
Kenansville, North Carolina

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2024

Prepared By

Dawn George

and the

Finance Department


DUPLIN COUNTY SCHOOLS
Excellence without excuses
"A unified approach to academic excellence"

DUPLIN COUNTY BOARD OF EDUCATION
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Introductory Section

Duplin County Schools

A Unified Approach to Academic Excellence

December 16, 2024

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

In compliance with the Public School Laws of North Carolina, the Annual Comprehensive Financial Report of the Duplin County Board of Education, operating as "Duplin County Schools", for the fiscal year ended June 30, 2024, is herewith submitted. Responsibility for accuracy, completeness, and clarity of the report rests with the Superintendent and the Chief Financial Officer.

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

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

REPORTING ENTITY

The Duplin County Board of Education (the "Board") is the level of government having oversight responsibility and control over activities related to public school education in Duplin County, North Carolina. N.C. General Statutes empower the Duplin County Board of Education with general control and supervision of all matters pertaining to the schools in the system. For the 2023-2024 fiscal year, the school system served students from pre-kindergarten through 12th grade in 8 elementary schools and 5 high schools. The oldest school in the District was built in 1955 while the newest school was constructed in 2009. The average age of all school buildings is 49 years. The school system provides general, special and vocational education services. The school system receives local, State, and federal government funding and must comply with the legal requirements of each funding source. While the Board does receive funding from Duplin County (the "County"), the County is not entitled to share in any surplus nor is it required to finance any deficits. The Board, whose members are elected by the citizens of Duplin County, has the authority to designate management, make binding decisions, and significantly influence operations. However, the Board has no tax levying or borrowing authority and is required to maintain accounting records in a uniform State format. The Board has final approval over the budget and primary accountability for fiscal matters. Accordingly, the Duplin County Board of Education is not included in any other reporting entity.

ECONOMIC CONDITION AND OUTLOOK

Duplin County's economy has historically been based on agriculture. In the past, tobacco and row crops were the staples of agricultural production. In more recent years, poultry and livestock production has displaced crops as the primary source of production. According to the North Carolina Department of Agriculture's 2022 statistics, Duplin County ranks number 2 in the state in cash receipts from the sale of pork and poultry with total cash receipts for all farms county wide of $2 million. Duplin County is also recognized as an important agricultural producer nationally. The 2022 U.S. Census of Agriculture ranks

Duplin County 7th among U.S. counties in market value of hogs and pig products sold, with over $1.8 million of sales, and 4th in the market value of poultry and eggs sold.

Poultry production continues to expand in Duplin County. Duplin County's family farmers produce over 20 million broilers annually, which is the most of any county in North Carolina. Over 2.1 million turkeys are raised annually in Duplin County.

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

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

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

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

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

MAJOR INITIATIVES

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

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

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

FINANCIAL AND BUDGETARY CONTROLS

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

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

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

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

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

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

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

INDEPENDENT AUDIT

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

FINANCIAL REPORTING AWARDS

For the fiscal year ended June 30, 2024, the Annual Comprehensive Financial Report of the Duplin County Board of Education earned the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials (ASBO) Certificate of Excellence in Financial Reporting Award. The awards are made only to governmental units that publish an annual comprehensive financial report, which is easily readable, efficiently organized, and conforms to program standards as well as satisfying generally accepted accounting principles. Awards are valid for one year only. We believe the accompanying report continues to conform to GFOA and ASBO requirements, and we will submit it for determination of eligibility for renewed awards.

ACKNOWLEDGEMENTS

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

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

Respectfully submitted,



Dr. Austin Obasohan
Superintendent



Dawn George
Chief Financial Officer

DUPLIN COUNTY BOARD OF EDUCATION
KENANSVILLE, NORTH CAROLINA

JULY 1, 2023 – JUNE 30, 2024

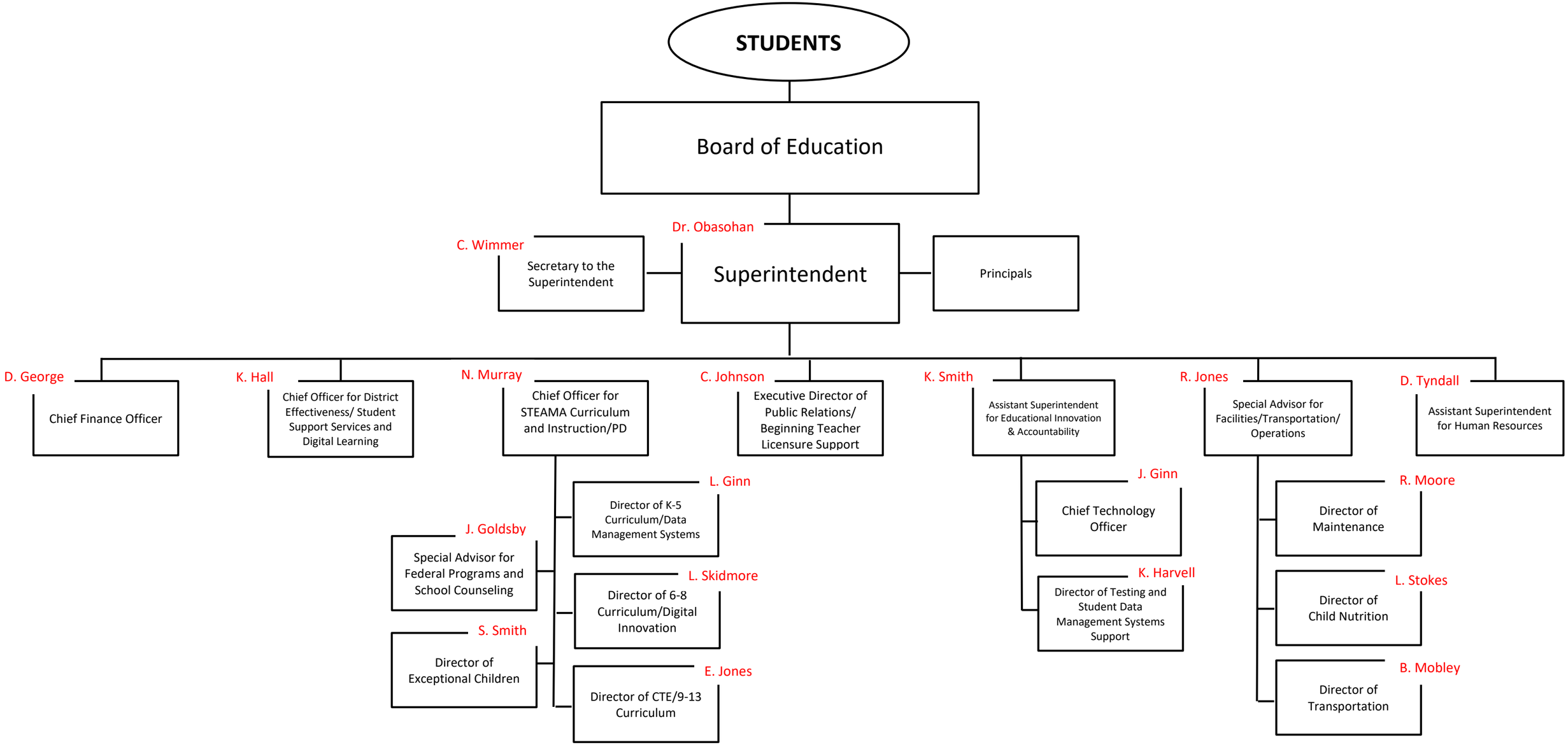
BOARD MEMBERS

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

PRINCIPAL OFFICERS

DR. AUSTIN OBASOHAN, SUPERINTENDENT
DAREN TYNDALL, ASSISTANT SUPERINTENDENT FOR HUMAN RESOURCES
KEVIN SMITH, ASSISTANT SUPERINTENDENT FOR EDUCATIONAL INNOVATION AND ACCOUNTABILITY
ROGER JONES, SPECIAL ADVISOR FOR FACILITIES, TRANSPORTATION, & OPERATIONS
NICOLE MURRAY, CHIEF OFFICER FOR STEMA CURRICULUM AND INSTRUCTION/PD
KRISTEN HALL, CHIEF OFFICER FOR DISTRICT EFFECTIVENESS/STUDENT SUPPORT SERVICES AND DIGITAL LEARNING
DAWN GEORGE, CHIEF FINANCE OFFICER
JASON GINN, CHIEF TECHNOLOGY OFFICER

DUPLIN COUNTY SCHOOLS
2023-24 Organizational Chart



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Duplin County Board of Education

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Duplin County Board of Education
North Carolina

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO



Financial Section

A S W ANDERSON SMITH & WIKE PLLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Duplin County Board of Education
Kenansville, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Duplin County Board of Education, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Duplin County Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Duplin County Board of Education, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School, Federal Grants and Other Special Revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Duplin County Board of Education's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Duplin County Board of Education's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2024, on our consideration of the Duplin County Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Duplin County Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Duplin County Board of Education's internal control over financial reporting and compliance.

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.

Anderson Smith & Wike PLLC

October 11, 2024
West End, North Carolina
(910) 603-0508

This section of the Duplin County Board of Education's (the "Board"*)* financial report represents our discussion and analysis of the financial performance of the Board for the year ended June 30, 2024. 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, 2024, the Board's total government-wide net position increased by $7.7 million. Governmental activities net position increased by $6.6 million, and business-type activities net position increased by $1.1 million, or 11.6%.

- The Board experienced a decrease in student enrollment of 56 students from 9,591 students to 9,535 students.

- At year end, the Board's General fund reported fund balance of $6.4 million an increase of $12,000 compared to the prior year. The Board received an increase in Local Current Expense County funding of $536,000.

Overview of the Financial Statements

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

- *Independent Auditors' Report*

- *Management's Discussion and Analysis (required supplementary information)*

- *Basic Financial Statements*

- *Required supplemental section that presents the Schedules of the Board's Proportionate Share of Net Pension and OPEB Liabilities (Assets) and the Schedules of Board Contributions.*

- *Supplementary section that presents budgetary schedules for governmental and enterprise funds.*

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

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

Government-wide Statements

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

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

- Over time, increases or decreases in the Board's net position are an indicator of whether its financial position is improving or deteriorating.

- To assess the Board's overall health, you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of its school buildings and other physical assets.

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

- *Governmental activities*: Most of the Board's basic services are included here, such as regular and special education, transportation, and administration. County funding and State and federal aid finance most of these activities.

- *Business-type activities*: The Board charges fees to help it cover the costs of certain services it provides. School food service and activities at Liberty Hall are included here.

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

Fund Financial Statements

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

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

Duplin County Board of Education has three types of funds:

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

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

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

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

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

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

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

Financial Analysis of the Board as a Whole

Net position is an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $12.1 million as of June 30, 2024 as compared to assets and deferred outflows exceeding liabilities and deferred inflows by $4.4 million as of June 30, 2023, an increase of $7.7 million. The largest component of net position is net investment in capital assets of $98.0 million, while restricted and unrestricted net position have a combined balance of $(85.9) million. Following is a summary of the Statement of Net Position as of June 30, 2024 and 2023:

Table 1
Condensed Statement of Net Position
As of June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Current and other assets	$ 15,601,974	$ 13,843,446	$ 13,146,770	$ 12,267,168	$ 28,748,744	$ 26,110,614
Capital assets	99,551,652	96,827,890	416,494	357,373	99,968,146	97,185,263
Total assets	115,153,626	110,671,336	13,563,264	12,624,541	128,716,890	123,295,877
Deferred outflows of resources	49,747,983	41,394,433	1,441,285	1,208,736	51,189,268	42,603,169
Current liabilities	3,349,185	3,570,013	43,429	51,965	3,392,614	3,621,978
Long-term liabilities	132,552,809	115,765,945	3,739,575	3,261,245	136,292,384	119,027,190
Total liabilities	135,901,994	119,335,958	3,783,004	3,313,210	139,684,998	122,649,168
Deferred inflows of resources	24,449,308	37,756,659	708,339	1,102,514	25,157,647	38,859,173
Net investment in capital assets	97,553,219	94,390,601	416,494	357,373	97,969,713	94,747,974
Restricted net position	2,297,519	2,216,649	-	-	2,297,519	2,216,649
Unrestricted net position (deficit)	(98,296,812)	(101,634,098)	10,096,712	9,060,180	(88,200,100)	(92,573,918)
Total net position (deficit)	$ 1,553,926	$ (5,026,848)	$ 10,513,206	$ 9,417,553	$ 12,067,132	$ 4,390,705

The net position of the Board's governmental activities increased $6.6 million during the year, from $(5.0) million at June 30, 2023 to $1.6 million at June 30, 2024, indicating an improvement in the financial condition of the Board. Unrestricted net position increased by $3.3 million compared to $18.8 million in the previous year as a result of a net increase in salaries and benefits and pension and OPEB expenses recognized from the changes in the liabilities and deferred outflows and inflows of resources associated with these post employment benefits. Restricted net position increased $81,000 compared to the prior year due to an increase in the restricted Capital Outlay fund balance. Net investment in capital assets increased $3.2 million due to an excess of capital additions over depreciation expense for the year as the Board has used some of its federal COVID-19 funds for the renovations of HVAC systems. Deferred outflows and inflows of resources relate entirely to the pension and OPEB plans which the Board participates in. The Board is required to record its proportionate share of these items along with its proportionate share of the plan liabilities. See Note 2 of the financial statements for more details regarding these plans.

The net position of the Board's business-type activities increased by $1.1 million. This increase is the amount of net income generated by our school food service and Liberty Hall fund during the 2024 fiscal year, including $587,000 of investment income in the Liberty Hall investment portfolio. The net income generated by our school food service operations during the 2024 fiscal year decreased from the previous year, primarily because of an increase in food costs. Although participation increased, the reimbursement rate for the year was lower than prior year as the effects of the COVID-19 reimbursement rates expired. The increase in participation also produced an increase in food costs, this along with the rising prices of food due to inflation resulted in an increase in food costs of $925,000. The Board also recognized a net pension and OPEB benefit of $273,000 in its salaries and benefits expenses related to increases in the Pension and Retirement Health Benefit OPEB liabilities. The increase in pension and OPEB expense wasn't the only increase in total salaries and benefits as pay rates and minimum wages have increased and the costs of benefits continue to increase. The following table shows the revenues and expenses for the Board for the current and prior fiscal years:

Table 2
Condensed Statement of Activities
For the Fiscal Years Ended June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Revenues:						
Program revenues:						
Charges for services	$ 1,911,576	$ 1,903,558	$ 463,905	$ 280,295	$ 2,375,481	$ 2,183,853
Operating grants and contributions	97,336,215	98,557,337	7,334,624	7,130,930	104,670,839	105,688,267
Capital grants and contributions	442,531	455,964	-	129,244	442,531	585,208
General revenues:						
County appropriations	11,144,455	10,380,593	-	-	11,144,455	10,380,593
State appropriations	6,856,809	8,638,931	-	-	6,856,809	8,638,931
Other revenues	1,430,290	1,438,970	925,489	594,639	2,355,779	2,033,609
Total revenues	119,121,876	121,375,353	8,724,018	8,135,108	127,845,894	129,510,461
Expenses:						
Governmental activities:						
Instructional services	89,318,226	78,951,500	-	-	89,318,226	78,951,500
System-wide support services	22,688,250	19,662,533	-	-	22,688,250	19,662,533
Ancillary services	130,275	311,616	-	-	130,275	311,616
Payments to other governments	41,608	29,187	-	-	41,608	29,187
Interest on long-term debt	44,257	58,274	-	-	44,257	58,274
Unallocated depreciation	244,784	237,472	-	-	244,784	237,472
Business-type activities:						
School food service	-	-	7,403,127	5,767,292	7,403,127	5,767,292
Liberty Hall	-	-	298,940	173,418	298,940	173,418
Total expenses	112,467,400	99,250,582	7,702,067	5,940,710	120,169,467	105,191,292
Excess (deficiency) before transfers	6,654,476	22,124,771	1,021,951	2,194,398	7,676,427	24,319,169
Transfers in (out)	(73,702)	(70,184)	73,702	70,184	-	-
Increase in net position	6,580,774	22,054,587	1,095,653	2,264,582	7,676,427	24,319,169
Beginning net position (deficit)	(5,026,848)	(27,081,435)	9,417,553	7,152,971	4,390,705	(19,928,464)
Ending net position (deficit)	$ 1,553,926	$ (5,026,848)	$ 10,513,206	$ 9,417,553	$ 12,067,132	$ 4,390,705

Total governmental activities generated revenues of $119.1 million while expenses in this category totaled $112.5 million for the year ended June 30, 2024, resulting in an increase in net position of $6.6 million (including transfers out to business-type activities of $74,000). Comparatively, revenues were $121.4 million, expenses totaled $99.3 million and transfers out were $70,000 for the year ended June 30, 2023, resulting in an increase in net position of $22.1 million. In comparing the two years, revenues decreased by $2.3 million while expenses increased $13.2 million. The overall decrease in revenues is attributable to the decreases in the Education Stabilization funds offset by increases in the State Public School fund allotments received and used in the current year. The Board also recognized an increase in pension and OPEB expenses of $10.7 million and a $4.1 million increase in State Public School fund expenses mostly related to fund increased salaries and benefits. While the board received $8.4 million of

Education Stabilization funds for COVID-19 relief, in Federal Grants fund operating grants, $6.1 million of those funds were used on capital expenditures related to HVAC and other renovations.

The Board's primary sources of revenues were funding from the State of North Carolina, Duplin County, and the United States Government, which respectively comprised 69.4%, 9.3% and 16.7% of our total revenues. As would be expected, the major component of our expenses was instructional services which accounted for 74.3% of our total expenses during the most recent fiscal year. Of the remaining 25.7% of our total expenses, 18.9% was attributable to system-wide support services.

Our business-type activities generated revenues of $8.7 million, while expenses in this category totaled $7.7 million for the year ended June 30, 2024. For the year, net position increased by $1.1 million (including transfers in of $74,000). Comparatively, revenues were $8.1 million, expenses totaled $5.9 million and transfers in were $70,000 for the year ended June 30, 2023, resulting in an increase in net position of $2.3 million. In comparing the two years, the year-over-year decline in profitability of $1.2 million is attributable to the $1.6 million increase in operating expenditures in the School Food Service activities as participation increased slightly resulting in more meals served and the cost of food increased due to inflation. The increase in expenses in School Food Services was partially offset by a $535,000 improvement in other revenues related to increases in federal reimbursements and the Liberty Hall fund net investment income which increased $909,000 in the current year compared to an increase of $587,000 in the previous year as the stock market continues to increase the value of stocks held in the endowment funds.

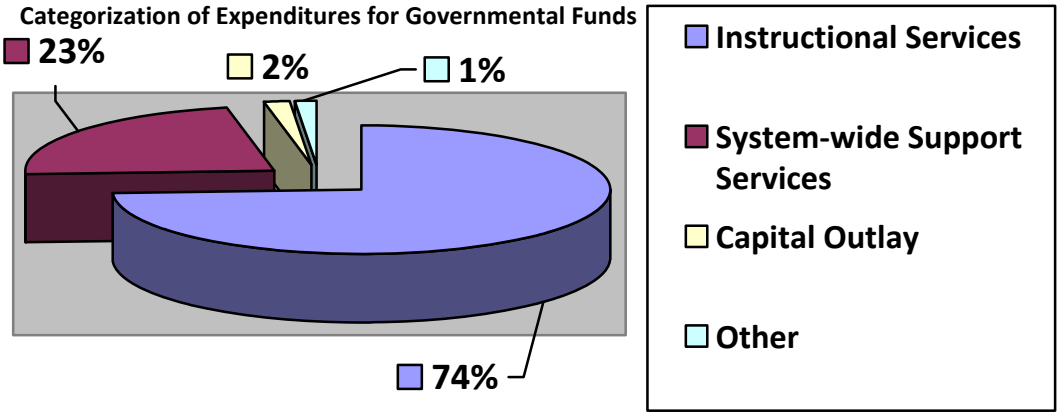
Financial Analysis of the Board's Funds

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

The Board's governmental funds reported a combined fund balance of $12.2 million at June 30, 2024, a decrease of $1.1 million from the $13.3 million reported at June 30, 2023. The Board's General and Capital Outlay funds reported revenues over expenditures for the year ended June 30, 2024 of $25,000, and $52,000, respectively. The Board's Other Special Revenue and Individual Schools funds reported a decrease in fund balance of $1.1 million and $38,000, respectively, as the Board experienced an increase in operational support expenditures related to transportation costs and salaries and benefits. Overall, total governmental fund revenues decreased by $4.3 million, or 3.5%, from the prior year while expenditures increased by $829,000, or 0.7%. The decrease in revenues is primarily due to Covid-19 Education Stabilization funds offset by an increase in State Public School funds received to cover mandated salary and benefit increases. The Board's Other Special Revenue fund experienced a decrease in revenues totaling $2.3 million because of indirect cost collected from Education Stabilization funds declined. The Capital Outlay fund experienced a decrease in expenditures of $1.0 million due to the construction of the multipurpose gym in the prior year while the majority of the construction projects underway throughout the district are being funded by the Federal Grants fund.

The State Public School Fund and Federal Grants Fund do not carry fund balance. All revenues in these funds are expended in the year received. In comparing the year ended June 30, 2024 to 2023, the State Public School fund reported an increase in revenues (and expenditures) of $4.1 million, or 5.5%, the Federal Grants fund reported a decrease of $5.5 million, or 23.3%. The increase in the State Public School fund is the result of the receipt of increased State allotments to cover the rising costs of salaries and benefits while the decrease in the funds received in the Federal Grants fund is due to the expiration of the Covid-19 Education Stabilization Fund.

The following chart summarizes governmental fund expenditures:



Expenditures presented on modified accrual basis of accounting.

Proprietary Funds: The Board's business-type funds, the School Food Service Fund and the Liberty Hall Fund, reported a combined increase in net position of $1.1 million for the fiscal year ended June 30, 2024 compared to an increase of $2.3 million for the same 2023 period. As previously discussed, the year-over-year profitability decreased in the School Food Service fund and increased in the Liberty Hall fund, as the breakdown of revenues changed slightly attributable to a significant increase in investment income and expenses increased significantly for the cost of food in the School Food Service fund.

General Fund Budgetary Highlights

Over the course of a year, the Board will revise the budget, as necessary, to account for changes in revenue expectations and program allocations. Due to some State and federal revenue sources being uncertain at the start of the year, management budgeted revenues and expenditures of $10.6 million. During the fiscal year ended June 30, 2024, the district did not have to appropriate any General fund balance due to the sustained operational savings the Board would realize as a result of the school consolidations conducted in previous years to continue a resolution to operate fiscally responsible and also due to the payment of additional expenditures in the Other Special Revenue fund. The Board was able to add $12,000 of fund balance in the General fund this year as all expenditures in excess in revenues were moved over to the Other Special Revenue fund where they are paid from the available growing fund balance that has increased over the years due to several years of increased indirect cost revenues collected on federal funds.

For the year, the Board's General Fund reported an increase in fund balance of $12,000 compared to an increase of $963,000 in the prior year. General fund balance is expected to help fund future costs associated with the long-term effects of Covid-19 and the anticipated ending of federal assistance to cover those reoccurring cost.

Capital Assets

Total primary government capital assets were $100.0 million at June 30, 2024 compared to $97.2 million at June 30, 2023, an increase of 2.9%. The increase in capital assets is due to an excess of capital additions over depreciation and amortization expense for the year. More detailed information about the Board's capital assets is contained in Note 2 - Detail Notes to the basic financial statements.

The following is a summary of the Board's capital assets, net of depreciation, at June 30, 2024 and 2023:

Table 3
Summary of Capital Assets
As of June 30, 2024 and 2023

	Governmental Activities		Business-type Activities		Total Primary Government	
	6/30/24	6/30/23	6/30/24	6/30/23	6/30/24	6/30/23
Land	$ 2,301,154	$ 2,301,154	$ 24,000	$ 24,000	$ 2,325,154	$ 2,325,154
Right to use asset	153,905	307,809	-	-	153,905	307,809
Construction in progress	11,544,596	5,201,520	-	-	11,544,596	5,201,520
Buildings	71,772,521	74,096,840	188,921	103,879	71,961,442	74,200,719
Equipment and furniture	1,618,399	1,616,124	203,573	229,494	1,821,972	1,845,618
Vehicles	6,505,386	6,756,433	-	-	6,505,386	6,756,433
Improvements	5,655,691	6,548,010	-	-	5,655,691	6,548,010
Total	$ 99,551,652	$ 96,827,890	$ 416,494	$ 357,373	$ 99,968,146	$ 97,185,263

Debt Outstanding

During the year, the Board's long-term debt decreased by $557,000 from $2.4 million at June 30, 2023 to $1.9 million at June 30, 2024. The Board is limited by North Carolina General Statutes with regards to the types of debt it can issue and for what purpose that debt can be used. The County holds virtually all debt issued for school capital construction. More detailed information about the Board's outstanding debt is contained in Note 2- Detail Notes to the basic financial statements.

Economic Factors

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

- As of June 30, 2024, Duplin County experienced an unemployment rate of approximately 3.7% as compared to an unemployment rate of approximately 3.5% at June 30, 2023. The June 30, 2024 State of N.C. and national unemployment rates were both 4.1% and 3.6%, respectively.

- Property taxes are a major source of revenue for the County. The fiscal year 2024 tax rate is $0.735 per $100 valuation. Collection rates vary but are typically in the 94-96% range.

Requests for Information

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 11,878,560	$ 6,274,149	$ 18,152,709
Investments	-	6,666,612	6,666,612
Due from other governments	178,907	162,749	341,656
Internal balances	84,937	(84,937)	-
Inventories	73,861	128,197	202,058
Prepaid expenses	385,709	-	385,709
Capital assets:			
Right to use lease assets, net of amortization	153,905	-	153,905
Land and construction in progress	13,845,750	24,000	13,869,750
Other capital assets, net of depreciation	85,551,997	392,494	85,944,491
Total capital assets	99,551,652	416,494	99,968,146
Total assets	112,153,626	13,563,264	125,716,890
Deferred Outflows of Resources	49,747,983	1,441,285	51,189,268
Liabilities			
Bank overdraft	159,935	-	159,935
Accounts payable and accrued expenses	273,900	2,571	276,471
Unearned revenue	-	1,954	1,954
Long-term liabilities:			
Due within one year	2,911,731	38,904	2,950,635
Due in more than one year	4,175,246	20,254	4,195,500
Net pension liability	53,671,002	1,554,942	55,225,944
Net OPEB liability	74,706,561	2,164,379	76,870,940
Total liabilities	135,898,375	3,783,004	139,681,379
Deferred Inflows of Resources	24,449,308	708,339	25,157,647
Net position			
Net investment in capital assets	97,553,219	416,494	97,969,713
Restricted for:			
Stabilization by State statute	103,909	-	103,909
School capital outlay	1,011,127	-	1,011,127
Individual schools activities	1,182,483	-	1,182,483
Unrestricted (deficit)	(98,296,812)	10,096,712	(88,200,100)
Total net position	$ 1,553,926	$ 10,513,206	$ 12,067,132

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	$ 51,435,718	$ -	$ 47,168,291	$ -	$ (4,267,427)	$ -	$ (4,267,427)
Special populations	11,008,048	-	12,584,820	-	1,576,772	-	1,576,772
Alternative programs	10,151,921	-	11,547,052	-	1,395,131	-	1,395,131
School leadership	5,827,481	-	4,394,398	-	(1,433,083)	-	(1,433,083)
Co-curricular	2,927,117	1,911,576	-	-	(1,015,541)	-	(1,015,541)
School-based support	7,967,941	-	6,729,721	-	(1,238,220)	-	(1,238,220)
System-wide support services:							
Support and development	985,698	-	580,708	-	(404,990)	-	(404,990)
Special population support and development	423,837	-	400,786	-	(23,051)	-	(23,051)
Alternative programs and services support and development	230,502	-	195,978	-	(34,524)	-	(34,524)
Technology support	2,071,281	-	327,482	-	(1,743,799)	-	(1,743,799)
Operational support	16,494,993	-	12,328,933	442,531	(3,723,529)	-	(3,723,529)
Financial and human resource services	1,231,667	-	58,930	-	(1,172,737)	-	(1,172,737)
Accountability	149,750	-	26,800	-	(122,950)	-	(122,950)
System-wide pupil support	155,296	-	25,514	-	(129,782)	-	(129,782)
Policy, leadership and public relations	945,226	-	437,348	-	(507,878)	-	(507,878)
Ancillary services	130,275	-	89,370	-	(40,905)	-	(40,905)
Payments to other governments	41,608	-	440,084	-	398,476	-	398,476
Interest on long-term debt	44,257	-	-	-	(44,257)	-	(44,257)
Unallocated depreciation expense**	244,784	-	-	-	(244,784)	-	(244,784)
Total governmental activities	112,467,400	1,911,576	97,336,215	442,531	(12,777,078)	-	(12,777,078)
Business-type activities:							
School food service	7,403,127	459,141	7,242,624	-	-	298,638	298,638
Liberty Hall	298,940	4,764	92,000	-	-	(202,176)	(202,176)
Total business-type activities	7,702,067	463,905	7,334,624	-	-	96,462	96,462
Total primary government	$ 120,169,467	$ 2,375,481	$ 104,670,839	$ 442,531	(12,777,078)	96,462	(12,680,616)
General revenues:							
Unrestricted county appropriations - operating					10,000,155	-	10,000,155
Unrestricted county appropriations - capital					1,144,300	-	1,144,300
Unrestricted State appropriations - operating					6,456,472	-	6,456,472
Unrestricted State appropriation - capital					400,337	-	400,337
Investment earnings, unrestricted					51	924,089	924,140
Miscellaneous, unrestricted					1,430,239	1,400	1,431,639
Transfers					(73,702)	73,702	-
Total general revenues and transfers					19,357,852	999,191	20,357,043
Change in net position					6,580,774	1,095,653	7,676,427
Net position (deficit) - beginning					(5,026,848)	9,417,553	4,390,705
Net position - ending					$ 1,553,926	$ 10,513,206	$ 12,067,132

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

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

FUND FINANCIAL STATEMENTS

DUPLIN COUNTY BOARD OF EDUCATION **Exhibit 3**
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	Major Funds						
	General	State Public School	Federal Grants	Other Special Revenue	Individual Schools	Capital Outlay	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 6,083,448	$ -	$ -	$ 3,483,080	$ 1,182,483	$ 1,129,549	$ 11,878,560
Due from other governments	-	3,619	156,316	18,972	-	-	178,907
Due from other funds	-	-	-	84,937	-	-	84,937
Inventories	73,861	-	-	-	-	-	73,861
Prepaids	385,709	-	-	-	-	-	385,709
Total assets	$ 6,543,018	$ 3,619	$ 156,316	$ 3,586,989	$ 1,182,483	$ 1,129,549	$ 12,601,974
Liabilities and fund balances							
Liabilities:							
Bank overdraft	$ -	$ 3,619	$ 156,316	$ -	$ -	$ -	$ 159,935
Accounts payable and accrued liabilities	155,405	-	-	73	-	118,422	273,900
Total liabilities	155,405	3,619	156,316	73	-	118,422	433,835
Fund balances:							
Nonspendable:							
Inventories	73,861	-	-	-	-	-	73,861
Prepaid expenditures	385,709	-	-	-	-	-	385,709
Restricted:							
Stabilization by State statute	-	-	-	103,909	-	-	103,909
School capital outlay	-	-	-	-	-	1,011,127	1,011,127
Individual schools	-	-	-	-	1,182,483	-	1,182,483
Assigned:							
Academic recovery and operations	5,200,000	-	-	-	-	-	5,200,000
Special revenues	-	-	-	3,483,007	-	-	3,483,007
Unassigned	728,043	-	-	-	-	-	728,043
Total fund balances	6,387,613	-	-	3,586,916	1,182,483	1,011,127	12,168,139
Total liabilities and fund balances	$ 6,543,018	$ 3,619	$ 156,316	$ 3,586,989	$ 1,182,483	$ 1,129,549	$ 12,601,974

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

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

Total fund balance (All Governmental Funds)	12,168,139
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	99,397,747
Right to use lease assets used in governmental activities are not financial resources and therefore are not reported in the funds.	153,905
Deferred outflows of resources related to pensions	32,343,365
Deferred outflows of resources related to OPEB	17,404,618
Some liabilities, including those for compensated absences, leases and installment purchases, are not due and payable in the current period and therefore are not reported in the funds.	(7,086,977)
Net pension liability	(53,671,002)
Net OPEB liability	(74,706,561)
Deferred inflows of resources related to pensions	(503,297)
Deferred inflows of resources related to OPEB	(23,946,011)
Net position of governmental activities	$ 1,553,926

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

DUPLIN COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Other Special Revenue	Individual Schools	Capital Outlay	
Revenues:							
State of North Carolina	$ -	$ 80,209,897	$ -	$ 2,027,646	$ -	$ 842,868	$ 83,080,411
Duplin County							
Local current expense	10,000,155	-	-	-	-	-	10,000,155
Other	-	-	-	-	-	1,144,300	1,144,300
U.S. Government	-	-	18,205,638	1,763,355	-	-	19,968,993
Other	518,083	-	-	3,158,442	1,911,576	-	5,588,101
Total revenues	10,518,238	80,209,897	18,205,638	6,949,443	1,911,576	1,987,168	119,781,960
Expenditures:							
Current:							
Instructional services:							
Regular instructional	455,249	46,744,029	2,247,755	899,517	-	-	50,346,550
Special populations	57,422	8,210,118	3,138,430	98,835	-	-	11,504,805
Alternative programs	21,796	3,853,213	4,065,388	2,573,967	-	-	10,514,364
School leadership	162,474	5,655,570	183,436	138,972	-	-	6,140,452
Co-curricular	933,022	-	-	81,289	1,949,254	-	2,963,565
School-based support	277,591	6,826,534	784,085	407,551	-	-	8,295,761
System-wide support services:							
Support and development	51,936	918,878	14,429	43,066	-	-	1,028,309
Special population support and development	-	-	400,786	40,727	-	-	441,513
Alternative programs and services support and development	23,579	40,071	155,907	20,600	-	-	240,157
Technology support	313,260	630,964	162,427	998,915	-	-	2,105,566
Operational support	6,762,983	5,812,418	6,442,813	2,353,122	-	-	21,371,336
Financial and human resource services	288,905	917,826	26,602	162,356	-	-	1,395,689
Accountability	129,873	26,800	-	-	-	-	156,673
System-wide pupil support	138,550	-	25,514	-	-	-	164,064
Policy, leadership and public relations	398,094	499,774	28,612	52,227	-	-	978,707
Ancillary services	16,227	-	89,370	24,678	-	-	130,275
Non-programmed charges	41,608	-	440,084	-	-	-	481,692
Debt service:							
Principal retirement	385,733	-	-	156,490	-	442,531	984,754
Interest and fees	35,147	-	-	9,110	-	-	44,257
Capital outlay	-	-	-	-	-	1,919,909	1,919,909
Total expenditures	10,493,449	80,136,195	18,205,638	8,061,422	1,949,254	2,362,440	121,208,398
Revenues over (under) expenditures	24,789	73,702	-	(1,111,979)	(37,678)	(375,272)	(1,426,438)
Other financing sources (uses):							
Transfers to other funds	-	(73,702)	-	-	-	-	(73,702)
Installment purchase obligations issued	-	-	-	-	-	427,476	427,476
Total other financing sources (uses)	-	(73,702)	-	-	-	427,476	353,774
Net change in fund balance	24,789	-	-	(1,111,979)	(37,678)	52,204	(1,072,664)
Fund balances:							
Beginning of year	6,375,381	-	-	4,698,895	1,220,161	958,923	13,253,360
Change in reserve for inventories	(12,557)	-	-	-	-	-	(12,557)
End of year	$ 6,387,613	$ -	$ -	$ 3,586,916	$ 1,182,483	$ 1,011,127	$ 12,168,139

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

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, 2024

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	$ (1,072,664)
Change in fund balance due to change in reserve for inventory	(12,557)
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 capital outlay exceeded depreciation in the current period.	2,980,583
Governmental funds report right to use lease assets as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the life of the lease and reported as amortization expense. This is the amount by which amortization exceeded capitalized right to use leased asset expenditures in the current period.	(153,904)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,322,092
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,244,763
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	98,044
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	557,278
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	(13,853,293)
OPEB (expense) benefit	3,590,815
Compensated absences	(17,466)
Loss on disposal of capital assets	(102,917)
Total changes in net position of governmental activities	$ 6,580,774

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 6***
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, 2024

	General Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Duplin County	10,000,155	10,000,155	10,000,155	-
U.S. Government	-	-	-	-
Other	373,631	554,173	518,083	(36,090)
Total revenues	10,373,786	10,554,328	10,518,238	(36,090)
Expenditures:				
Current:				
Instructional services	1,719,897	1,950,315	1,907,554	42,761
System-wide support services	8,185,944	8,125,098	8,107,180	17,918
Ancillary services	12,065	16,427	16,227	200
Non-programmed charges	35,000	41,608	41,608	-
Debt service				
Principal retirement	385,733	385,733	385,733	-
Interest and fees	35,147	35,147	35,147	-
	420,880	420,880	420,880	-
Capital outlay	-	-	-	-
Total expenditures	10,373,786	10,554,328	10,493,449	60,879
Revenues over (under) expenditures	-	-	24,789	24,789
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	24,789	24,789
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	24,789	$ 24,789
Fund balances:				
Beginning of year			6,375,381	
Change in reserve for inventories			(12,557)	
End of year			$ 6,387,613	

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

	State Public School Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ 73,348,452	$ 81,727,467	$ 80,209,897	$ (1,517,570)
Duplin County	-	-	-	-
U.S. Government	-	-	-	-
Other	-	-	-	-
Total revenues	73,348,452	81,727,467	80,209,897	(1,517,570)
Expenditures:				
Current:				
Instructional services	65,338,338	72,790,118	71,289,464	1,500,654
System-wide support services	7,929,490	8,863,449	8,846,731	16,718
Ancillary services	-	-	-	-
Non-programmed charges	-	-	-	-
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	73,267,828	81,653,567	80,136,195	1,517,372
Revenues over (under) expenditures	80,624	73,900	73,702	(198)
Other financing uses:				
Transfers to other funds	(80,624)	(73,900)	(73,702)	198
Revenues over (under) expenditures and other uses	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			$ -	

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

	Federal Grants Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ -	$ -	$ -	$ -
Duplin County	-	-	-	-
U.S. Government	25,987,525	27,943,430	18,205,638	(9,737,792)
Other	-	-	-	-
Total revenues	25,987,525	27,943,430	18,205,638	(9,737,792)
Expenditures:				
Current:				
Instructional services	12,642,729	12,850,422	10,419,094	2,431,328
System-wide support services	12,515,826	14,434,807	7,257,090	7,177,717
Ancillary services	-	89,370	89,370	-
Non-programmed charges	828,970	568,831	440,084	128,747
Debt service				
Principal retirement	-	-	-	-
Interest and fees	-	-	-	-
	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	25,987,525	27,943,430	18,205,638	9,737,792
Revenues over (under) expenditures	-	-	-	-
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	-	-	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	$ -	$ -	-	$ -
Fund balances:				
Beginning of year			-	
Change in reserve for inventories			-	
End of year			$ -	

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 6 (continued)***
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND AND ANNUALLY BUDGETED MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2024

	Other Special Revenue Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
State of North Carolina	$ 1,891,518	$ 2,036,662	$ 2,027,646	$ (9,016)
Duplin County	-	-	-	-
U.S. Government	1,629,928	1,802,587	1,763,355	(39,232)
Other	1,515,477	2,610,436	3,158,442	548,006
Total revenues	5,036,923	6,449,685	6,949,443	499,758
Expenditures:				
Current:				
Instructional services	3,427,613	4,259,142	4,200,131	59,011
System-wide support services	1,419,791	4,218,282	3,671,013	547,269
Ancillary services	23,919	26,009	24,678	1,331
Non-programmed charges	-	-	-	-
Debt service				
Principal retirement	151,131	156,490	156,490	-
Interest and fees	14,469	9,110	9,110	-
	165,600	165,600	165,600	-
Capital outlay	-	91,673	-	91,673
Total expenditures	5,036,923	8,760,706	8,061,422	607,611
Revenues over (under) expenditures	-	(2,311,021)	(1,111,979)	1,199,042
Other financing uses:				
Transfers to other funds	-	-	-	-
Revenues over (under) expenditures and other uses	-	(2,311,021)	(1,111,979)	-
Fund balance appropriated	-	2,311,021	-	-
Net change in fund balance	$ -	$ -	(1,111,979)	$ (1,111,979)
Fund balances:				
Beginning of year			4,698,895	
Change in reserve for inventories			-	
End of year			$ 3,586,916	

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 7***
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPES
June 30, 2024

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall	Totals
Assets			
Current assets:			
Cash and cash equivalents	$ 6,151,249	$ 122,900	$ 6,274,149
Investments	-	6,666,612	6,666,612
Due from other governments	162,749	-	162,749
Inventories	128,197	-	128,197
Total current assets	6,442,195	6,789,512	13,231,707
Noncurrent assets:			
Capital assets:			
Land	-	24,000	24,000
Furniture and equipment, net	203,573	188,921	392,494
Total capital assets	203,573	212,921	416,494
Total assets	6,645,768	7,002,433	13,648,201
Deferred Outflows of Resources	1,441,285	-	1,441,285
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	2,571	-	2,571
Due to other funds	84,937	-	84,937
Compensated absences	38,904	-	38,904
Unearned revenue	1,954	-	1,954
Total current liabilities	128,366	-	128,366
Noncurrent liabilities:			
Net pension liability	1,554,942	-	1,554,942
Net OPEB liability	2,164,379	-	2,164,379
Compensated absences	20,254	-	20,254
Total noncurrent liabilities	3,739,575	-	3,739,575
Total liabilities	3,867,941	-	3,867,941
Deferred Inflows of Resources	708,339	-	708,339
Net position			
Investment in capital assets	203,573	212,921	416,494
Unrestricted	3,307,200	6,789,512	10,096,712
Total net position	$ 3,510,773	$ 7,002,433	$ 10,513,206

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 8***
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall	Totals
Operating revenues:			
Food sales	$ 459,141	$ -	$ 459,141
Other	-	4,764	4,764
Total operating revenues	459,141	4,764	463,905
Operating expenses:			
Food cost:			
Purchase of food	3,705,308	-	3,705,308
Donated commodities	456,293	-	456,293
Salaries and benefits	2,667,727	60,643	2,728,370
Indirect costs	220,000	-	220,000
Materials and supplies	170,431	-	170,431
Repairs and maintenance	82,016	152,172	234,188
Depreciation	25,921	13,946	39,867
Non-capitalized equipment	910	10,244	11,154
Contracted services	12,886	2,150	15,036
Scholarships and donations	-	17,000	17,000
Other	61,635	42,785	104,420
Total operating expenses	7,403,127	298,940	7,702,067
Operating loss	(6,943,986)	(294,176)	(7,238,162)
Nonoperating revenues:			
Federal reimbursements	6,786,331	-	6,786,331
Federal commodities	456,293	-	456,293
Investment income, net	14,593	909,496	924,089
Contributions and donations	-	92,000	92,000
Other	-	1,400	1,400
Total nonoperating revenues	7,257,217	1,002,896	8,260,113
Income before transfers and contributions	313,231	708,720	1,021,951
Transfers from other funds	73,702	-	73,702
Change in net position	386,933	708,720	1,095,653
Net position, beginning of year	3,123,840	6,293,713	9,417,553
Net position, end of year	$ 3,510,773	$ 7,002,433	$ 10,513,206

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 9***
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
For the Fiscal Year Ended June 30, 2024

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall Fund	Totals
Cash flows from operating activities:			
Cash received from customers	$ 450,838	$ 4,764	$ 455,602
Cash paid for goods and services	(4,326,900)	(224,438)	(4,551,338)
Cash paid to employees for services	(2,742,259)	(60,643)	(2,802,902)
Net cash used by operating activities	(6,618,321)	(280,317)	(6,898,638)
Cash flows from noncapital financing activities:			
Due to other funds	84,937	-	84,937
Federal and State reimbursements	6,668,277	-	6,668,277
Contributions and donations	-	92,000	92,000
Other noncapital activities	-	1,400	1,400
Net cash provided by noncapital financing activities	6,753,214	93,400	6,846,614
Cash flows from capital and related financing activities:			
Purchase of capital assets	-	(98,988)	(98,988)
Cash flows from investing activities:			
Distributions from Sara G. Kenan Endowment Fund	-	400,010	400,010
Interest income	14,593	-	14,593
Net cash provided by investing activities activities	14,593	400,010	414,603
Net increase in cash and cash equivalents	149,486	114,105	263,591
Cash and cash equivalents, beginning of year	6,001,763	8,795	6,010,558
Cash and cash equivalents, end of year	$ 6,151,249	$ 122,900	$ 6,274,149
Reconciliation of operating loss to net cash used by operating activities:			
Operating loss	$ (6,943,986)	$ (294,176)	$ (7,238,162)
Adjustments to reconcile operating income (loss) to net cash used by operating activities:			
Depreciation	25,921	13,946	39,867
Donated commodities	456,293	-	456,293
Salaries paid by other funds	73,702	-	73,702
Changes in assets and liabilities:			
Decrease in accounts receivable	137	-	137
Increase in inventories	(73,545)	-	(73,545)

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

	Enterprise		
	Major Funds		
	School Food Service	Liberty Hall Fund	Totals
Decrease in accounts payable and accrued liabilities	(169)	(87)	(256)
Decrease in unearned revenue	(8,440)	-	(8,440)
Increase in pension liability	193,555	-	193,555
Increase in OPEB liability	281,036	-	281,036
Increase in deferred outflow	(232,549)	-	(232,549)
Decrease in deferred inflow	(394,175)	-	(394,175)
Increase in compensated absences payable	3,899	-	3,899
Total adjustments	325,665	13,859	339,524
Net cash used by operating activities	$ (6,618,321)	$ (280,317)	$ (6,898,638)

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:
The School Food Service Fund received donated commodities with a value of $456,293 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 $73,702 to administrative personnel of the School Food Service Fund during the fiscal year. The payments are reflected as transfers in and an operating expense on Exhibit 8.

The Liberty Hall Fund recognized interest, dividends and an increase in the fair value of investments net of fees of $909,496 during the year. This increase is reflected in the net investment income on Exhibit 8.

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 10***
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2024

	Private Purpose Trust Fund Dickson Loan Fund
Assets	
Cash and cash equivalents	$ 92,592
Net position	
Assets held in trust for private purpose	$ 92,592

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

DUPLIN COUNTY BOARD OF EDUCATION ***Exhibit 11***
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND
For the Fiscal Year Ended June 30, 2024

	Private Purpose Trust Fund Dickson Loan Fund
Additions:	
Interest income	$ 3,236
Change in net position	3,236
Beginning net position	89,356
Ending net position	$ 92,592

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basis of Presentation

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

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

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

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

The Board reports the following major governmental funds:

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

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

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

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

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

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

The Board reports the following major enterprise funds:

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

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

The Board reports the following fiduciary fund:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

D. Budgetary Data

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

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

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

1. Deposits and Investments

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

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

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

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

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

2. Cash and Cash Equivalents

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

3. Inventories

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

4. Prepaid Expenditures

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

5. Capital Assets

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

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

The Board's capital assets also include certain right to use lease assets as a result of implementing GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease

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

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

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

6. Deferred outflows and inflows of resources

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

7. Collections

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

8. Long-term Obligations

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

9. Compensated Absences

The Board follows the State's policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board's liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 is recorded in the government-wide and proprietary fund financial statements on a FIFO basis. An estimate has been made based on prior years' records of the current portion of compensated absences.

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

10. Net Position/Fund Balances

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

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

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

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

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

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

Academic recovery and operations – portion of fund balance that represents funds to be used on continued initiatives that are contributing to academic recovery and operational assistance post pandemic after the COVID-19 federal assistance expires.

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

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

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

11. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between *fund balance - total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. The net adjustment of $(10,614,213) consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets at historical cost on government-wide statement in governmental activities column)	$ 179,292,115
Less accumulated depreciation	(79,894,368)
Capital assets, net	99,397,747
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the funds (total right to use leased assets at historical cost on government-wide statement in governmental activities column)	615,617
Less accumulated amortization	(461,712)
Right to use leased assets, net	153,905
Deferred outflows of resources related to pensions	32,343,365
Deferred outflows of resources related to OPEB	17,404,618
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	(1,717,970)
Compensated absences	(5,206,966)
Lease liability	(162,041)
Net pension liability	(53,671,002)
Net OPEB liability	(74,706,561)
Deferred inflows of resources related to pensions	(503,297)
Deferred inflows of resources related to OPEB	(23,946,011)
Total adjustment	$ (10,614,213)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. There are several elements of that total adjustment of $7,663,438 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	$ 7,302,757
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(4,322,174)
Amortization expense for intangible assets, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(153,904)
Change in fund balance due to change in reserve for inventory	(12,557)
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	(427,476)
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	984,754
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
OPEB nonemployer contributions	98,044
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,332,092
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,244,763
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements	
Pension (expense) benefit	(13,853,293)
OPEB (expense) benefit	3,590,815
Loss on disposal of asset	(102,917)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(17,466)
Total adjustment	$ 7,663,438

12. Defined Benefit Pension Plan and OPEB Plans

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

NOTE 2 - DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

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

At June 30, 2024, the Board had deposits with banks and savings and loans with a carrying amount of $17,549,530 and a net overdraft balance with the State Treasurer of $159,935. The bank balances with the financial institutions and the State Treasurer were $17,121,750 and $826,407, respectively. Of these balances, $1,177,759 was covered by federal depository insurance and $16,770,398 was covered by collateral held by authorized escrow agents in the name of the State Treasurer.

2. Investments

At June 30, 2024, the Board had $603,179 invested with the State Treasurer in the Short Term Investment Fund (STIF) and $6,666,612 invested in equities and bonds in the Sarah Graham Kenan Endowment Fund. The STIF is classified in Level 2 of the fair value hierarchy and valued using prices that are either directly or indirectly observable for an asset or liability.

Interest Rate Risk

The Board of Education does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Department of State Treasurer Short Term Investment Fund (STIF) is unrated and has a weighted average maturity of 1.3 years as of June 30, 2024. The Board's investments in corporate bonds have an average weighted yield of 3.95%.

Credit Rating for Bonds

The Board invests in certain mutual funds whose primary holdings are corporate and governmental bonds. The credit rating of the underlying bonds held within these mutual funds range from Baa3 to AAA as determined by Moody's.

Concentration of Credit Risk

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

The Board also maintains investments in the Sarah Graham Kenan Endowment Fund, for the benefit of Liberty Hall. The investments are authorized by G.S. 115C-491, which states that endowment funds created under G.S. 115C-490 may invest in all forms of property, both real and personal, including, but not by way of limitation, all types of stocks, bonds, securities, mortgages and all types, kinds, and subject of investments of any nature or description. The Board holds 3 equity security or corporate bond which exceeds 5% of the total portfolio value, Microsoft stock represents 9.7% of the portfolio value, Apple Inc. represents 6.7% of the portfolio and KLA Corp. represents 6.0% of the portfolio.

All investments in the endowment fund are measured using the market approach fair value hierarchy Level 1: Securities and mutual funds valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. All corporate bonds are investment grade bonds with a bond rating of Baa. At June 30, 2024, the Board's investment balances in the Sarah Graham Kenan Endowment Fund were as follows:

	Fair Value	Cost
Cash and Cash Equivilants:		
Truist Bank Deposit Account	$ 431,526	$ 431,526
Equities:		
AbbVie Inc	148,193	28,198
American Electric Power Inc.	43,958	35,846
Amgen Inc.	128,729	24,825
Apple, Inc.	451,569	10,085
AT&T Inc.	26,123	36,243
Blackrock Inc	179,509	57,221
Broadcom Inc.	242,435	35,450
Cardinal Health Inc.	18,583	8,696
Caterpillar Inc.	60,957	21,155
Chevron Corp.	56,624	26,827
CISCO Systems, Inc.	55,396	31,860
CME Group Inc.	70,776	62,181
CMS Energy Corp.	98,879	49,734
Comcast Corp.	32,111	27,544
Corning Inc.	34,615	16,206

	Fair Value	Cost
Equities (continued):		
Corteva Inc.	46,065	24,616
Dow Inc.	45,305	38,031
Dupont De Nemours Inc.	68,739	54,482
Eaton Corp.	131,691	29,681
Emerson Elec Co.	68,409	28,457
Home Depot Inc.	229,264	55,086
Honeywell International Inc.	25,198	15,076
Intel Corp	74,607	57,792
International Paper Co.	31,111	32,712
J.P. Morgan Chase and Co.	260,511	52,770
Johnson & Johnson	109,620	64,050
KLA Corp.	399,887	29,708
Merck & Co.	142,246	39,434
Microsoft Corp.	644,054	50,995
Nextera Energy Inc.	261,431	78,050
Novartis AG American Depository	62,705	46,225
PepsiCo, Inc.	120,894	53,132
Pfizer Inc.	58,171	43,379
Proctor & Gamble	19,955	13,770
Target Corp.	73,872	45,246
The Hershey Company	20,957	30,448
Union Pac Corp.	79,417	48,211
United Parcel Service	65,962	35,290
US Bancorp	32,792	40,845
Verizon Communications	55,550	52,774
Viatris Inc.	2,732	2,378
Warner Bros Discovery Inc.	2,455	11,329
Corporate Obligations		
Various Corporate Bonds	1,248,970	1,303,538
Mutual Funds:		
Eaton Vance Atlanta Capital	119,077	65,000
T. Rowe Price QM US Small Cap Growth Equity Fund	84,982	34,174
	$ 6,666,612	$ 3,380,276

3. Accounts Receivable

Receivables at the government-wide level at June 30, 2024 are as follows:

	Due from other governments	Other	Total
Governmental activities:			
General Fund	$ -	$ -	$ -
Other governmental activities	18,972	84,937	103,909
Total governmental activities	$ 18,972	$ 84,937	$ 103,909
Business-type activities:			
School Food Service Fund	$ 162,749	$ -	$ 162,749

Due from other governments consists of the following:

Governmental activities:		
Other Special Revenue Fund	$ 18,972	Amounts due from State and federal grants
Business-type activities:		
School Food Service Fund	$ 162,749	Federal grant funds

4. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	2,301,154	-	-	2,301,154
Construction in progress	5,201,520	6,343,076	-	11,544,596
Total capital assets not being depreciated	7,502,674	6,343,076	-	13,845,750
Capital assets being depreciated:				
Buildings and improvements	121,535,339	9,968	49,622	121,495,685
Equipment and furniture	5,567,403	265,060	326,063	5,506,400
Vehicles	15,231,720	563,917	32,315	15,763,322
Improvements	22,675,130	120,736	114,908	22,680,958
Total capital assets being depreciated	165,009,592	959,681	522,908	165,446,365
Less accumulated depreciation for:				
Buildings and improvements	47,438,499	2,307,326	22,661	49,723,164
Equipment and furniture	3,951,279	244,784	308,062	3,888,001
Vehicles	8,475,287	814,964	32,315	9,257,936
Improvements	16,127,120	955,100	56,953	17,025,267
Total accumulated depreciation	75,992,185	4,322,174	419,991	79,894,368
Total capital assets being depreciated, net	89,017,407			85,551,997
Capital assets being amortized:				
Right to use assets:				
Leased equipment	615,617	-	-	615,617
Less accumulated amortization for:				
Leased equipment	307,808	153,904	-	461,712
Right to use assets, net	$ 307,809			$ 153,905
Governmental activity capital assets, net	$ 96,827,890			$ 99,551,652

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
School Food Service Fund:				
Capital assets being depreciated:				
Equipment and furniture	$ 1,259,675	$ -	$ -	$ 1,259,675
Less accumulated depreciation for:				
Equipment and furniture	1,030,181	25,921	-	1,056,102
School Food Service capital assets, net	$ 229,494			$ 203,573
Liberty Hall:				
Capital assets not being depreciated:				
Land	$ 24,000	$ -	$ -	$ 24,000
Capital assets being depreciated:				
Buildings	358,519	98,988	-	457,507
Less accumulated depreciation for:				
Buildings	254,640	13,946	-	268,586
Total capital assets being depreciated, net	103,879			188,921
Liberty Hall capital assets, net	$ 127,879			$ 212,921
Business-type activities capital assets, net	$ 357,373			$ 416,494

Amortization of $153,904 was charged to operational support services. Depreciation was charged to governmental functions as follows:

Instructional services	$ 3,262,426
System-wide support services	814,964
Unallocated depreciation	244,784
Total	$ 4,322,174

Construction Commitments

The Board has several active HVAC construction projects as of June 30, 2024. At year-end, the Board's commitments with contractors for school construction are as follows:

Projects	Spent-to-date	Remaining Commitment
Various construction projects	$ 11,544,596	$ 5,826,435

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, 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, 2024, was 17.63% 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 $10,621,141 for the year ended June 30, 2024.

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, 2024, the Board reported a liability of $55,225,944 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and at June 30, 2022, the Board's proportion was .33125% and .32329%, respectively.

For the year ended June 30, 2024, the Board recognized pension expense of $14,250,461. At June 30, 2024, 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
Differences between expected and actual experience	$ 4,502,221	$ 407,606
Changes of assumptions	1,939,462	-
Net difference between projected and actual earnings on pension plan investments	15,380,421	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	837,163	110,273
Board contributions subsequent to the measurement date	10,621,141	-
Total	$ 33,280,408	$ 517,879

$10,621,141 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, 2025. Other amounts reported as deferred outflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	$ 7,196,119
2026	4,165,820
2027	10,122,444
2028	657,005
2029	-
Thereafter	-
Total	$ 22,141,388

Actuarial Assumptions. The total pension liability in the December 31, 2022 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, 2022 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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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	100%	

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

Discount rate. The discount rates 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 (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Board's proportionate share of the net pension liability (asset)	$ 94,810,005	$ 55,225,944	$ 22,570,378

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

b. Other Postemployment Benefits

Healthcare Benefits

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

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

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

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

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, 2024, the Board contributed 7.14% of covered payroll, which amounted to $4,301,472 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 $35.0 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 $100,884.

At June 30, 2024, Board reported a liability of $76,794,096 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and at June 30, 2022, the Board's proportion was .28819% and .27918%, respectively.

$4,301,472 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 ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	$ (5,508,142)
2026	(5,365,466)
2027	(2,254,094)
2028	1,897,701
2029	-
Thereafter	-
Total	$ (11,230,001)

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	5.00-6.50%
Prescription drug	5.00-10.00%
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, 2024 and 2023 were 3.65% and 3.54%, 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 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

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 (2.65 percent) or 1-percentage point higher (4.65 percent) than the current discount rate:

	1% Decrease (2.65%)	**Discount Rate (3.65%)**	**1% Increase (4.65%)**
Net OPEB liability	$ 90,594,572	$ 76,794,096	$ 65,556,558

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

	1% Decrease (Medical-4.00-5.50%, Pharmacy-4.00-9.00%, Medicare Advantage - 4.00%, Administrative - 2.00%)	Healthcare Trend Rates (Medical - 5.00-6.50%, Pharmacy - 5.00-10.00%, Medicare Advantage - 5.00%, Administrative - 3.00%)	1% Increase (Medical-6.00-7.50%, Pharmacy-6.00-11.00%, Medicare Advantage - 6.00%, Administrative - 4.00%)
Net OPEB liability	$ 63,401,337	$ 76,794,096	$ 94,066,345

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

Disability Benefits

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

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

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

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

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2024,

employers made a statutory contribution of 0.11% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were $66,269 for the year ended June 30, 2024.

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, 2024, Board reported an OPEB liability of $76,844 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 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, 2023 and at June 30, 2022, the Board's proportion was .28893% and .28301%, respectively.

$66,269 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 ended June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	$ 41,103
2026	26,042
2027	37,596
2028	15,216
2029	7,006
Thereafter	4,386
Total	$ 131,349

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 asset	$ 92,377	$ 76,844	$ 61,028

Common actuarial assumptions for both OPEB plans. The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022 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, 2023. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

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

DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2023. 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, 2023 is 1.3%.

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, 2024:

	RHBF	DIPNC	Total
OPEB Expense (Benefit)	$ (3,825,931)	$ 110,682	$ (3,715,249)
OPEB Liability (Asset)	76,794,096	76,844	76,870,940
Proportionate share of the net OPEB liability (asset)	0.28819%	0.28893%	
Deferred Outflows of Resources			
Differences between expected and actual experience	845,653	67,344	912,997
Changes of assumptions	8,319,138	5,599	8,324,737
Net difference between projected and actual earnings on plan investments	613,471	100,369	713,840
Changes in proportion and differences between Board contributions and proportionate share of contributions	3,575,802	13,743	3,589,545
Board contributions subsequent to the measurement date	4,301,472	66,269	4,367,741
Total Deferred Outflows of Resources	17,655,536	253,324	17,908,860
Deferred Inflows of Resources			
Differences between Expected and actual experience	75,243	42,562	117,805
Changes of assumptions	20,488,045	13,117	20,501,162
Net difference between projected and actual earnings on plan investments	-	-	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,020,777	24	4,020,801
Total Deferred Inflows of Resources	24,584,065	55,703	24,639,768

2. Accounts Payable

Accounts payable as of June 30, 2024 are as follows:

	Vendors and other
Governmental activities:	
General Fund	$ 155,405
Other governmental activities	118,495
Total governmental activities	$ 273,900
Business-type activities:	
School Food Service Fund	$ 2,571

3. Unearned Revenues

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

Business-type activities:	
Prepayments of meals (School Food Service Fund)	$ 1,954

4. Deferred Outflows and Inflows of Resources

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,415,218	$ 525,411
Changes of assumptions	10,264,199	20,501,162
Net difference between projected and actual earnings on pension plan investments	16,094,261	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,426,708	4,131,074
Board contributions subsequent to the measurement date	14,988,882	-
Total	$ 51,189,268	$ 25,157,647

4. Risk Management

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

property insurance is also purchased through commercial companies. The policy coverage insures the tangible property assets of the Board up to $297 million. Buildings and contents are insured on an agreed value basis.

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

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

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

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

5. Long-Term Obligations

a. Leases

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

The agreement was executed on July 1, 2020, to lease copier machines and requires 20 quarterly payments of $41,400. There are no variable payment components of the lease. The lease liability is measured at an imputed discount rate of 3.5%. As a result of the lease, the Board has recorded a right to use asset with a net book value of $153,905 on June 30, 2024. The right to use asset is discussed in more detail in Note 1.

The following is a schedule of the future minimum lease payments and the net present value of the minimum lease payments as of June 30, 2024:

Year Ending June 30:	Principal Payments	Interest Payments	Total
2025	$ 162,041	$ 3,560	$ 165,601
2026	-	-	-
Totals	$ 162,041	$ 3,560	$ 165,601

b. Direct Placement Installment Purchases

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

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot monies for the payments on financing contracts entered into pursuant to G.S. 115C-528. The State has accepted the bid to purchase Thomas Built Buses through a special third party financing arrangement with various companies. The Board entered into such financing contracts for the purchase of school buses during the 2021-2022 and 2023-2024 fiscal years. The original amount of the Board's school bus direct placement installment purchase contracts outstanding at June 30, 2024 totaled $531,830. The contract requires four equal principal-only payments with the first payment due within 10 days of receipt of the buses and the following 3 payments due on the next 3 immediately following November 15th dates.

The future minimum payments of the direct placement installment purchases as of June 30, 2024, including interest, are as follows:

	Governmental Activities	
Year Ending June 30,	Principal	Interest
2025	$ 536,448	$ 26,294
2026	531,269	16,986
2027	587,762	6,905
2028	62,491	78
2029	-	-
Total	$ 1,717,970	$ 50,263

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, 2024:

	July 1, 2023	Increases	Decreases	June 30, 2024	Current Portion
Governmental activities:					
Direct placement installment purchases	$ 2,118,758	$ 427,476	$ 828,264	$ 1,717,970	$ 536,448
Lease liabilities	318,531	-	156,490	162,041	162,041
Net pension liability	46,622,084	7,048,918	-	53,671,002	-
Net OPEB liability	64,496,999	10,209,562	-	74,706,561	-
Compensated absences	5,189,500	3,866,945	3,849,479	5,206,966	2,213,242
Total	$ 118,745,872	$ 21,552,901	$ 4,834,233	$ 135,464,540	$ 2,911,731
Business-type activities:					
Net pension liability	$ 1,361,387	$ 193,555	$ -	$ 1,554,942	$ -
Net OPEB liability	1,883,343	281,036	-	2,164,379	-
Compensated absences	55,259	117,526	113,627	59,158	38,904
Total	$ 3,299,989	$ 592,117	$ 113,627	$ 3,778,479	$ 38,904

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

C. Interfund Balances and Activity

1. Interfund balances

The composition of interfund balances as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
Other Special Revenue Fund	School Food Service Fund	$ 84,937

The amount above represents indirect cost to be collected. The amount is expected to be paid prior to June 30, 2025.

2. Transfers to/from Other Funds

Transfers to/from other funds during the year ended June 30, 2024 consisted of the following:

From the State Public School Fund to the School Food Service Fund for administrative costs	$ 73,702

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	$	99,551,652
Less:		
Capital Outlay accounts payable		(118,422)
Installment purchase obligations for school buses		(346,696)
Lease liabilities		(162,041)
Installment purchase obligations for energy savings equipment		(1,371,274)
Net investment in capital assets, governmental activities	$	97,553,219

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	$	6,387,613
Less:		
Inventories		(73,861)
Prepaid expenditures		(385,709)
Assigned for academic recovery and operations		(5,200,000)
Remaining fund balance	$	728,043

NOTE 3 – OTHER SPECIAL REVENUE FUND – OTHER REVENUES

Other revenues for the fiscal year ended June 30, 2024 in the Other Special Revenue Fund consists of the following:

Medicaid reimbursements	$	1,532,545
Indirect costs allocated		660,084
Private grants and programs		530,927
Contracted services		53,606
Surplus sales		10,066
Contributions and donations		23,749
Sales and use tax refund		193,804
Tuition and fees		91,456
Miscellaneous		62,205
Total other revenues	$	3,158,442

NOTE 4 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Federal and State Assisted Programs

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

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

Schedule of Board Contributions
Retiree Health Benefit Fund

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

Schedule of Board Contributions
Disability Income Plan of North Carolina

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

	2024	2023	2022	2021	2020
Board's proportion of the net pension liability/asset	0.33125%	0.32329%	0.32101%	0.32623%	0.33390%
Board's proportionate share of the net pension liability (asset)	$ 55,225,944	$ 47,983,471	$ 15,031,617	$ 39,415,099	$ 34,615,269
Board's covered payroll	$ 58,730,751	$ 53,729,161	$ 51,690,684	$ 50,464,672	$ 51,246,676
Board's proportionate share of the net pension liability/asset as a percentage of its covered payroll	94.03%	89.31%	29.08%	78.10%	67.55%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%

	2019	2018	2017	2016	2015
Board's proportion of the net pension liability (asset)	0.34607%	0.35602%	0.36789%	0.36050%	0.34431%
Board's proportionate share of the net pension liability (asset)	$ 34,455,037	$ 28,248,197	$ 33,812,891	$ 13,285,139	$ 4,036,763
Board's covered payroll	$ 50,638,809	$ 50,387,942	$ 50,324,059	$ 49,495,759	$ 45,959,997
Board's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	68.04%	56.06%	67.19%	26.84%	8.78%
Plan fiduciary net position as a percentage of the total pension liability	87.61%	89.51%	87.32%	94.64%	98.24%

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

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

	2024	2023	2022	2021	2020
Contractually required contribution	$ 10,621,141	$ 10,207,405	$ 8,800,837	$ 7,652,057	$ 6,567,374
Contributions in relation to the contractually required contribution	10,621,141	10,207,405	8,800,837	7,652,057	6,567,374
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 60,244,692	$ 58,730,751	$ 53,729,161	$ 51,690,684	$ 50,464,672
Contributions as a percentage of covered payroll	17.63%	17.38%	16.38%	14.78%	12.97%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 6,298,216	$ 5,458,864	$ 5,028,717	$ 4,604,651	$ 4,528,862
Contributions in relation to the contractually required contribution	6,298,216	5,458,864	5,028,717	4,604,651	4,528,862
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 51,246,676	$ 50,638,809	$ 50,387,942	$ 50,324,059	$ 49,495,759
Contributions as a percentage of covered payroll	12.29%	10.78%	9.98%	9.15%	9.15%

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

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.28819%	0.27918%	0.27412%	0.28554%	0.29190%
Board's proportionate share of the net OPEB liability (asset)	$ 76,794,096	$ 66,296,152	$ 84,744,820	$ 79,211,574	$ 92,356,313
Board's covered payroll	$ 58,730,751	$ 53,729,161	$ 51,690,684	$ 50,464,672	$ 51,246,676
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	130.76%	123.39%	163.95%	156.96%	180.22%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	10.73%	10.58%	7.72%	6.92%	4.40%

	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.30553%	0.32263%	0.29190%
Board's proportionate share of the net OPEB liability (asset)	$ 87,040,053	$ 105,778,285	$ 92,356,313
Board's covered payroll	$ 50,638,809	$ 50,387,942	$ 50,324,059
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	171.88%	209.93%	183.52%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	4.40%	3.52%	2.41%

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

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

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

	2024	2023	2022	2021	2020
Contractually required contribution	$ 4,301,472	$ 4,046,549	$ 3,379,564	$ 3,520,567	$ 3,276,092
Contributions in relation to the contractually required contribution	4,301,472	4,046,549	3,379,564	3,520,567	3,276,092
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 60,244,692	$ 58,730,751	$ 53,729,161	$ 51,690,684	$ 50,464,672
Contributions as a percentage of covered payroll	7.14%	6.89%	6.29%	6.68%	6.47%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 3,213,167	$ 3,063,648	$ 2,915,578	$ 2,811,547	$ 2,700,852
Contributions in relation to the contractually required contribution	3,213,167	3,063,648	2,915,578	2,811,547	2,700,852
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 51,246,676	$ 50,638,809	$ 50,387,942	$ 50,324,059	$ 49,495,759
Contributions as a percentage of covered payroll	6.27%	6.05%	5.81%	5.60%	5.49%

DUPLIN COUNTY SCHOOLS
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 EIGHT FISCAL YEARS*

	2024	2023	2022	2021	2020
Board's proportion of the net OPEB liability/asset	0.28893%	0.28301%	0.28305%	0.28558%	0.29520%
Board's proportionate share of the net OPEB liability (asset)	$ (76,844)	$ 84,190	$ (46,233)	$ (140,488)	$ (127,379)
Board's covered payroll	$ 58,730,751	$ 53,729,161	$ 51,690,684	$ 50,464,672	$ 51,246,676
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	-0.13%	0.16%	0.09%	0.28%	0.25%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	90.61%	90.34%	105.18%	115.57%	113.00%

	2019	2018	2017
Board's proportion of the net OPEB liability/asset	0.30685%	0.31422%	0.32885%
Board's proportionate share of the net OPEB liability (asset)	$ (93,209)	$ (192,051)	$ (204,216)
Board's covered payroll	$ 50,638,809	$ 50,387,942	$ 50,324,059
Board's proportionate share of the net OPEB liability/asset as a percentage of its covered payroll	0.18%	0.38%	0.41%
Plan fiduciary net position as a percentage of the total OPEB liability/asset	108.47%	116.23%	116.06%

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

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

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

	2024	2023	2022	2021	2020
Contractually required contribution	$ 66,269	$ 58,731	$ 48,356	$ 46,596	$ 50,635
Contributions in relation to the contractually required contribution	66,269	58,731	48,356	46,596	50,635
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 60,244,692	$ 58,730,751	$ 53,729,161	$ 51,690,684	$ 50,464,672
Contributions as a percentage of covered payroll	0.11%	0.10%	0.09%	0.09%	0.10%

	2019	2018	2017	2016	2015
Contractually required contribution	$ 71,745	$ 70,894	$ 190,692	$ 205,845	$ 201,703
Contributions in relation to the contractually required contribution	71,745	70,894	190,692	205,845	201,703
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Board's covered payroll	$ 51,246,676	$ 50,638,809	$ 50,387,942	$ 50,324,059	$ 49,495,759
Contributions as a percentage of covered payroll	0.14%	0.14%	0.38%	0.41%	0.41%


DUPLIN COUNTY SCHOOLS
Excellence without excuses
"A unified approach to academic excellence"

SUPPLEMENTARY INFORMATION
GENERAL FUND

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Duplin County	10,000,155	10,000,155	-
Other:			
Fines and forfeitures	509,581	509,581	-
Interest earned on investment	51	51	-
Miscellaneous	44,541	8,451	(36,090)
Total other	554,173	518,083	(36,090)
Total revenues	10,554,328	10,518,238	(36,090)
Expenditures:			
Current:			
Instructional services:			
Regular instructional	455,249	455,249	-
Special populations	57,422	57,422	-
Alternative programs	20,842	21,796	(954)
School leadership	204,548	162,474	42,074
Co-curricular	940,108	933,022	7,086
School-based support	272,146	277,591	(5,445)
Total instructional services	1,950,315	1,907,554	42,761
System-wide support services:			
Support and development	57,739	51,936	5,803
Alternative programs and services support and development	34,196	23,579	10,617
Technology support	324,557	313,260	11,297
Operational support	6,741,937	6,762,983	(21,046)
Financial and human resource services	290,886	288,905	1,981
Accountability	130,321	129,873	448
System-wide pupil support	138,550	138,550	-
Policy, leadership and public relations	406,912	398,094	8,818
Total system-wide support services	8,125,098	8,107,180	17,918

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
GENERAL FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Expenditures (Continued):			
Current:			
Ancillary services:			
Community	2,000	1,800	200
Nutrition	14,427	14,427	-
Total ancillary services	16,427	16,227	200
Non-programmed charges:			
Payments to other governments	41,608	41,608	-
Debt service:			
Principal retirement	385,733	385,733	-
Interest and fees	35,147	35,147	-
Total debt service	420,880	420,880	-
Total expenditures	10,554,328	10,493,449	60,879
Revenues over expenditures	$ -	24,789	$ 24,789
Fund balance:			
Beginning of year		6,375,381	
Change in reserve for inventories		(12,557)	
End of year		$ 6,387,613	

SUPPLEMENTARY INFORMATION
INDIVIDUAL SCHOOLS FUND

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
INDIVIDUAL SCHOOLS FUND
For the Fiscal Year Ended June 30, 2024

	Revenues and Transfers	Expenditures	Net change in fund balance	Fund balances June 30, 2023	Fund balances June 30, 2024
BF Grady Elementary	$ 121,441	$ 143,766	$ (22,325)	$ 78,442	$ 56,117
Beulaville Elementary	111,399	114,736	(3,337)	77,930	74,593
Chinquapin Elementary	78,070	97,292	(19,222)	55,554	36,332
Kenansville Elementary	79,213	66,388	12,825	19,476	32,301
North Duplin Elementary	30,884	37,488	(6,604)	30,896	24,292
Rose Hill Magnolia Elementary	115,851	124,691	(8,840)	59,282	50,442
Wallace Elementary	111,260	103,408	7,852	22,422	30,274
Warsaw Elementary	83,634	74,969	8,665	17,691	26,356
East Duplin High	458,256	430,724	27,532	269,503	297,035
James Kenan High	194,421	222,151	(27,730)	120,874	93,144
North Duplin Jr. Sr. High	221,701	203,426	18,275	74,475	92,750
Wallace Rose Hill High	264,624	290,565	(25,941)	150,603	124,662
Duplin Early College	15,615	14,800	815	2,719	3,534
Live Project	25,207	24,850	357	240,294	240,651
Totals	$ 1,911,576	$ 1,949,254	$ (37,678)	$ 1,220,161	$ 1,182,483

SUPPLEMENTARY INFORMATION
CAPITAL OUTLAY FUND

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL OUTLAY FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Revenues:			
State of North Carolina:			
Public School Capital Fund - Lottery	$ 756,757	$ 400,337	$ (356,420)
State appropriations - buses	447,864	442,531	(5,333)
Total State of North Carolina	1,204,621	842,868	(361,753)
Duplin County:			
General county appropriations	990,045	1,144,300	154,255
Total revenues	2,194,666	1,987,168	(207,498)
Expenditures:			
Debt service:			
Principal retirement	447,864	442,531	5,333
Capital outlay:			
Real property, buildings and improvements	1,820,854	1,033,490	787,364
Furnishings and equipment	437,007	458,943	(21,936)
Vehicles	447,864	427,476	20,388
Total capital outlay	2,705,725	1,919,909	785,816
Total expenditures	3,153,589	2,362,440	785,816
Revenues over (under) expenditures	(958,923)	(375,272)	583,651
Other financing sources:			
Installment purchase obligations issued	-	427,476	427,476
Fund balance appropriated	958,923	-	(958,923)
Net change in fund balance	$ -	52,204	$ 52,204
Fund balance:			
Beginning of year		958,923	
End of year		$ 1,011,127	

SUPPLEMENTARY INFORMATION
ENTERPRISE FUND

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
SCHOOL FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Operating revenues - food sales	$ 303,904	$ 459,141	$ 155,237
Operating expenditures:			
Business support services:			
Purchase of food		3,778,853	
Donated commodities		456,293	
Salaries and benefits		2,815,961	
Indirect costs		220,000	
Materials and supplies		170,431	
Repairs and maintenance		82,016	
Non-capitalized equipment		910	
Contracted services		12,886	
Other		61,635	
Total operating expenditures	7,631,634	7,598,985	32,649
Operating loss	(7,327,730)	(7,139,844)	187,886
Nonoperating revenues:			
Federal reimbursements		6,786,331	
Federal commodities		456,293	
Interest earned		14,593	
Total nonoperating revenues	7,327,730	7,257,217	(70,513)
Revenues over (under) expenditures before other financing sources	-	117,373	117,373
Other financing sources:			
Transfers from other funds	-	73,702	73,702
Revenues and other financing sources over (under) expenditures	$ -	191,075	$ 191,075
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(25,921)	
Net pension liability		(193,555)	
Net OPEB liability		(281,036)	
Deferred outflows - pension and OPEB		232,549	
Deferred inflows - pension and OPEB		394,175	
Increase in compensated absences payable		(3,899)	
Increase in inventories		73,545	
Change in net position (full accrual)		$ 386,933	

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL (NON-GAAP)
LIBERTY HALL FUND
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance With Final Budget
Operating revenues:			
Other	$ 3,163	$ 4,764	$ 1,601
Operating expenditures:			
Salaries and benefits		60,643	
Repairs and maintenance		152,172	
Non-capitalized equipment		10,244	
Contracted services		2,150	
Scholarships and donations		17,000	
Other		42,785	
Total operating expenditures	412,728	284,994	127,734
Operating loss	(409,565)	(280,230)	129,335
Nonoperating revenues:			
Investment income, net		909,496	
Contributions and donations		92,000	
Insurance proceeds		1,400	
Total nonoperating revenues	303,856	1,002,896	699,040
Revenues over (under) expenditures before other financing sources	(105,709)	722,666	828,375
Other financing sources:			
Fund balance appropriated	105,709	-	(105,709)
Revenues and other financing sources over (under) expenditures	$ -	722,666	$ 722,666
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(13,946)	
Change in net position (full accrual)		$ 708,720	



Statistical Section

STATISTICAL SECTION
(Unaudited)

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

Sections

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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


DUPLIN COUNTY SCHOOLS
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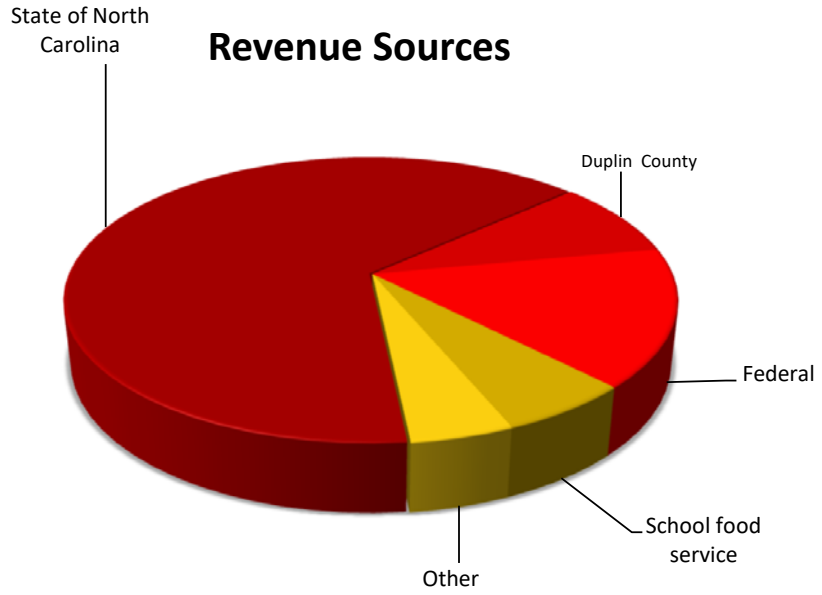
DUPLIN COUNTY BOARD OF EDUCATION

Financial Perspective

Governmental and Business-type Activities

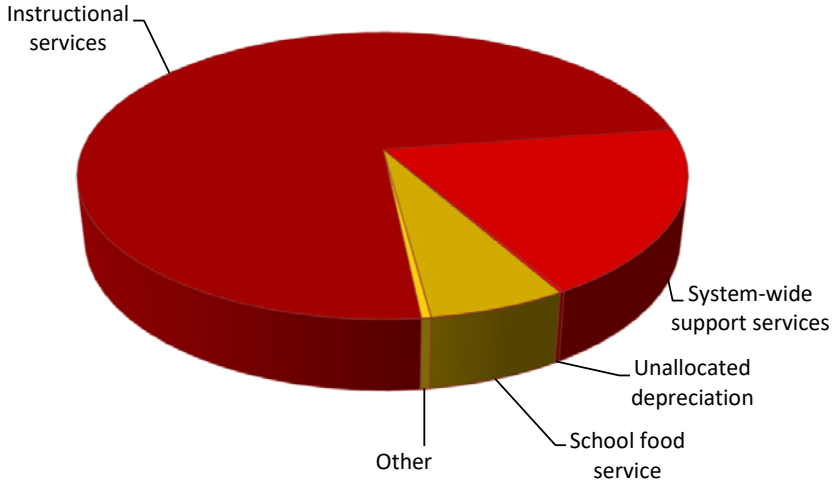
For Year Ended June 30, 2024

Revenue Sources



State of North Carolina	$	83,080,411
Duplin County		11,144,455
Federal		19,968,993
School food service		7,716,358
Other		5,935,677
Total revenue sources	$	127,845,894

Expenses



Instructional services	$	89,318,226
System-wide support services		22,688,250
Unallocated depreciation		244,784
School food service		7,403,127
Other		515,080
Total expenses	$	120,169,467

DUPLIN COUNTY BOARD OF EDUCATION

Net Position by Component
Last Ten Fiscal Years

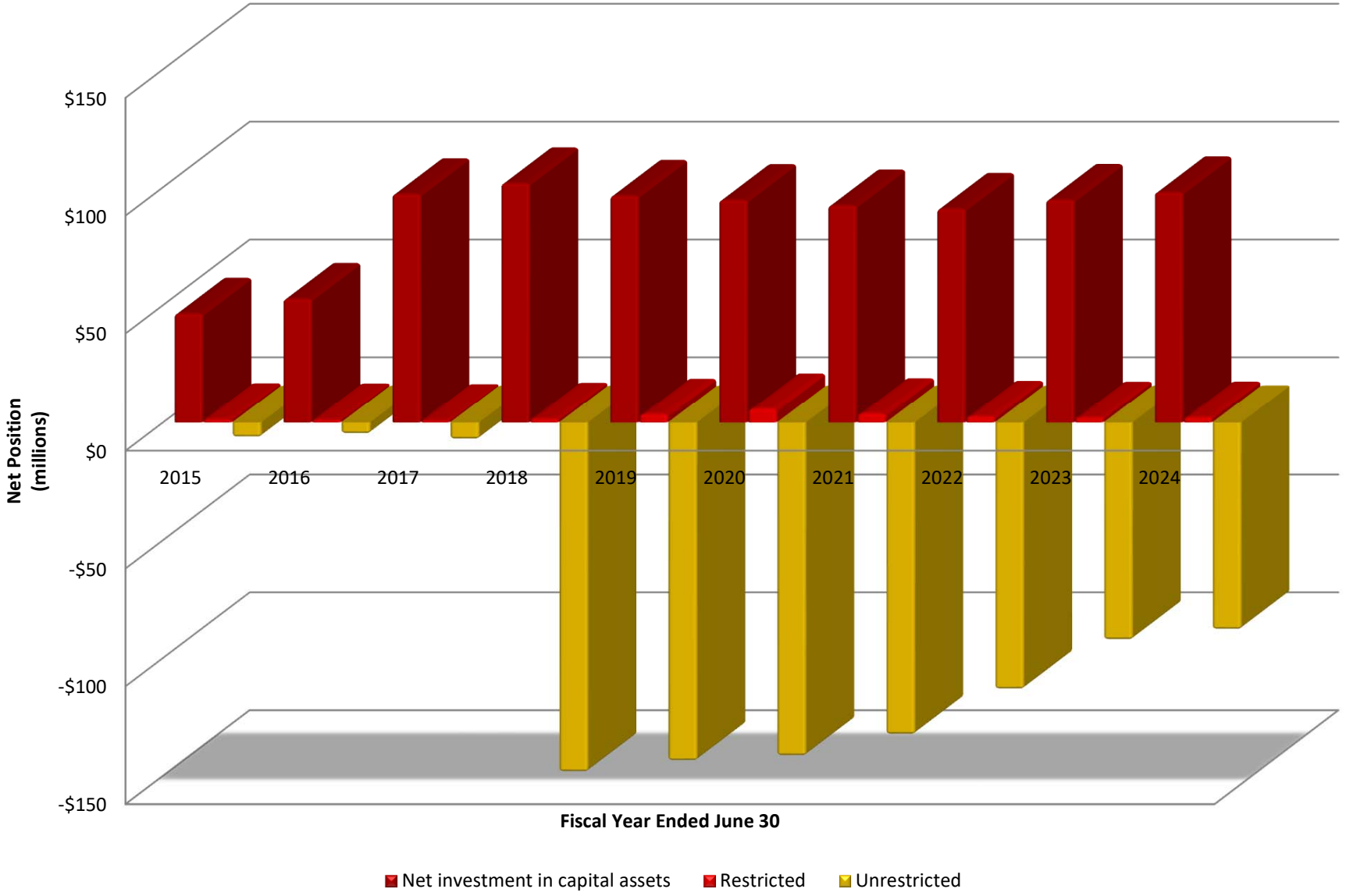
Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Net investment in capital assets	$ 46,290,246	$ 52,574,657	$ 97,007,738	$101,580,043	$ 96,289,378	$ 94,345,620	$ 92,081,892	$ 90,696,411	$ 94,390,601	$ 97,553,219
Restricted	1,431,820	1,299,006	955,777	1,675,586	3,600,406	5,864,661	3,836,589	2,647,317	2,216,649	2,297,519
Unrestricted	(12,083,785)	(10,874,530)	(13,599,511)	(150,925,614)	(146,558,528)	(144,234,750)	(137,283,213)	(120,425,163)	(101,634,098)	(98,296,812)
Total governmental activities net position (deficit)	$ 35,638,281	$ 42,999,133	$ 84,364,004	$ (47,669,985)	$ (46,668,744)	$ (44,024,469)	$ (41,364,732)	$ (27,081,435)	$ (5,026,848)	$ 1,553,926
Business-type activities:										
Net investment in capital assets	$ 179,510	$ 180,366	$ 175,329	$ 192,456	$ 196,112	$ 329,921	$ 291,636	$ 255,449	$ 357,373	$ 416,494
Restricted	-	-	-	11,496	13,380	11,098	8,606	6,739	-	-
Unrestricted	5,498,256	5,742,280	6,142,603	2,292,343	2,632,266	2,423,282	4,545,451	6,890,783	9,060,180	10,096,712
Total business-type activities net position (deficit)	$ 5,677,766	$ 5,922,646	$ 6,317,932	$ 2,496,295	$ 2,841,758	$ 2,764,301	$ 4,845,693	$ 7,152,971	$ 9,417,553	$ 10,513,206
District-wide:										
Net investment in capital assets	$ 46,469,756	$ 52,755,023	$ 97,183,067	$101,772,499	$ 96,485,490	$ 94,675,541	$ 92,373,528	$ 90,951,860	$ 94,747,974	$ 97,969,713
Restricted	1,431,820	1,299,006	955,777	1,687,082	3,613,786	5,864,661	3,836,589	2,654,056	2,216,649	2,297,519
Unrestricted	(6,585,529)	(5,132,250)	(7,456,908)	(148,633,271)	(143,926,262)	(141,811,468)	(132,737,762)	(113,534,380)	(92,573,918)	(88,200,100)
Total primary government net position (deficit)	$ 41,316,047	$ 48,921,779	$ 90,681,936	$ (45,173,690)	$ (43,826,986)	$ (41,271,266)	$ (36,527,645)	$ (19,928,464)	$ 4,390,705	$ 12,067,132

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024

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

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

Net Position by Component
District-wide



DUPLIN COUNTY BOARD OF EDUCATION

Changes in Net Position
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Instructional services	$ 67,033,854	$ 68,343,664	$ 73,491,168	$ 77,343,214	$ 70,768,984	$ 72,179,169	$ 72,998,962	$ 73,117,035	$ 78,951,500	$ 89,318,226
System-wide support services	16,163,282	15,459,211	16,849,972	20,183,957	27,936,624	17,488,847	20,171,765	20,671,879	19,662,533	22,688,250
Ancillary services	21,141	24,800	21,156	3,990	7,337	12,548	538,555	208,438	311,616	130,275
Non-programmed charges	3,881	15,669	18,064	28,916	24,062	23,187	32,751	33,241	29,187	41,608
Interest on long-term debt	58,292	93,514	87,517	81,122	74,389	67,344	59,903	71,695	58,274	44,257
Unallocated depreciation expense	540,788	330,791	352,258	293,181	273,606	215,431	198,123	218,167	237,472	244,784
Total governmental activities expenses	83,821,238	84,267,649	90,820,135	97,934,380	99,085,002	89,986,526	94,000,059	94,320,455	99,250,582	112,467,400
Business-type activities:										
School food service	5,328,138	5,408,452	5,204,235	5,471,567	5,053,983	5,212,462	4,005,076	5,754,119	5,767,292	7,403,127
Liberty Hall	144,388	133,015	235,878	124,013	139,781	184,446	144,798	202,660	173,418	298,940
Total business-type activities expenses	5,472,526	5,541,467	5,440,113	5,595,580	5,193,764	5,396,908	4,149,874	5,956,779	5,940,710	7,702,067
Total district-wide expenses	$ 89,293,764	$ 89,809,116	$ 96,260,248	$103,529,960	$ 104,278,766	$ 95,383,434	$ 98,149,933	$100,277,234	$ 105,191,292	$ 120,169,467
Program Revenues										
Governmental activities:										
Charges for services	2,284,623	2,227,766	2,005,040	2,330,644	1,892,394	1,854,107	1,006,565	2,025,235	1,903,558	1,911,576
Operating grants and contributions	63,341,981	64,162,664	66,394,356	66,559,400	74,475,567	69,346,612	74,596,818	87,563,046	98,557,337	97,336,215
Capital grants and contributions	658,285	785,003	910,114	966,072	917,376	837,128	818,410	558,271	455,964	442,531
Total governmental activities program revenues	66,284,889	67,175,433	69,309,510	69,856,116	77,285,337	72,037,847	76,421,793	90,146,552	100,916,859	99,690,322
Business-type activities:										
Charges for services:										
Student meal services	587,084	585,668	318,054	152,077	131,644	114,090	30,768	89,986	274,652	459,141
Liberty Hall	5,590	5,254	5,520	6,854	6,287	9,831	2,078	2,866	5,643	4,764
Operating grants and contributions	4,959,046	5,127,500	5,041,985	5,422,830	4,919,323	4,805,903	4,951,323	8,502,043	7,130,930	7,334,624
Capital grants and contributions	14,526	22,556	-	-	-	-	-	-	129,244	-
Total business-type activities program revenues	5,566,246	5,740,978	5,365,559	5,581,761	5,057,254	4,929,824	4,984,169	8,594,895	7,540,469	7,798,529
Total district-wide program revenues	$ 71,851,135	$ 72,916,411	$ 74,675,069	$ 75,437,877	$ 82,342,591	$ 76,967,671	$ 81,405,962	$ 98,741,447	$ 108,457,328	$ 107,488,851
Net (Expense) Revenue										
Governmental activities	$(17,536,349)	$(17,092,216)	$(21,510,625)	$ (28,078,264)	$ (21,799,665)	$ (17,948,679)	$ (17,578,266)	$ (4,173,903)	$ 1,666,277	$ (12,777,078)
Business-type activities	93,720	199,511	(74,554)	(13,819)	(136,510)	(467,084)	834,295	2,638,116	1,599,759	96,462
Total district-wide net (expense) revenue	$(17,442,629)	$(16,892,705)	$(21,585,179)	$ (28,092,083)	$ (21,936,175)	$ (18,415,763)	$ (16,743,971)	$ (1,535,787)	$ 3,266,036	$ (12,680,616)

DUPLIN COUNTY BOARD OF EDUCATION

Changes in Net Position (continued)

Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Revenues and Other Changes in Net Position										
Governmental activities:										
Unrestricted county appropriations - operating	$ 9,485,760	$ 9,553,920	$ 9,465,600	$ 8,800,000	$ 8,802,624	$ 8,968,900	$ 8,968,900	$ 8,968,900	$ 9,464,000	$ 10,000,155
Unrestricted county appropriations - capital	995,965	6,298,294	47,187,685	10,808,052	1,215,814	793,168	868,599	959,141	916,593	1,144,300
Unrestricted State appropriations - operating	5,158,636	5,108,035	4,804,787	5,139,191	5,373,172	5,782,733	5,837,036	6,782,082	6,822,321	6,456,472
Unrestricted Federal appropriations - operating	-	-	-	-	-	179,548	-	-	-	-
Unrestricted State appropriations - capital	-	2,172,691	-	46,577	-	-	709,655	363,162	1,816,610	400,337
Unrestricted Federal appropriations - capital	-	-	-	-	-	1,046,724	2,566,821	-	-	-
Investment earnings, unrestricted	22,555	21,122	19,651	13,300	20	24	5	2	27	51
Miscellaneous, unrestricted	1,356,736	1,379,599	1,452,766	1,861,104	7,645,702	3,878,462	1,348,478	1,442,160	1,438,943	1,430,239
Transfers	(53,020)	(80,593)	(54,993)	(50,139)	(236,426)	(56,605)	(61,491)	(58,247)	(70,184)	(73,702)
Total governmental activities	16,966,632	24,453,068	62,875,496	26,618,085	22,800,906	20,592,954	20,238,003	18,457,200	20,388,310	19,357,852
Business-type activities:										
Investment earnings, unrestricted	(8,402)	(35,224)	414,847	410,953	245,547	333,022	1,176,726	(389,085)	594,639	924,089
Miscellaneous, unrestricted	-	-	-	11,776	-	-	8,880	-	-	1,400
Transfers	53,020	80,593	54,993	50,139	236,426	56,605	61,491	58,247	70,184	73,702
Total business-type activities	44,618	45,369	469,840	472,868	481,973	389,627	1,247,097	(330,838)	664,823	999,191
Total district-wide	$ 17,011,250	$ 24,498,437	$ 63,345,336	$ 27,090,953	$ 23,282,879	$ 20,982,581	$ 21,485,100	$ 18,126,362	$ 21,053,133	$ 20,357,043
Change in Net Position										
Governmental activities	$ (569,717)	$ 7,360,852	$ 41,364,871	$ (1,460,179)	$ 1,001,241	$ 2,644,275	$ 2,659,737	$ 14,283,297	$ 22,054,587	$ 6,580,774
Business-type activities	138,338	244,880	395,286	459,049	345,463	(77,457)	2,081,392	2,307,278	2,264,582	1,095,653
Total district-wide change in net position	$ (431,379)	$ 7,605,732	$ 41,760,157	$ (1,001,130)	$ 1,346,704	$ 2,566,818	$ 4,741,129	$ 16,590,575	$ 24,319,169	$ 7,676,427

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024

DUPLIN COUNTY BOARD OF EDUCATION

Governmental Funds
Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	$ 449,602	$ 400,441	$ 590,125	$ 526,653	$ 1,179,503	$ 993,799	$ 333,639	$ 529,025	$ 380,076	$ 459,570
Restricted	317,070	211,692	1,262,433	1,316,620	43,125	9,800	8,233	9,782	9,427	-
Assigned	1,149,850	-	-	-	-	-	-	-	5,200,000	5,200,000
Unassigned	3,964,619	3,609,689	1,530,977	251,999	1,396,144	2,432,167	3,633,045	4,873,340	785,878	728,043
Total General Fund	$ 5,881,141	$ 4,221,822	$ 3,383,535	$ 2,095,272	$ 2,618,772	$ 3,435,766	$ 3,974,917	$ 5,412,147	$ 6,375,381	$ 6,387,613
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 50,000	$ 50,000	$ -
Restricted	1,114,750	1,087,314	893,344	1,208,271	3,144,972	5,515,834	3,551,299	2,366,177	2,157,222	2,297,519
Assigned	-	-	-	-	235,818	714,965	985,091	1,759,666	4,670,757	3,483,007
Total all other governmental funds	$ 1,114,750	$ 1,087,314	$ 893,344	$ 1,208,271	$ 3,380,790	$ 6,230,799	$ 4,536,390	$ 4,175,843	$ 6,877,979	$ 5,780,526

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024

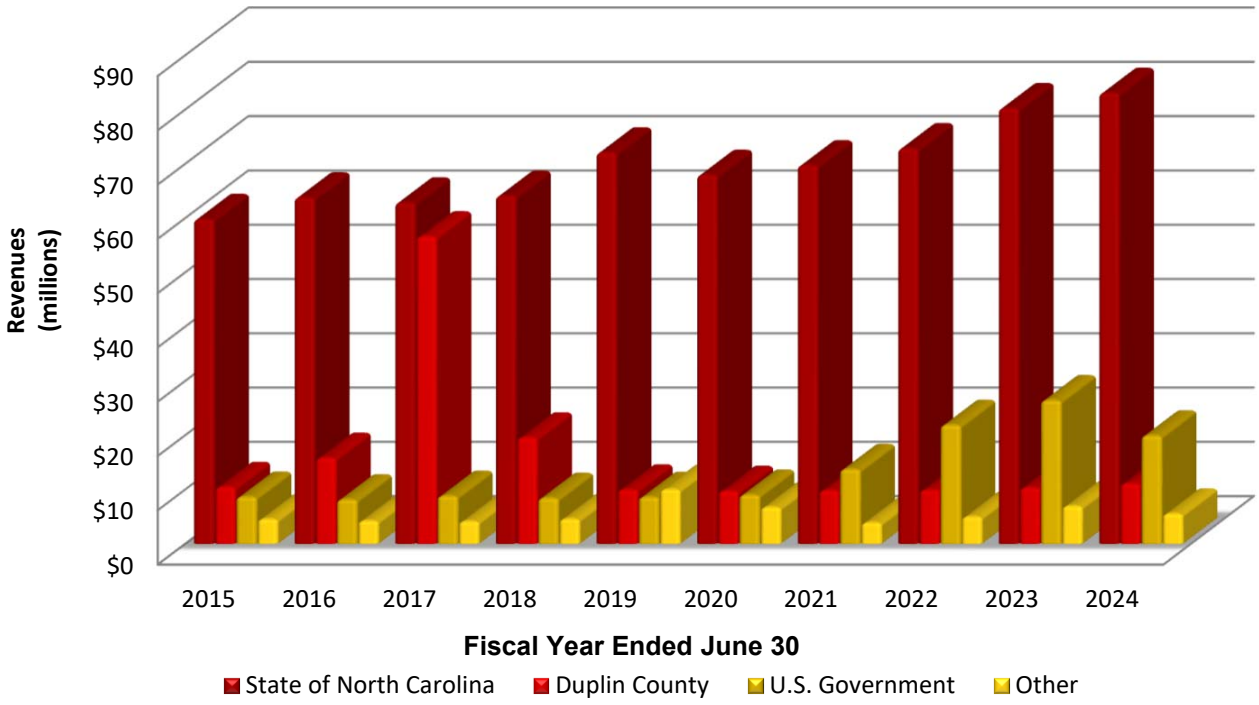
DUPLIN COUNTY BOARD OF EDUCATION
Governmental Funds
Changes in Fund Balances
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019
Revenues					
State of North Carolina	$ 59,859,404	$ 63,832,009	$ 62,896,807	$ 64,125,093	$ 72,117,633
Duplin County	10,481,725	15,852,214	56,653,285	19,608,052	10,018,438
U.S. Government	8,690,170	8,197,181	8,854,372	8,466,239	8,648,331
Other	4,594,767	4,288,626	4,184,623	4,621,318	10,072,727
Total revenues	83,626,066	92,170,030	132,589,087	96,820,702	100,857,129
Expenditures					
Instructional services	66,466,858	68,231,260	69,292,061	69,577,068	70,411,669
System-wide support services	15,989,892	15,432,110	15,420,181	16,138,701	25,017,269
Ancillary services	21,158	24,818	21,144	3,958	7,360
Non-programmed charges	185,406	336,605	227,152	49,425	258,522
Debt service - Principal	951,224	1,045,721	1,186,437	1,258,668	1,222,789
Debt service - Interest	58,292	93,514	87,517	81,122	74,389
Capital outlay	1,906,136	10,086,660	48,622,266	11,801,205	1,406,214
Total expenditures	85,578,966	95,250,688	134,856,758	98,910,147	98,398,212
Revenues over (under) expenditures	(1,952,900)	(3,080,658)	(2,267,671)	(2,089,445)	2,458,917
Other financing sources					
Transfers to other funds	(53,020)	(80,593)	(54,993)	(50,139)	(236,426)
Installment purchase obligations	816,720	1,510,574	1,313,160	1,040,556	617,932
Total other financing sources	763,700	1,429,981	1,258,167	990,417	381,506
Net change in fund balances	$ (1,189,200)	$ (1,650,677)	$ (1,009,504)	$ (1,099,028)	$ 2,840,423
Ratio of debt service expenditures to total non-capital expenditures	1.22%	1.36%	1.36%	1.49%	1.52%

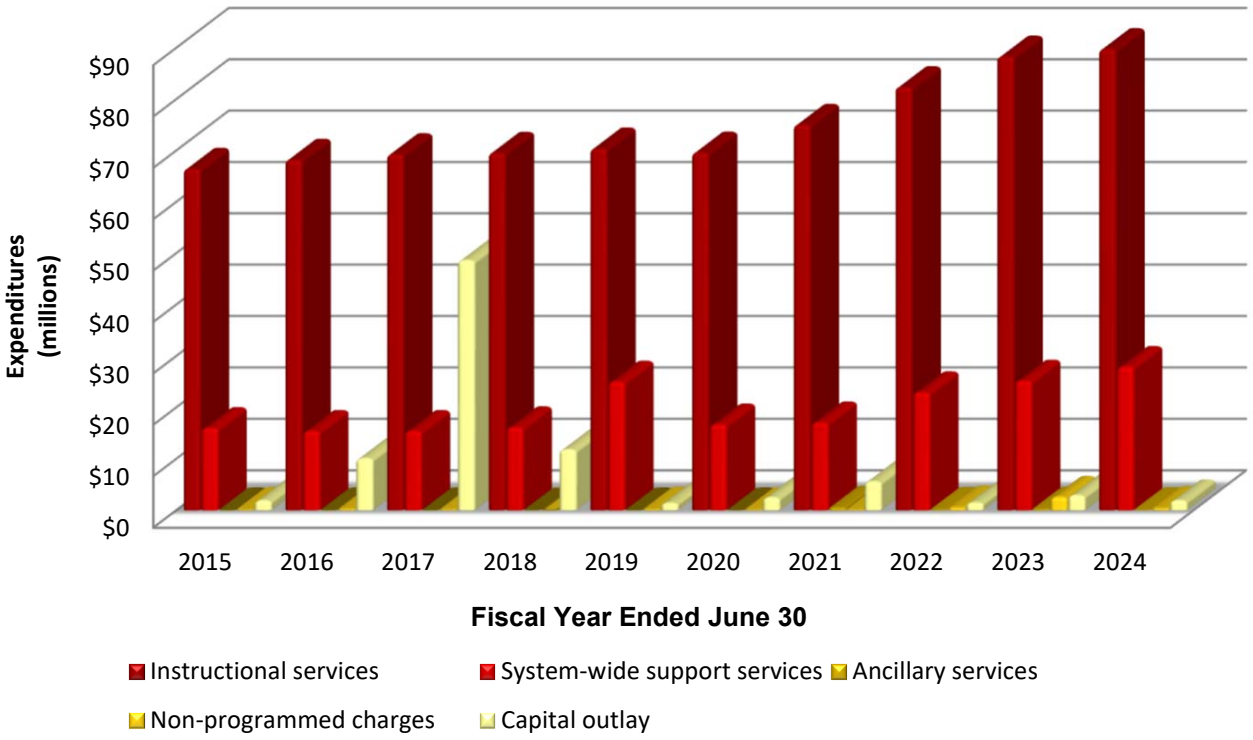
Year Ended June 30	2020	2021	2022	2023	2024
Revenues					
State of North Carolina	$ 67,979,497	$ 69,738,963	$ 72,893,244	$ 80,279,325	$ 83,080,411
Duplin County	9,762,068	9,837,499	9,928,041	10,380,593	11,144,455
U.S. Government	9,058,999	13,766,761	21,905,663	26,465,305	19,968,993
Other	6,786,225	3,942,430	5,031,618	6,985,258	5,588,101
Total revenues	93,586,789	97,285,653	109,758,566	124,110,481	119,781,960
Expenditures					
Instructional services	69,618,663	75,016,675	82,354,441	88,307,706	89,765,497
System-wide support services	16,699,179	17,091,468	22,940,535	25,205,709	27,882,014
Ancillary services	12,554	538,555	208,438	311,616	130,275
Non-programmed charges	172,481	197,117	602,718	2,594,166	481,692
Debt service - Principal	1,159,072	1,158,345	1,041,709	985,088	984,754
Debt service - Interest	67,344	59,903	71,695	58,274	44,257
Capital outlay	2,487,087	5,585,034	1,488,783	2,916,890	1,919,909
Total expenditures	90,216,380	99,647,097	108,708,319	120,379,449	121,208,398
Revenues over (under) expenditures	3,370,409	(2,361,444)	1,050,247	3,731,032	(1,426,438)
Other financing sources (uses)					
Transfers to other funds	(56,605)	(61,491)	(58,247)	(70,184)	(73,702)
Installment purchase obligations	376,864	1,238,289	-	104,354	427,476
Total other financing sources (uses)	320,259	1,176,798	(58,247)	34,170	353,774
Net change in fund balances	$ 3,690,668	$ (1,184,646)	$ 992,000	$ 3,765,202	$ (1,072,664)
Ratio of debt service expenditures to total non-capital expenditures	1.40%	1.25%	1.04%	0.92%	0.90%

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024

Governmental Funds
Revenues by Source



Expenditures by Function



DUPLIN COUNTY BOARD OF EDUCATION

Operational Expenditures Per Pupil
Expenditures by Function
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Average Daily Membership	9,881	9,952	9,860	9,644	9,652
Instructional	$ 6,727	$ 6,856	$ 7,028	$ 7,215	$ 7,295
System-wide support	1,618	1,551	1,564	1,673	2,592
Ancillary	2	2	2	-	1
Total expenditures per pupil	$ 8,347	$ 8,409	$ 8,594	$ 8,888	$ 9,888

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Average Daily Membership	9,634	9,394	9,404	9,591	9,535
Instructional	$ 7,226	$ 7,986	$ 8,757	$ 9,207	$ 9,414
System-wide support	1,733	1,819	2,439	2,628	2,924
Ancillary	1	57	22	32	14
Total expenditures per pupil	$ 8,960	$ 9,862	$ 11,218	$ 11,867	$ 12,352

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Instructional	$ 2,819	$ 2,845	$ 2,869	$ 2,863	$ 2,848
System-wide support	678	644	638	664	1,012
Ancillary	1	1	1	-	-
Total expenditures per pupil	$ 3,498	$ 3,490	$ 3,508	$ 3,527	$ 3,860

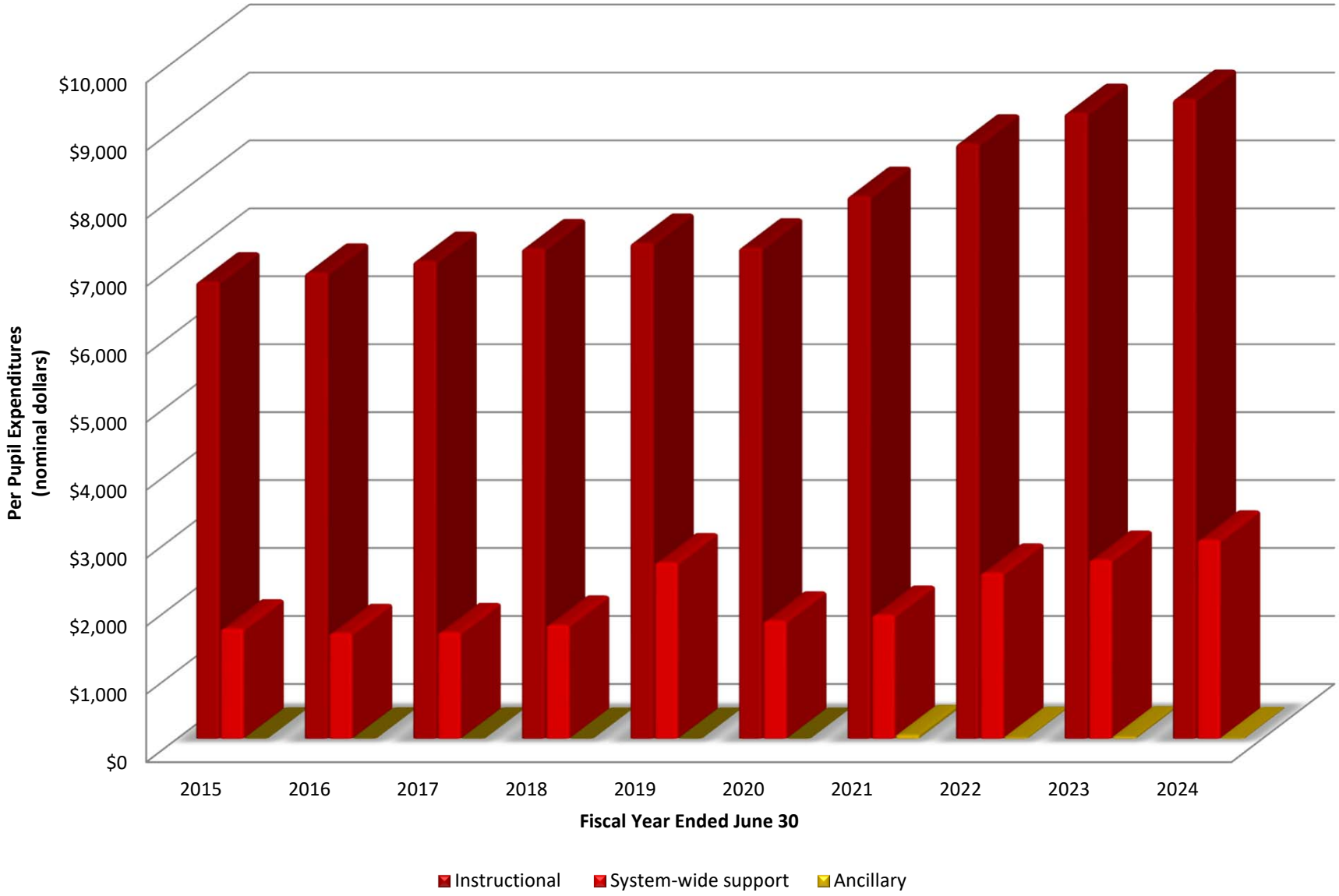
EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Instructional	$ 2,803	$ 2,939	$ 2,955	$ 3,018	$ 2,996
System-wide support	672	669	823	861	931
Ancillary	-	21	7	10	4
Total expenditures per pupil	$ 3,475	$ 3,629	$ 3,785	$ 3,889	$ 3,931

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.
The above operational expenditures per pupil include all governmental funds.

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

Operational Expenditures Per Pupil
Expenditures by Function



DUPLIN COUNTY BOARD OF EDUCATION

Proprietary Fund - Food Services Operations
Revenues by Source
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Food sales	$ 587,084	$ 585,668	$ 318,054	$ 152,077	$ 131,644
Federal reimbursements	4,572,431	4,628,794	4,565,804	4,961,687	4,477,614
Federal commodities	278,557	387,771	398,780	386,008	346,559
Other	16,527	15,112	7,201	4,268	5,713
Total revenues	$ 5,495,577	$ 5,678,966	$ 5,454,599	$ 5,617,345	$ 5,289,839

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Food sales	$ 114,090	$ 30,768	$ 89,986	$ 274,652	$ 459,141
Federal reimbursements	4,342,029	4,489,510	7,981,278	6,589,830	6,786,331
Federal commodities	365,524	375,813	437,765	466,100	456,293
Other	6,848	2,336	689	7,624	14,593
Total revenues	$ 5,504,040	$ 4,828,491	$ 4,898,427	$ 7,338,206	$ 7,716,358

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Food sales	$ 246,014	$ 242,998	$ 129,842	$ 60,351	$ 51,395
Federal reimbursements	1,916,053	1,920,518	1,863,936	1,969,009	1,748,091
Federal commodities	116,728	160,889	162,797	153,184	135,299
Other	6,926	6,270	2,940	1,694	2,230
Total revenues	$ 2,285,721	$ 2,330,675	$ 2,159,515	$ 2,184,238	$ 1,937,015

EXPRESSED IN CONSTANT DOLLARS

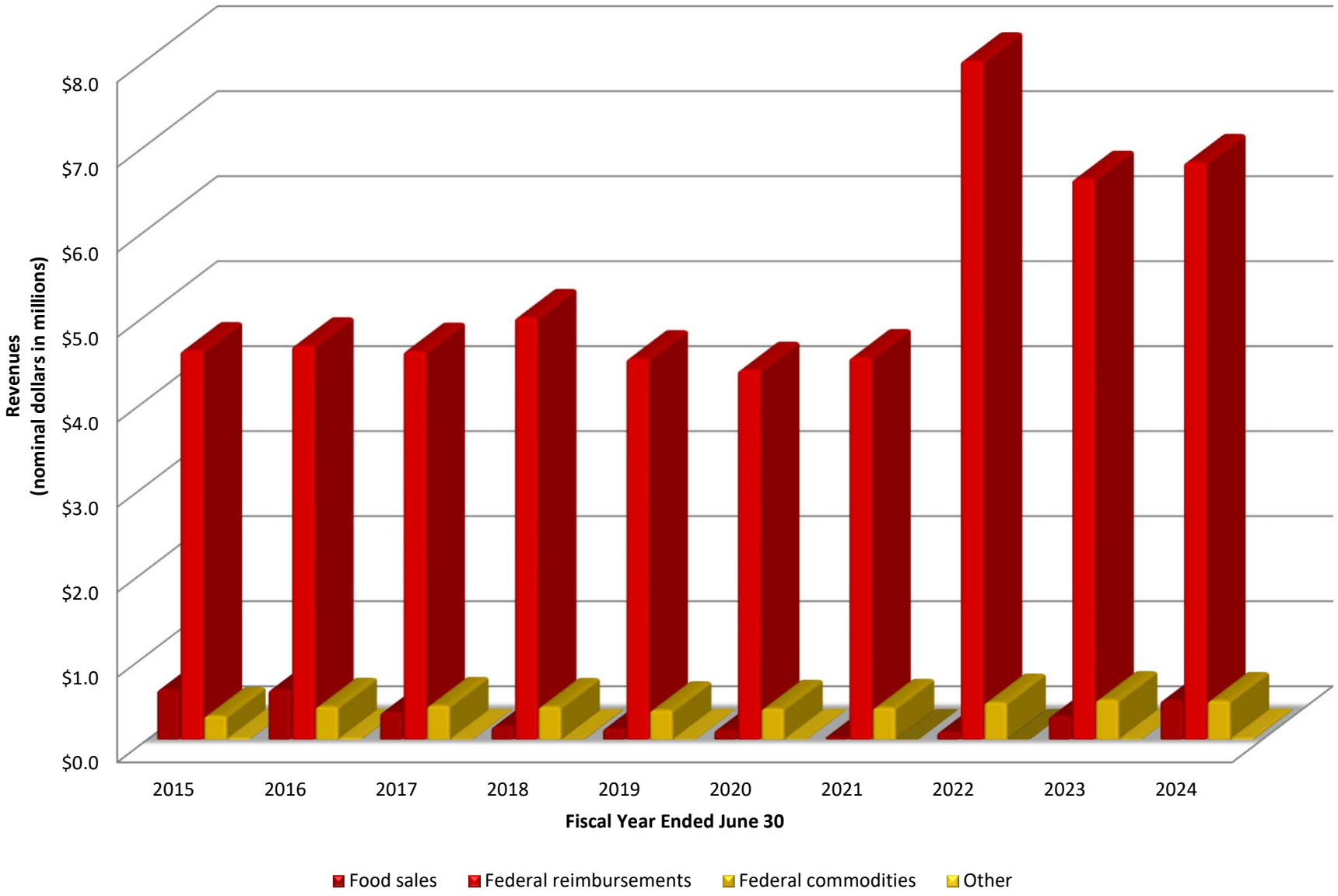
Year Ended June 30	2020	2021	2022	2023	2024
Food sales	$ 44,256	$ 11,324	$ 30,369	$ 90,018	$ 146,142
Federal reimbursements	1,684,282	1,652,402	2,693,548	2,159,828	2,160,048
Federal commodities	141,788	138,321	147,738	152,765	145,235
Other	2,656	860	233	2,499	4,645
Total revenues	$ 1,872,982	$ 1,802,907	$ 2,871,888	$ 2,405,110	$ 2,456,070

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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

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

Proprietary Fund - Food Services Operations
Revenues by Source



DUPLIN COUNTY BOARD OF EDUCATION

Proprietary Fund - Food Services Operations
Expenses by Category
Last Ten Fiscal Years

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Purchase of food	$ 2,410,025	$ 2,469,686	$ 2,257,049	$ 2,274,957	$ 2,171,354
Salaries and benefits	2,618,349	2,626,208	2,628,160	2,705,337	2,391,464
Other	299,764	312,558	319,026	491,273	491,165
Total expenses	$ 5,328,138	$ 5,408,452	$ 5,204,235	$ 5,471,567	$ 5,053,983

EXPRESSED IN NOMINAL DOLLARS

Year Ended June 30	2020	2021	2022	2023	2024
Purchase of food	$ 1,723,718	$ 1,201,251	$ 2,888,752	$ 2,780,149	$ 3,705,308
Salaries and benefits	2,596,287	1,943,457	2,028,362	2,109,129	2,667,727
Other	892,457	860,368	837,005	878,014	1,030,092
Total expenses	$ 5,212,462	$ 4,005,076	$ 5,754,119	$ 5,767,292	$ 7,403,127

EXPRESSED IN CONSTANT DOLLARS

Year Ended June 30	2015	2016	2017	2018	2019
Purchase of food	$ 1,009,908	$ 1,024,689	$ 921,414	$ 902,800	$ 847,712
Salaries and benefits	1,097,205	1,089,631	1,072,915	1,073,593	933,644
Other	125,615	129,682	130,239	194,958	191,754
Total expenses	$ 2,232,728	$ 2,244,002	$ 2,124,568	$ 2,171,351	$ 1,973,110

EXPRESSED IN CONSTANT DOLLARS

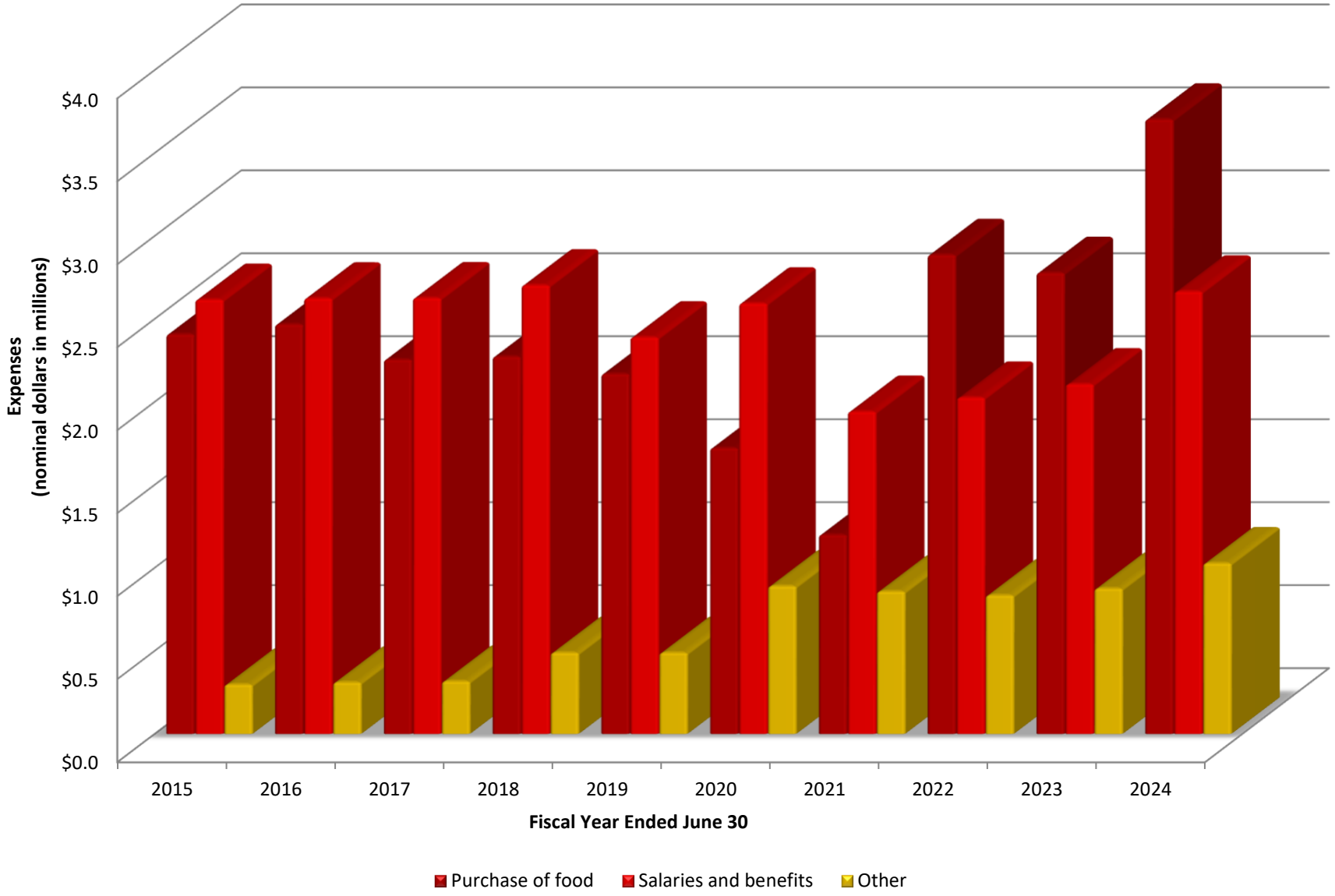
Year Ended June 30	2020	2021	2022	2023	2024
Purchase of food	$ 668,634	$ 442,131	$ 974,905	$ 911,199	$ 1,179,377
Salaries and benefits	1,007,105	715,306	684,538	691,271	849,121
Other	346,186	316,666	282,475	287,771	327,872
Total expenses	$ 2,021,925	$ 1,474,103	$ 1,941,918	$ 1,890,241	$ 2,356,370

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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

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

Proprietary Fund - Food Services Operations
Expenses by Category



DUPLIN COUNTY BOARD OF EDUCATION

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30	Lease Obligation	Installment Purchases	Total Primary Government	Percentage of Personal Income	Per Capita
2024	$ 162,041	$ 1,717,970	$ 1,880,011	N/A	N/A
2023	318,531	2,118,758	2,437,289	0.09%	49
2022	469,662	2,848,361	3,318,023	0.13%	68
2021	615,617	3,744,115	4,359,732	0.21%	74
2020	-	3,664,171	3,664,171	0.16%	62
2019	-	4,446,379	4,446,379	0.21%	87
2018	-	5,051,236	5,051,236	0.26%	80
2017	-	5,269,348	5,269,348	0.46%	72
2016	-	5,142,625	5,142,625	0.49%	18
2015	-	4,677,772	4,677,772	0.24%	3

N/A = Not available

Source: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2023 and June 30, 2024 income based information will be shown above as "N/A", and the June 30, 2023 information will be reported for the year ended June 30, 2025, if applicable.

DUPLIN COUNTY BOARD OF EDUCATION
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Governmental Unit (1)	Debt Outstanding (2)	Estimated Percentage Applicable	Amount Applicable to Primary Government
Duplin County Schools			
Installment Purchases	$ 1,717,970	100.00%	$ 1,717,970
Lesae Obligation	162,041	100.00%	162,041
Direct Debt Total	1,880,011		1,880,011
Duplin County	57,584,804	100.00%	57,584,804
Overlapping Debt Total	57,584,804		57,584,804
Total Direct and Overlapping Debt	$ 59,464,815		$ 59,464,815

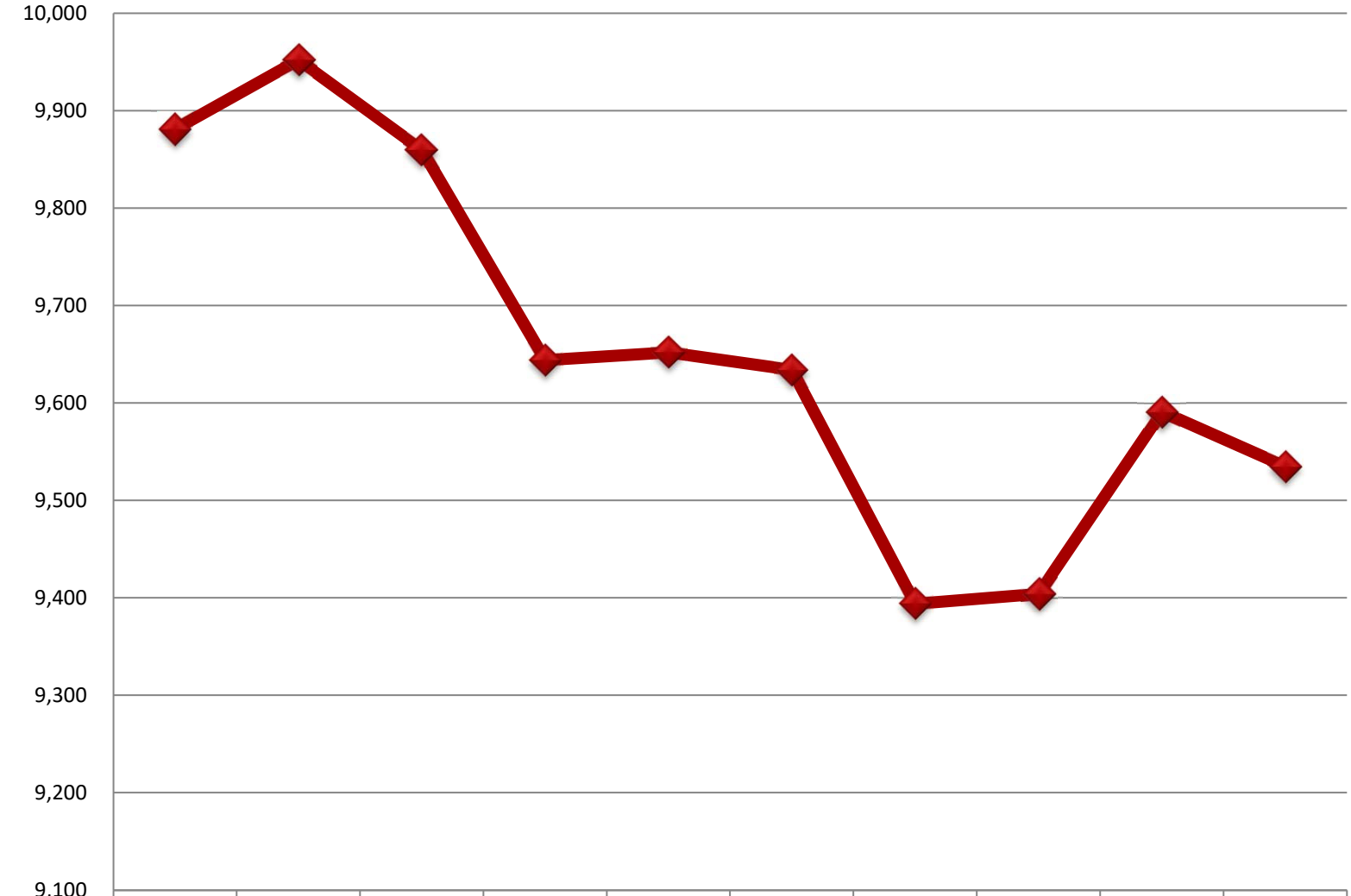
Notes:

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

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

Sources: Duplin County Board of Education, North Carolina, Annual Financial Report for the year ended June 30, 2024, and Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Avg Daily Membership	9,881	9,952	9,860	9,644	9,652	9,634	9,394	9,404	9,591	9,535

DUPLIN COUNTY BOARD OF EDUCATION

Student Statistics

Last Ten Fiscal Years

Year Ended June 30	Teaching Staff[1]	Students[2]	Pupil/ Teacher Ratio	Student Attendance Percentage[2]	Percentage of Students Eligible for Free/Reduced Lunch[3]
2024	615	9,535	1/15	92.60%	100.00%
2023	616	9,591	1/15	92.67%	100.00%
2022	618	9,404	1/15	93.21%	100.00%
2021	613	9,394	1/15	95.91%	100.00%
2020	597	9,634	1/16	95.86%	68.89%
2019	614	9,652	1/15	94.67%	68.58%
2018	635	9,644	1/16	94.67%	75.25%
2017	635	9,860	1/15	94.52%	75.41%
2016	648	9,952	1/16	94.40%	74.89%
2015	636	9,881	1/16	94.25%	74.74%

DUPLIN COUNTY BOARD OF EDUCATION

Student Statistics (continued)

Last Ten Fiscal Years

Year Ended June 30	Ethnic Distribution Percentage[4]					Graduates[3]	Percentage of Graduates Continuing Education[3]
	White	Black	Asian	Hispanic	Other		
2024	29%	21%	0%	47%	3%	684	68%
2023	30%	21%	1%	47%	4%	642	75%
2022	30%	21%	0%	45%	4%	551	67%
2021	31%	21%	0%	44%	4%	599	65%
2020	33%	22%	0%	44%	1%	638	82%
2019	33%	22%	0%	42%	3%	611	76%
2018	33%	22%	1%	41%	3%	618	74%
2017	34%	24%	1%	40%	3%	574	83%
2016	42%	28%	1%	27%	2%	602	84%
2015	40%	31%	0%	28%	1%	551	81%

Sources:

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

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

(3) Duplin County Board of Education Student Data

(4) North Carolina Public Schools Statistical Profile (2015-2024 Editions).

DUPLIN COUNTY BOARD OF EDUCATION

Full-time Equivalent Governmental Employees by Function/Program
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Officials, admins, mgrs	17	21	21	19	18	20	22	21	21	24
Principals	16	17	16	13	13	13	14	14	13	13
Asst. Principals, non-teaching	20	20	20	22	21	21	21	20	19	23
Total administrators	53	58	57	54	52	54	57	55	53	60
Elementary teachers	450	473	456	458	442	437	445	441	432	426
Secondary teachers	175	170	173	173	168	158	166	173	178	182
Other teachers	11	5	6	4	4	2	2	4	6	7
Total teachers	636	648	635	635	614	597	613	618	616	615
Guidance	21	23	26	22	24	22	23	24	24	25
Psychological	0	0	1	2	2	4	2	3	4	4
Librarian, audiovisual	14	15	15	13	13	13	12	12	12	12
Consultant, supervisor	0	0	0	1	0	0	1	1	1	2
Other professionals	37	41	30	35	35	36	36	35	38	37
Total professionals	761	785	764	762	740	726	744	748	748	755
Teacher Assistants	208	203	195	187	175	170	169	164	171	172
Technicians	8	8	8	8	8	8	8	10	10	9
Clerical, secretarial	68	68	66	60	63	61	61	61	62	61
Service workers	131	131	120	110	108	101	102	99	99	103
Skilled crafts	27	29	27	32	31	28	30	30	31	31
Laborers, unskilled	3	0	0	0	0	1	1	1	1	1
Total employees	1,206	1,224	1,180	1,159	1,125	1,095	1,115	1,113	1,122	1,132

Source: North Carolina Public Schools Statistical Profile (2015 -2024 Editions)

DUPLIN COUNTY BOARD OF EDUCATION

Instructional Personnel

Last Ten Fiscal Years

Year Ended June 30	Teacher Salaries[1]			Bachelors Degree[2]	Masters Degree[2]	Advanced Degree[2]	Doctorate Degree[2]
	Minimum	Maximum	Average				
2024	$ 39,000	$ 68,724	$ 53,862	479	126	3	1
2023	39,000	72,732	46,694	454	132	5	2
2022	35,000	72,732	46,694	529	89	0	2
2021	35,000	63,440	42,408	494	120	2	2
2020	35,000	63,440	41,741	514	153	43	1
2019	35,000	65,970	41,898	504	157	51	2
2018	35,000	63,440	46,549	514	109	3	1
2017	35,000	63,530	40,755	505	117	4	1
2016	35,000	61,380	42,498	516	126	2	2
2015	33,000	61,380	39,299	490	116	1	1

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

(a) Longevity payments, ranging from 1 1/2% to 4 1/2% of the annual salary, made to each teacher for 10 or more years of service.

(b) Payments of varying amounts for performing extra duties.

(c) Bonus payments

Sources:

(1) Duplin County Board of Education Payroll Data

(2) Public Schools of North Carolina - Statistical Profile

DUPLIN COUNTY BOARD OF EDUCATION

School Building Data

June 30, 2024

Site	Year Built	Capacity	Current Membership	Over/(Under) Capacity	Condition
B. F. Grady Elementary	1994	1,155	847	-27%	Good
Beulaville Elementary	1996	935	827	-13%	Good
Chinquapin Elementary	1955	600	487	-20%	Good
Warsaw Elementary	1974	1,347	750	-44%	Good
Duplin Early College	2009	160	202	26%	Good
East Duplin High	1962	750	870	17%	Good
James Kenan High	1956	645	775	20%	Good
Kenansville Elementary	1980	726	561	-24%	Good
North Duplin Elementary	1974	669	704	4%	Good
North Duplin Jr. Sr. High	1955	654	630	-5%	Good
Rose Hill-Magnolia Elementary	1972	1,155	1,053	-9%	Good
Wallace Elementary	1974	919	1,076	17%	Good
Wallace-Rose Hill High	1955	715	757	6%	Good

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

DUPLIN COUNTY, NORTH CAROLINA
Demographic Statistics
Last Ten Fiscal Years

Year Ended June 30	2015	2016	2017	2018	2019
Population estimate (1)	59,159	58,969	60,130	59,350	58,741
Personal income (2)	$1,911,853,000	$1,059,083,240	$1,139,162,850	$1,974,270,000	$2,068,142,000
Per capita income (2)	$32,317	$17,960	$18,945	$33,265	$35,208
Median age (3)	35.6	35.7	38.9	38.7	41.1
School enrollment (4)	9,881	9,952	9,860	9,644	9,652
Unemployment rate (5)	6.9%	5.8%	5.5%	4.6%	4.4%
Year Ended June 30	**2020**	**2021**	**2022**	**2023**	**2024**
Population estimate (1)	58,741	58,967	48,990	49,520	N/A
Personal income (2)	$2,226,631,000	$2,068,142,000	$2,584,731,000	$2,659,772,000	N/A
Per capita income (2)	$37,906	$35,073	$52,760	$53,711	N/A
Median age (3)	40.6	37	40.6	40.5	N/A
School enrollment (4)	9,634	9,394	9,404	9,591	9,535
Unemployment rate (5)	5.4%	5.4%	3.7%	3.5%	3.7%

N/A = Not Available

Sources:
(1) U.S. Census Bureau. Estimates are as of beginning of fiscal year.
(2) Bureau of Economic Analysis
(3) Office of State Budget and Management
(4) North Carolina Department of Public Instruction, best 1 of 2.
(5) North Carolina Employment Security Commission, annual average for prior calendar year

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, if applicable.

Note: This table is a ten year schedule. However, county level annual income data is not released by the U.S. Bureau of Economic Analysis until the month of April, and is always two years behind. Therefore, June 30, 2024 and June 30, 2025 income based information will be shown above as "N/A", and the June 30, 2024 information will be reported for the year ended June 30, 2026, if applicable.

DUPLIN COUNTY, NORTH CAROLINA
Principal Employers
For Years Ended June 30, 2024 and 2015

	2024			2015		
Employer	Employees [1]	Rank	Percentage of Total County Employment	Employees [1]	Rank	Percentage of Total County Employment
Butterball, LLC	1000+	1	5%	1000+	1	5%
House of Raeford, Inc.	1000+	4	5%	1000+	3	5%
Smithfield Foods, Inc.	500-999	3	3%	1000+	2	5%
Duplin County Schools	500-999	2	3%	1000+	4	5%
Murphy Family Ventures, LLC	500-999	5	3%	500-999	5	3%
Duplin County Government	500-999	6	3%	500-999	7	3%
Lear Corporation	250-499	8	1%	-	-	-
Pitt County Memorial Hospital	250-499	7	1%	-	-	-
Villari Food Group, LLC	250-499	9	1%	-	-	-
The Pork Company	250-499	10	1%	-	-	-
Guilford Mills, Inc.	-	-	-	500-999	6	3%
Bay Valley Foods, LLC	-	-	-	250-499	8	2%
Vidant Medical Center	-	-	-	250-499	9	2%
Burch Equip, LLC	-		-	250-499	10	2%
			26.00%			35.00%
Total County Employment [1]	25,254			24,867		

Source: NC Department of Commerce, Labor Data Search Tool.

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

	Governmental Activities					Business -Type Activities						
Year Ended June 30	Notes Payable	Certificates of Participation	Board of Education Judgment	General Obligation Debt	Limited Obligation Debt	Capitalized Leases	Notes Payable	General Obligation Debt	Limited Obligation Debt	Total Primary Government	Percentage of Personal Income	Per Capita
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2023	9,316,713	-	-	-	-	-	2,715,221	-	8,360,000	20,391,934	1.30%	412
2022	8,917,676	-	-	-	41,570,000	-	3,224,165	-	11,141,277	64,853,118	2.50%	1,324
2021	9,230,813	-	-	-	43,605,000	-	3,487,330	-	11,505,000	67,828,143	3.28%	1,150
2020	9,115,515	-	-	-	45,540,000	-	3,108,910	-	12,105,000	69,869,425	3.38%	1,189
2019	9,309,757	-	-	-	47,385,000	-	3,470,513	-	12,690,000	72,855,270	3.68%	1,240
2018	9,496,305	-	-	-	49,160,000	-	4,309,676	-	13,275,000	76,240,981	3.86%	1,285
2017	9,675,462	-	-	-	58,345,538	-	3,410,297	-	14,221,311	85,652,608	7.52%	1,424
2016	9,847,522	-	-	-	60,514,251	-	3,626,882	-	14,775,403	88,764,058	8.38%	1,505
2015	10,012,316	-	-	-	-	-	3,883,629	-	15,314,495	29,210,440	1.53%	494

N/A = Not Available

Source: Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2024.

Note: This table is a ten year schedule. However, current year county level annual population estimates are not released by the U.S. Census Bureau until the spring of the following year. Therefore, June 30, 2024 population based information will be shown above as "N/A", and the information will be reported for the year ended June 30, 2025, if applicable.

Note: This table is a ten year schedule. However, Duplin County's financial statements for the year ended June 30, 2024 had not been released at the time of this report. Therefore, June 30, 2024 information from Duplin County's financial statements will be shown above as "N/A" and will be reported for the year ended June 30, 2025, if applicable.

DUPLIN COUNTY, NORTH CAROLINA
Principal Property Taxpayers
June 30, 2024 and June 30, 2015

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Butterball, Inc.	$ 149,326,099	2	2.95%	$ 133,277,918	1	3.40%
House of Raeford	156,814,845	1	3.09%	57,457,607	4	1.47%
Smithfield	149,399,893	3	2.95%	-	-	-
Duke Energy Progress	69,126,845	4	1.36%	40,060,644	6	1.02%
Guilford Mills	46,313,361	6	0.91%	48,466,284	5	1.24%
Murphy Family Ventures	48,486,122	5	0.96%	34,295,617	8	0.87%
Duplin Land Development	44,910,239	7	0.89%	81,352,907	3	2.08%
United State Cold Storage	46,199,580	9	0.91%	-	-	-
Nash Johnson & Sons	43,707,653	8	0.86%	39,908,395	7	1.02%
Four County EMC	25,027,059	10	0.49%	27,928,492	9	0.71%
Coastal Carolina Green Power	-	-	`	27,544,732	10	0.70%
Murphy-Brown, LLC	-	-	-	93,735,070	2	2.39%
	$ 779,311,696		15.37%	$ 584,027,666		14.90%
Total Assessed Valuation	$ 5,068,688,926			$ 3,919,648,765		

Source: Duplin County, North Carolina, Annual Financial Report for the year ended June 30, 2024.

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

EXPRESSED IN NOMINAL DOLLARS

		Collected Within Fiscal Year of Levy			Total Collections to Date	
Year Ended June 30	Total Tax Levy	Amount	Percent of Levy	Subsequent Collections	Amount	Percent of Levy Collected
2024	$ 32,579,085	$ 31,418,486	96.44%	N/A	$ 31,418,486	96.44%
2023	31,574,165	30,566,177	96.81%	547,172	31,113,349	98.54%
2022	30,636,662	29,599,176	96.61%	750,476	30,349,652	99.06%
2021	34,251,250	33,213,342	96.97%	852,704	34,066,046	99.46%
2020	29,889,507	28,901,695	96.70%	845,418	29,747,113	99.52%
2019	28,076,164	27,257,917	97.09%	720,853	27,978,770	99.65%
2018	26,922,617	26,031,164	96.69%	829,108	26,860,272	99.77%
2017	27,647,111	26,755,749	96.78%	844,632	27,600,381	99.83%
2016	26,948,314	26,102,572	96.86%	819,511	26,922,083	99.90%
2015	29,749,210	28,972,293	97.39%	755,443	29,727,736	99.93%

Source: Duplin County Finance Department

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



Compliance Section

INDEPENDENT AUDITORS' REPORT

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

To the Duplin County Board of Education
Kenansville, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Duplin County Board of Education, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprises the Duplin County Board of Education, North Carolina's basic financial statements and have issued our report thereon dated October 11, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Anderson Smith & Wike PLLC

October 11, 2024
West End, North Carolina

INDEPENDENT AUDITORS' REPORT

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

To the Duplin County Board of Education
Kenansville, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Duplin County Board of Education, North Carolina's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2024. The Duplin County Board of Education's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Duplin County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Duplin County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not

detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Duplin County Board of Education's compliance with the requirements of each major federal program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

October 11, 2024
West End, North Carolina

INDEPENDENT AUDITORS' REPORT

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

To the Duplin County Board of Education
Kenansville, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited Duplin County Board of Education, North Carolina's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of the Board's major State programs for the year ended June 30, 2024. The Duplin County Board of Education's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Duplin County Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Duplin County Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and the State Single

Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Duplin County Board of Education's compliance with the requirements of each major State program as a whole.

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Anderson Smith & Wike PLLC

October 11, 2024
West End, North Carolina

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major federal programs:

AL Numbers	Names of Federal Programs or Clusters
93.600	Head Start
84.425	COVID-19 – Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B Programs	*$ 816,000*
Auditee qualified as low-risk auditee?	*Yes*

DUPLIN COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2024

State Awards

Internal control over major State programs:

• Material weakness(es) identified?	*No*
• Significant deficiency(ies) identified that are not considered to be material weaknesses	*None Identified for Reporting*
Type of auditors' report issued on compliance for major State programs	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act	*No*

Identification of major State programs:

Program Name
State Public School Fund
North Carolina Pre-Kindergarten Program

Dollar threshold used to distinguish between Major State Programs	*$ 500,000*
Auditee qualified as low-risk auditee?	*Yes*

Section II - Financial Statement Findings

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

Section III - Federal Award Findings and Questioned Costs

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

Section IV - State Award Findings and Questioned Costs

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

There were no audit findings reported in the prior year.

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants:			
U.S. Department of Agriculture			
Passed-through the N.C. Department of Public Instruction:			
Child Nutrition Cluster:			
Noncash Assistance (Commodities):			
National School Lunch Program	10.555	PRC 035	$ 456,293
Cash Assistance:			
School Breakfast Program	10.553	PRC 035	1,443,896
National School Lunch Program	10.555	PRC 035	4,575,495
Supply Chain Assistance Funds	10.555	PRC 035	236,201
After School Snack Program	10.555	PRC 035	3,733
Summer Food Service Program for Children	10.559	PRC 035	162,749
Fresh Fruit and Vegetable Grant	10.582	PRC 035	364,257
Total Child Nutrition Cluster			7,242,624
U.S. Department of Education			
Office of Elementary and Secondary Education:			
Passed-through the N.C. Department of Public Instruction:			
Title I, Grants to Local Educational Agencies	84.010	PRC 050	3,713,012
Migrant Education	84.011	PRC 051	401,012
Supporting Effective Instruction	84.367	PRC 103	755,781
Language Acquisition Grant	84.365	PRC 104	196,252
Language Acquisition Grant - Significant Increase	84.365	PRC 111	73,367
Rural and Low Income Schools	84.358	PRC 109	580,305
Student Support and Academic Enrichment	84.424	PRC 108	311,154
Education for Homeless Children	84.196	PRC 026	42,849
Office of Special Education and Rehabilitative Services:			
Passed-through the N.C. Department of Public Instruction:			
Individuals with Disabilities Education Act			
Special Education Cluster:			
Grants to States - IDEA, part B (611)	84.027	PRC 060	2,888,137
COVID-19 - ARP - Grants to States - IDEA, part B (611)	84.027	PRC 185	325,064
Special Needs Targeted Assistance	84.027	PRC 118	10,882
Preschool Grants - IDEA, Part B (619)	84.173	PRC 049	53,544
Coordinated Early Intervening Services	84.173	PRC 070	237,572
IDEA VI-B - Preschool Targeted Assistance	84.173	PRC 119	2,031
COVID-19 - ARP - Preschool Grants - IDEA, Part B (619)	84.173	PRC 186	31,672
Total Special Education Cluster			3,548,902
Title VI-B, Education of the Handicapped	84.323	PRC 082	4,913

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
Education Stabilization Fund:			
CARES Act:			
COVID-19 - Rethink Education Stipends Grant	84.425B	PRC 146	1,327
CRRSA:			
COVID-19 - K-12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	2,042,620
COVID-19 - ESSER II - Supp. Contr. Instr. Support Fundin	84.425D	PRC 173	61,828
COVID-19 - CRRSA - ESSER II - Learning Loss Funding	84.425D	PRC 176	30,756
ARP:			
COVID-19 - ESSER III - K-12 Emergency Relief Fund	84.425D	PRC 181	5,991,052
COVID-19 - ESSER III - Homeless	84.425W	PRC 183	15,652
COVID-19 - ESSER III - Homeless II	84.425W	PRC 184	67,693
COVID-19 - ESSER III - Summer Career Accel. Programs	84.425U	PRC 188	68,535
COVID-19 - ESSER III - Math Enrichment Programs	84.425U	PRC 189	32,750
COVID-19 - ARP - ESSER III - Identification and Location of Missing Students	84.425U	PRC 191	19,259
COVID-19 - ESSER III - National Board for Professional Teaching Standards (NBPTS) Certification Fee Reimbursement	84.425U	PRC 198	23,335
COVID-19 - ARP - ESSER III - Principal Retention Sup.	84.425U	PRC 206	27,604
Total COVID-19 - Education Stabilization Fund	84.425		8,382,411
Career and Technical Education - Basic Grants to States Program Development	84.048	PRC 017	195,680
Total U.S. Department of Education			18,205,638
U.S. Department of Health and Human Services			
Direct Program:			
Headstart	93.600		1,552,065
Total U.S. Department of Health and Human Services			1,552,065
U.S. Department of Defense			
Direct Program:			
ROTC	None		211,290
Total Federal Assistance			**27,211,617**

Grantor/Pass-through Grantor/Program Title	Federal AL Number	State/ Pass-through Grantor's Number	Expenditures
State Grants:			
N.C. Department of Public Instruction:			
Cash Assistance:			
State Public School Fund		Various	76,112,378
Career and Technical Education:			
State Months of Employment		PRC 013	3,625,920
Program Support Funds		PRC 014	162,072
Driver Training		PRC 012	193,244
School Technology Fund		PRC 015	116,283
Passed-through Duplin County:			
Public School Capital Fund - Lottery		PRC 076	400,337
Cash assistance subtotal			80,610,234
Non-Cash Assistance:			
State Buses Appropriations		PRC 120	442,531
Total NC Department of Public Instruction			81,052,765
N.C. Department of Health and Human Services			
Division of Child Development:			
NC Pre-Kindergarten Program		PRC 413	1,768,716
Passed-through the Duplin County Partnership for Children			
Smart Start		PRC 401	196,866
N.C. Department of Cultural Resources			
N.C. Arts Council Grant			62,064
Total NC Department of Health and Human Services			2,027,646
Total State Assistance			**83,080,411**
Total Federal and State Assistance			**$ 110,292,028**

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

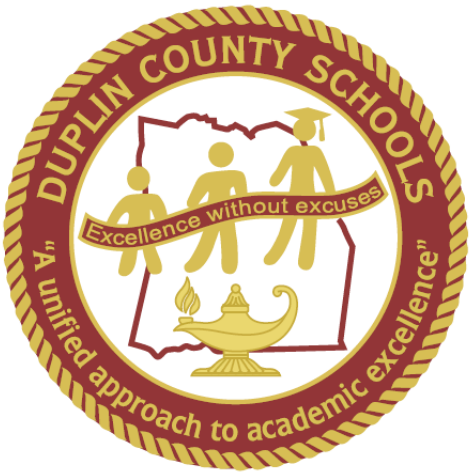
Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Duplin County Board of Education under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Duplin County Board of Education, it is not intended to and does not present the financial position, changes in net assets or cash flows of Duplin County Schools.

Note 2. Summary of Significant Accounting Policies

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

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



DUPLIN COUNTY BOARD OF EDUCATION
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