

**Board of Education of Moore
County Schools
(Carthage, North Carolina)**

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2022**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Board of Education of Moore County Schools
Carthage, North Carolina

FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

PREPARED BY

Tina Edmonds, Executive Officer for Budget and Finance
Moore County Schools Finance Office

BOARD OF EDUCATION OF MOORE COUNTY SCHOOLS

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Introductory Section



Board of Education of Moore County Schools

LETTER OF TRANSMITTAL

as of December 12, 2022

To the members of the Moore County Board of Education and Citizens of Moore County, North Carolina:

As Superintendent and Executive Officer for Budget and Finance for Moore County Schools, we are pleased to present the Annual Comprehensive Financial Report of the Moore County Board of Education for the fiscal year ended June 30, 2022. The report also provides supplementary information that may help you understand the operations and financial position of the local education agency overseen by the Board. We believe that the data in this report is presented in a manner that describes fairly the financial position and results of operations of our local education agency in accordance with the accounting standards promulgated by Statements #34 and #54 of the Governmental Accounting Standards Board (GASB).

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

Management’s Discussion and Analysis (MD&A) follows the independent auditor’s report and provides a narrative introduction as well as an overview and analysis of the basic financial statements. The MD&A should be read in conjunction with this letter of transmittal.

The report has been prepared by the Finance Department in accordance with generally accepted accounting principles. We believe the data presented is accurate in all material respects and that it is presented in a manner designated to fairly reflect the financial position and results of operations of the Board. All disclosures necessary to enable the reader to gain maximum understanding of the Board’s financial activity have been included.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The Moore County Board of Education’s MD&A can be found immediately following the report of the independent auditors.

The Board is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act. Information related to this single audit, including the schedule of expenditures of federal and state awards, findings and

recommendations, and auditor's reports on internal control and compliance with applicable laws and regulations are included in the Compliance Section of this report.

REPORTING ENTITY

This report includes all of the funds of the Moore County Board of Education, which is an independent reporting entity as defined by GASB statement #14 (amended by GASB Statements #39 and #61) and a primary government for GASB #34 purposes.

The Moore County Board of Education, elected by the citizens of Moore County, is the level of government having oversight responsibility and control over activities related to the traditional public schools in Moore County, North Carolina. N.C. General Statute 115C-140 empowers the Moore County Board of Education with general control and supervision of all matters pertaining to the schools in the system. The school system receives local, state, and federal government funding and must comply with the legal requirements of each funding source entity. While the Board does receive county funding, the county is not entitled to share in any surplus nor is it required to finance any deficits. The Board does not have the ability to levy tax and is limited by North Carolina General Statutes with regard to the types of debt it can issue and for what purpose. The Board is required to maintain accounting records according to a Uniform State format.

The Board consists of seven members elected for staggered terms of four years. The Chair and Vice Chair are elected by a majority vote of the Board each year. The Superintendent serves as secretary to the Board.

Moore County Schools offers our approximately 12,600 students a comprehensive K-12 curriculum that includes workforce development, programs for special needs and gifted students and arts education. All three high schools offer a variety of Advanced Placement courses, as well as other academically challenging opportunities for all students.

FINANCIAL AND BUDGETARY CONTROL

In order to provide challenging learning experiences to the students attending Moore County Schools, the Board must use a variety of funding resources, including local, state, federal and private grants while complying with legal requirements of each funding source entity. In doing so, the Board is unable to summarize all governmental financial transactions and balances in one accounting entity. Instead, the accounting system is divided into three separate entities; each referred to as a "fund". The Board's funds are divided into governmental, proprietary and fiduciary.

Each fund is a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities in accordance with legal requirements, generally accepted accounting principles, special regulations or other limitations. Governmental fund types include general, special revenue and capital projects. The enterprise funds are proprietary fund types, with the expendable trust and agency fund being fiduciary fund types. The enterprise fund and fiduciary fund are presented on a full accrual basis, while the other funds are maintained on a modified accrual basis.

Readers are directed to the management discussion and analysis within the financial section of this Annual Comprehensive Financial Report for a detailed explanation of the financial statements for the year ended June 30, 2022. In developing and evaluating the Board's accounting system, consideration is given to the adequacy of the internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of the basic financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the

cost of a control should not exceed the benefits likely to be derived and the evaluation of cost and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe the Board's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The North Carolina School Budget and Fiscal Control Act mandates a uniform budget format and the adoption of an annual balanced budget resolution by July 1 each year. The Board adopts budgets by fund and purpose for all governmental funds and the proprietary funds. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget and in funds provided by the federal, state, and local governments. The Board has the final approval over the budget and primary accountability for fiscal matters (including any deficits). The Board's annual Budget Resolution authorizes expenditures by purpose on a modified accrual basis. For internal management purposes, the budget is detailed and compared to expenditures and encumbrances by line item within each function and project. The budget amount reflected in the accompanying financial statements represents the final budget as amended for the fiscal year. The Board also uses a purchase order encumbrance system that records and shows encumbrances outstanding against each line item of expenditures. Outstanding encumbrances at the end of the fiscal year related to normal operations are considered to be continuing contracts and are transferred at the end of the fiscal year to appropriations in future years.

COMPARISON OF BUDGET TO ACTUAL

Comparisons of budget to actual performance are provided for all major funds in the financial statement section that follows this introductory section of the Annual Comprehensive Financial Report. As is more fully explained in the management discussion and analysis section included in the basic financial statements, there were several budget amendments during the year, and all variances from the initial and final budgets were expected.

MAJOR INITIATIVES

The focus of the school system for the next several years will be in the following areas:

- Ensure the fidelity of implementation of the district's instructional frameworks;
- Closing achievement gaps and opportunity gaps;
- Continuing and expanding literacy initiatives;
- Developing students' future-ready skills;
- Continuing digital learning initiatives;
- Enhancing school safety and school health services;
- Implementing our Master Facilities Plan;
- Enhancing school improvement plan format and process; and
- Upgrading existing facilities.

As required by the State Department of Public Instruction, Moore County Schools maintains a ten-year facilities plan that has been submitted and approved by the County Commissioners and the State Department of Public Instruction.

ECONOMIC CONDITION AND OUTLOOK

Moore County was established in 1784 and is located in the Sandhills region of North Carolina. It has a land area of 706 square miles and an estimated population of 104,130. County residents enjoy a varied lifestyle with many activities available, a diverse host of attractions for entertaining guests, and a pleasant climate. Moore County's location, being 65 miles to Raleigh, 326 miles to Washington, D.C., 565 miles to New York City and 355 miles to Atlanta, helps to make it an ideal retirement and business community.

The financial health of the Moore County Board of Education is largely dependent upon the economic prospects of the State of North Carolina and of Moore County. The economy continues to improve and recover from the effects of the nationwide financial crisis that began in the 2008-2009 school year. While COVID 19 affected the Moore County economy, the county continued to see revenue growth during 2021-22.

The district opened two new elementary schools during 2021-2022. In addition, the administrative staff continues to update the Master Facilities plan for schools throughout the district. This plan provides valuable information on population changes and demographic trends, as well as information on the current state of existing facilities. We are working with our County Commissioners, who by state law are required to maintain facilities, to meet the needs of our facilities plans.

Moore County is a thriving commerce center with a diverse and solid economic structure. Healthcare, tourism/hospitality and retail are our three largest private industry sectors. Manufacturing and construction are consistently solid industries here as well. Moore County appreciates our existing industries and is committed to maintaining a business climate that is conducive to their growth and success.

During FY21, the United States Golf Association (USGA) approved "Golf House Pinehurst" which will include a new equipment-testing facility, innovation hub, museum/visitor center and USGA offices by 2023. The USGA also announced their commitment to host five U.S. Open Championships by the year 2047 on the famed Pinehurst No. 2 course.

Moore County also welcomes new business and industry opportunities. Moore County is an attractive, convenient location for military contractors and suppliers, not only because of our adjacent proximity to Fort Bragg, but also because of the large number of retired military personnel that live in Moore County and enhance our skilled workforce. As a result, Moore County has a thriving industry sector of defense and homeland security vendors.

Moore County Partners for Progress is a nonprofit 501 (c)(3) economic development organization serving all of Moore County. Its mission is to increase economic prosperity and improve the quality of life for Moore County's residents through economic development initiatives that create quality jobs and generate capital investment in our communities. Their activities include new business recruitment, existing industry retention and expansion, and entrepreneurial development.

Moore County's standard of living continues to be one of the highest in North Carolina on average. However, there remain large variances countywide. According to the U.S. Census Bureau, households in Moore County earn a median yearly income of \$67,160. As of June 30, 2022, our unemployment rate of 3.4%, a decrease of 1.4% from the prior year, showing the strong economy of Moore County.

INDEPENDENT AUDIT

FORVIS LLP has audited the financial records and transactions of the Moore County Board of Education for the year ended June 30, 2022. They are a firm of independent certified public accountants. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the State Single Audit Implementation Act. The auditor’s report is included in the financial section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded their Certificate of Achievement for Excellence in Financial Reporting (COA) and the Association of School Business Officials (ASBO) awarded their Certificate of Excellence in Financial Reporting to the Board for its annual comprehensive financial report for the year ended June 30, 2021. In order to earn the awards, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. Each certificate is valid for a period of one year.

We believe our current ACFR continues to meet the stringent requirements of each organization and we are submitting this ACFR to both ASBO and GFOA for their consideration and review.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report in a timely manner could not have been accomplished without the efforts and dedication of the Superintendent’s staff, Finance Department and our independent audit firm. We would like to express appreciation to all staff members who assisted in the preparation of this report. As required by NC General Statute 115C-44, copies of this report will be filed with the Local Government Commission, the State Board of Education, and the Board of County Commissioners. A copy will also be made available for public inspection in the Superintendent’s office as well as in the Finance office and on our website.

Respectfully submitted,



Tim Locklair, Ed.D.
Superintendent



Tina Edmonds, MBA
Executive Officer for Budget and Finance

BOARD OF EDUCATION OF MOORE COUNTY SCHOOLS

2022 BOARD MEMBERS AND PRINCIPAL OFFICERS

Board Members

Pam Thompson, Chair

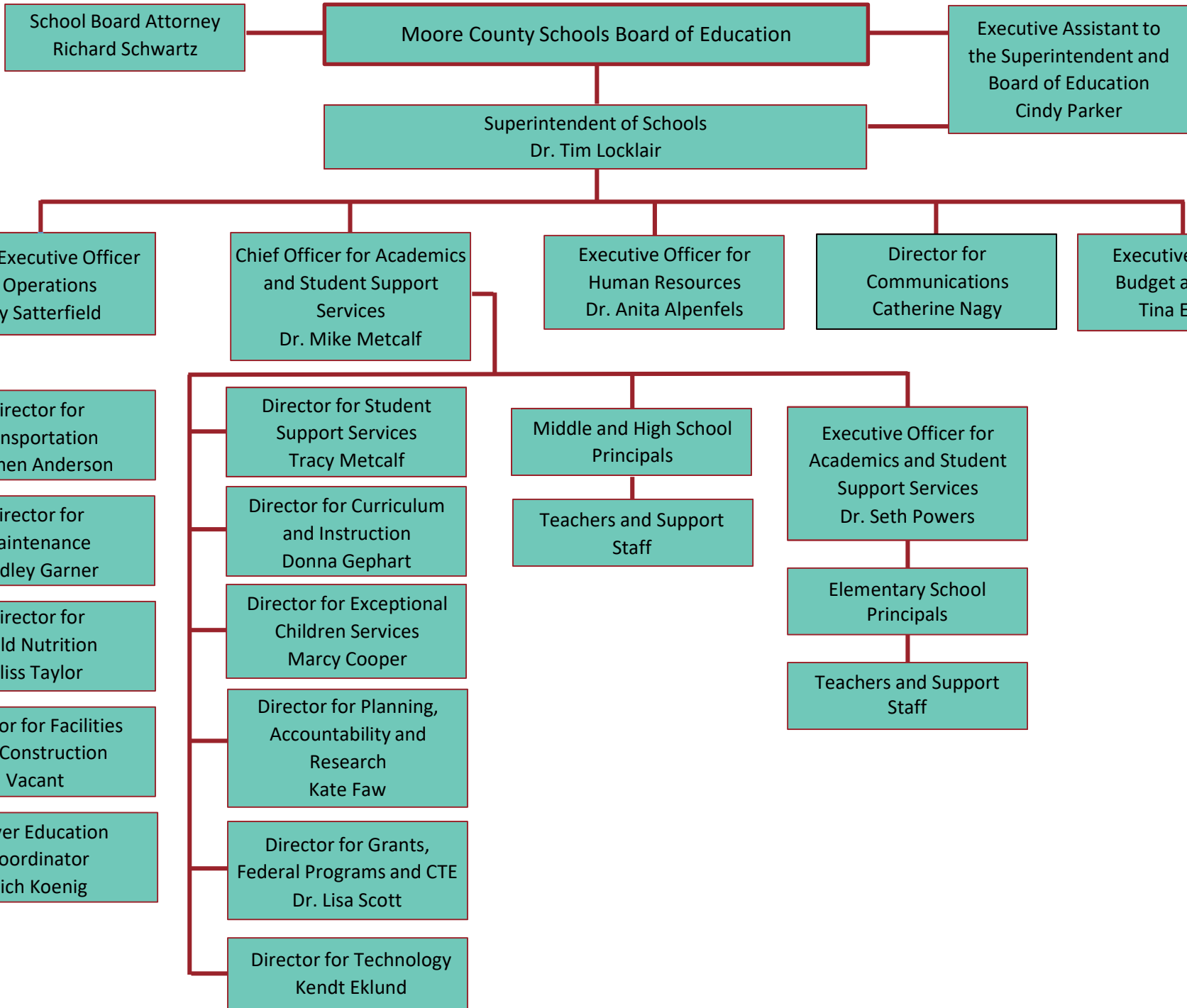
Elizabeth Carter, Vice-Chair

Stacey Caldwell, Ed Dennison, David Hensley,

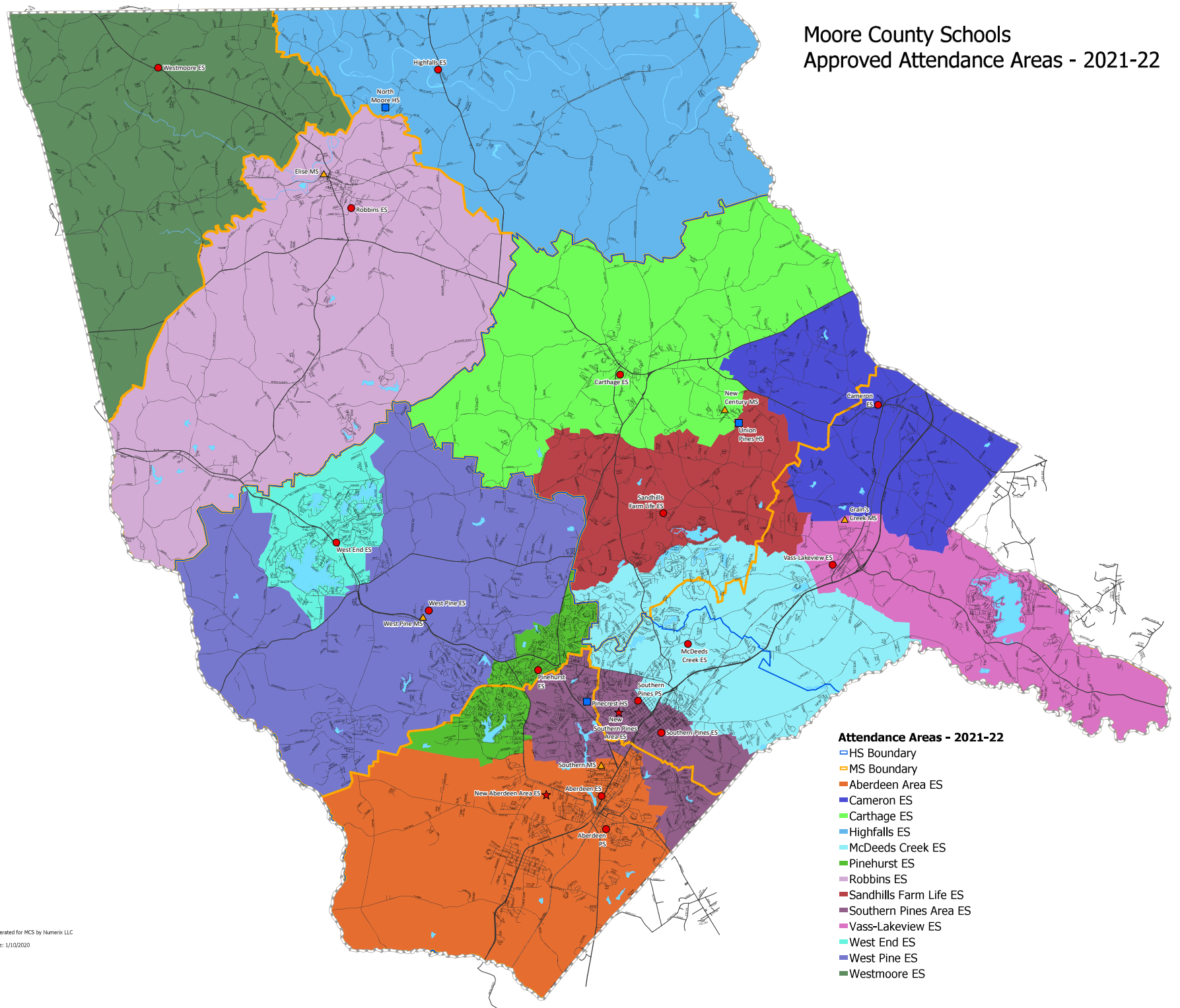
Robert Levy, Philip Holmes

Principal Officers

Tim Locklair, Ed.D.	Superintendent
Mike Metcalf, Ed.D	Chief Officer for Academics and Student Support Service
Seth Powers, Ed.D	Executive Officer for Academics and Student Support Services
Cory Satterfield	Interim Executive Officer for Operations
Anita Alpenfels, Ed.D.	Executive Officer for Human Resources
Tina Edmonds	Executive Officer for Budget and Finance
Catherine Murphy	Director for Communications



Moore County Schools Approved Attendance Areas - 2021-22





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Moore County Board of Education

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

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



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

William A. Sutter
President

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

David J. Lewis
Executive Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Moore County Board of Education
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



Financial Section

Independent Auditor's Report

Board of Education
Moore County Schools
Carthage, NC

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying 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 Board, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, State Public School Fund, Restricted Revenues, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Board, 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.

Emphasis of Matter

As discussed in Note 4 to the financial statements, the Board adopted Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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 Board's ability to continue as a going concern for 12 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 GAAS 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 GAAS 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 Board'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 Board'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 Teachers' and State Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Board Contributions, on pages 52 through 53, respectively, and the Retiree Health Benefit Fund's Schedules of Proportionate Share of the Net OPEB Liability and Board Contributions, on pages 54 through 55, respectively, and the Disability Income Plan of North Carolina's Schedules of the Proportionate Share of the Net OPEB Asset and Board Contributions, on pages 56 through 57, 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 Board's basic financial statements. The individual fund budgetary schedules and the accompanying schedule of expenditures of federal and state awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 the accompanying schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2022, on our consideration of the Board'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 Board'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 Board's internal control over financial reporting and compliance.

FORVIS,LLP

**Winston-Salem, NC
December 12, 2022**

Board of Education of Moore County Schools Management's Discussion and Analysis

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

Financial Highlights

- The Board had state and federal expenditures of \$13.6 million in response to COVID.
- The Board's total government-wide net position at June 30, 2022 increased by \$17.1 million over the prior year. Governmental activities net position increased by \$14.2 million while business-type activities net position increased by \$3 million over the prior year.
- At year end, the Board's Governmental Funds reported combined ending fund balances of \$18.3 million, an increase of \$1.9 million when compared to the prior year.
- The unassigned General Fund Balance decreased by \$2 million to \$2 million. These funds were used to balance the budget, offsetting increased salary and benefit costs and Board approved appropriations for next year.
- K-12 student final Average Daily Membership (ADM) increased by 340 students or 2.8% from the prior year.
- Allotted ADM used for state funding decreased by 266 or 2% over the prior year.
- The 2021-22 County Appropriations for Current Expense, Capital Outlay and Technology remained the same as in 2020-21.
- Charter School transfers of local funding based on per pupil allocations increased by \$62,690, a 2.4% increase over 2020-21.
- Employer matching benefits rates for retirement and hospitalization increased from 21.68% to 22.89% and \$6,326 to \$7,018.92, respectively.
- The Board also received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) as well as the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) International for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

The audited financial statements of the Board consist of four components. They are as follows:

- Independent Auditors' Report
- Management's Discussion and Analysis (required supplementary information)
- Basic Financial Statements
- Required supplemental information section presents schedules for Teachers' and State Employees' Retirement System, Retiree Health Benefit Fund, Disability Income Plan of North Carolina and budgetary statements for the governmental and proprietary 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 (deficit) and the statement of activities. The Statement of Net Position (Deficit) 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 and deferred outflows of resources and obligations to creditors and deferred inflows of resources. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the Board's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second set of statements included in the basic financial statements is the *Fund Financial Statements*, which are presented for the Board's governmental funds, proprietary funds, and fiduciary funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and

Board of Education of Moore County Schools Management's Discussion and Analysis

outflows of financial resources and what is available at year-end to spend in the next fiscal year. The proprietary and fiduciary funds are presented on the full accrual basis of accounting. The fund financial statements focus on the Board's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the Board as an economic unit while the fund financial statements provide information on each of the financial resources of each of the Board's major funds.

Government-wide Statements

The government-wide statements report information about the unit as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position (Deficit) includes all of the Board's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. 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 (deficit) and how they have changed. Net position (deficit) is the difference between the Board's total of assets and deferred outflows of resources and the total of liabilities and deferred inflows of resources. This is one way to measure the unit's financial health or position.

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

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

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

The Board has two 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.

Board of Education of Moore County Schools Management's Discussion and Analysis

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, Restricted Revenues 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 Board has two proprietary funds - both enterprise funds – the School Food Service Fund and the Child Care 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. The Board has one fiduciary fund – a custodial fund, which is used to account for moneys held for the Sandhills Region Education Consortium (“SREC”) for which the Board is the fiscal agent. During the year ended June 30, 2022, the SREC received its nonprofit and the Board transferred all moneys held directly to the SREC as they are no longer functioning as the fiscal agent.

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

**Board of Education of Moore County Schools
Management’s Discussion and Analysis**

Financial Analysis of the Board as a Whole

The net position or deficit is an indicator of the fiscal health of the Board. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$45.6 million as of June 30, 2022. The largest component of net position is the Board’s net investment in capital assets of \$215.8 million. Restricted and unrestricted net position (deficit) amounted to \$7.8 million and (\$178) million, respectively. The Board’s overall financial position has improved in the current year, as net position increased by \$17.1 million, primarily due to the pension and OPEB effects on the full accrual statements. The primary reason for the unrestricted net deficit in the current year is the presentation of the board’s proportionate share of the net pension liability and net OPEB liability in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Governmental Accounting Standards Board Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The net pension liability, net OPEB liability, and related components have a \$185 million negative effect to the Board’s overall net position.

Following is a summary of the Statement of Net Position (Deficit):

**Table 1
Condensed Statement of Net Position (Deficit)
as of June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 20,224,811	\$ 19,688,749	\$ 5,064,000	\$ 2,422,447	\$ 25,288,811	\$ 22,111,196
Non-current assets	216,328,785	222,146,919	1,025,965	1,160,127	217,354,750	223,307,046
Total assets	<u>236,553,596</u>	<u>241,835,668</u>	<u>6,089,965</u>	<u>3,582,574</u>	<u>242,643,561</u>	<u>245,418,242</u>
Deferred outflows of resources	40,685,371	37,120,544	915,536	829,272	41,600,907	37,949,816
Current liabilities	5,776,027	6,494,774	153,271	170,299	5,929,298	6,665,073
Long-term liabilities	153,626,912	182,778,033	3,344,289	4,040,921	156,971,201	186,818,954
Total liabilities	<u>159,402,939</u>	<u>189,272,807</u>	<u>3,497,560</u>	<u>4,211,220</u>	<u>162,900,499</u>	<u>193,484,027</u>
Deferred inflows of resources	74,059,754	60,043,963	1,696,795	1,359,140	75,756,549	61,403,103
Net investment in capital assets	214,821,228	221,463,599	1,025,965	1,160,127	215,847,193	222,623,726
Restricted net position	7,787,238	5,553,782	1,304	4,738	7,788,542	5,558,520
Unrestricted net position (deficit)	<u>(178,832,192)</u>	<u>(197,377,939)</u>	<u>783,877</u>	<u>(2,323,379)</u>	<u>(178,048,315)</u>	<u>(199,701,318)</u>
Total net position (deficit)	<u>\$ 43,776,274</u>	<u>\$ 29,639,442</u>	<u>\$ 1,811,146</u>	<u>\$ (1,158,514)</u>	<u>\$ 45,587,420</u>	<u>\$ 28,480,928</u>

The net position of the Board’s governmental activities increased from \$29.6 million at June 30, 2021 to \$43.8 million at June 30, 2022, an increase of \$14.2 million. The Board’s net investment in capital assets decreased by \$6.6 million during the year due to depreciation expense in excess of capital outlay in the current year. Restricted and unrestricted combined net deficit decreased by a total of \$20.8 million primarily as a result of the changes in the proportionate share of the Teachers’ and State Employees’ Retirement System plan net pension liability as well as changes to the proportionate share of the Retiree Health Benefit Fund net OPEB liability and deferred outflows and inflows of resources. Restrictions to net position (deficit) are related to stabilization by state statute, reserves for school capital outlay, reserves for individual schools, and reserves for the Disability Income Plan of

**Board of Education of Moore County Schools
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North Carolina. The Board does not believe there are any other restrictions, commitments, or other limitations that will significantly affect fund resources for future use.

The net position of the Board's business-type activities increased \$3.0 million from a net deficit of \$(1.2) million at June 30, 2021 to a net position of \$1.8 million at June 30, 2022. This increase in net position is primarily attributable increased operating grants and contributions received in the current year.

The following table shows the revenues and expenses for the Board for the current fiscal year.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,048,804	\$ 2,692,699	\$ 1,169,724	\$ 791,681	\$ 5,218,528	\$ 3,484,380
Operating grants and contributions	106,845,437	93,345,535	7,799,764	3,263,255	114,645,201	96,608,790
Capital grants and contributions	537,284	818,922	-	-	537,284	818,922
General revenues:						
Unrestricted state and federal appropriations	2,291,729	4,063,349	18,461	48,041	2,310,190	4,111,390
Unrestricted county appropriations	31,100,000	31,100,000	-	-	31,100,000	31,100,000
Unrestricted county appropriation - contributed capital	3,055,790	34,120,069	-	799,921	3,055,790	34,919,990
Other revenues	107,049	2,095,805	28,608	9,114	135,657	2,104,919
Total revenues	<u>147,986,093</u>	<u>168,236,379</u>	<u>9,016,557</u>	<u>4,912,012</u>	<u>157,002,650</u>	<u>173,148,391</u>
Expenses:						
Governmental activities:						
Instructional services	94,666,011	96,384,001	-	-	94,666,011	96,384,001
System-wide support services	29,790,346	27,348,239	-	-	29,790,346	27,348,239
Ancillary services	282,565	407,414	-	-	282,565	407,414
Non-programmed charges	2,698,313	2,635,623	-	-	2,698,313	2,635,623
Unallocated depreciation expense	6,662,886	5,976,705	-	-	6,662,886	5,976,705
Interest expense	13,762	-	-	-	13,762	-
Business-type activities:						
School food service	-	-	5,375,027	3,728,048	5,375,027	3,728,048
Child care	-	-	407,248	204,811	407,248	204,811
Total expenses	<u>134,113,883</u>	<u>132,751,982</u>	<u>5,782,275</u>	<u>3,932,859</u>	<u>139,896,158</u>	<u>136,684,841</u>
Excess (deficiency) of revenues and expenses before transfers	13,872,210	35,484,397	3,234,282	979,153	17,106,492	36,463,550
Transfers in (out)	264,622	112,854	(264,622)	(112,854)	-	-
Increase (decrease) in net position	14,136,832	35,597,251	2,969,660	866,299	17,106,492	36,463,550
Net deficit, beginning	29,639,442	(5,957,809)	(1,158,514)	(2,024,813)	28,480,928	(7,982,622)
Net position (deficit), ending	<u>\$ 43,776,274</u>	<u>\$ 29,639,442</u>	<u>\$ 1,811,146</u>	<u>\$ (1,158,514)</u>	<u>\$ 45,587,420</u>	<u>\$ 28,480,928</u>

Board of Education of Moore County Schools Management's Discussion and Analysis

During the year ended June 30, 2022, governmental activities generated revenues of \$148 million and incurred expenses totaling \$134 million. Transfers in from business-type activities during the year were approximately \$265 thousand, net. Overall, governmental activities recognized a increase in net position totaling \$14.1 million. Revenues were down \$20.3 million from the prior year, while expenses increased \$1.4 million. The decrease in revenues is primarily attributable to capital outlay contributed to Moore County which decreased \$31.6 million when compared to the prior year. The decrease in capital outlay contributed was primarily due to the completion of schools during the year ended June 30, 2021. Primary sources of revenue included funding from the state of North Carolina, the County of Moore, and the United States government, which respectively comprised 57.4%, 22.8%, and 13.6% of the Board's revenues. As would be expected, the major component of the Board's expenses was for instructional services, which accounted for 74% of total expenses during the most recent fiscal year. Of the remaining, 20.5% was attributable to system-wide support services. To assist the Board in mitigating the increased cost of education during the COVID-19 pandemic, the Board received and expended approximately \$13.6 million in funding from the federal government through the Education Stabilization Fund and Coronavirus State and Local Fiscal Recovery Fund.

Business-type activities generated revenue of \$9.0 million, had expenses of \$5.8 million and transfers to governmental activities of \$265 thousand, resulting in a decrease in net deficit of \$3 million. This represents an increase of \$2.1 million over the prior year decrease in net deficit of \$866 thousand. Federal reimbursements increased by \$4.4 million while food sales increased \$378 thousand. Operating expenses increased by \$1.8 million driven by an increase in food costs of \$800 thousand and salaries and benefits of \$600 thousand.

Financial Analysis of the Board's Funds

Governmental funds: The focus of the Board'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 \$18.3 million at June 30, 2022, a \$1.9 million increase when compared to the prior year. Overall, total revenues decreased by \$16.7 million, or 10%, when compared to the prior year while total expenditures decreased by \$11.9 million, or 7.4%, when compared to the prior year. The decrease in revenues is attributable to a decrease in contributed capital from Moore County of \$31.6 million related to the contribution of new schools during the year ended June 30, 2021 and an increase in revenues from the U.S Government of \$10 million to assist in combatting the COVID-19 Pandemic. The decrease in expenditures is attributable to the aforementioned decrease in contributed capital coupled with increases in COVID-19 related expenditures.

For the fiscal year ended June 30, 2022, the Board's General Fund and Restricted Revenues Fund experienced a net change in fund balance of \$(1.6) million and \$1.1 million, respectively, compared to changes in fund balances of \$2.9 million and \$1.9 million for the prior year ended, respectively. Specifically related to the General Fund, County revenues during this same period remained the same at \$30.4 million. The Restricted Revenues Fund recognized increases in total revenues of \$31 thousand for the year ended June 30, 2022 compared to the year ended June 30, 2021. During the same period, the Board experienced an increase in expenditures of \$725 thousand.

The Board's State Public School Fund and Federal Grants Fund recognized changes in revenues of \$3.8 million or 4.5% and \$9.7 million or 132%, respectively. The increases in the State Public School Fund are attributable to slight increases in the student population as well as increasing costs of education. The increases in the Federal Grants Fund are related to increases in amounts received from the Education Stabilization Fund.

The Board's Individual Schools Fund and Capital Outlay Fund had a net change in fund balance of \$395 thousand and \$2 million, respectively. In comparison to the prior year, the Individual Schools Fund and Capital Outlay Fund had a net change of \$398 thousand and \$2.4 million, respectively. Revenues in the Capital Outlay Fund decreased by \$31.6 million, or 82.7%. The decrease is related to the aforementioned decreases in

**Board of Education of Moore County Schools
Management’s Discussion and Analysis**

contributed capital contributed by Moore County. County capital project revenues are dependent on the Board’s ongoing construction activity, financing arrangements with the County, and the general availability of funds from the County. Capital Outlay Fund expenditures also decreased by \$31.6 million in the current year.

Proprietary funds: The Board’s business-type funds reported a combined net position of \$1.8 million at June 30, 2022, a \$3 million decrease to the deficit when compared to the prior year. The School Food Service Fund generated net income after transfers of \$3 million during the year ended June 30, 2022 compared to a net income after transfers of \$866 thousand during the prior year. In comparison to the prior year, federal reimbursement increased by \$4.4 million and operating expenses increased by \$1.5 million. The Child Care Fund generated \$410 thousand of income before transfers which was an increase of \$252 thousand over the prior year income of \$158 thousand. These increases were primarily due to increases in Child Care participation.

General Fund Budgetary Highlights

Over the course of the year, the Board revised the General Fund budget several times to account for changes in expectations of expenditures. Total budgeted revenues and total budgeted expenditures remained consistent with minor shifts between Instructional Services expenditures, System-Wide Support Services expenditures, and Nonprogrammed charges. The primary reason for these changes were to redistribute the use of County appropriations for current year activities of the Board.

Capital Assets

During the fiscal year ended June 30, 2022, capital assets, net of accumulated depreciation, decreased by \$6.9 million or 3.1% for governmental activities and decreased by \$134 thousand for business-type activities, compared to the prior year. During the year, the Board added \$1.5 million to construction in progress primarily related to miscellaneous school construction projects and transferred \$15.7 million to other capital asset accounts for projects completed during the year. Total depreciation charges for the year ended June 30, 2022, were \$7.2 million for governmental activities and \$153 thousand for business-type activities.

The following is a summary of the capital assets, net of depreciation at year-end. For more detailed information, please see Capital Assets in Note 2 in the accompanying notes to the financial statements.

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,840,842	\$ 4,883,061	\$ -	\$ -	\$ 4,840,842	\$ 4,883,061
Construction in progress	16,667	14,166,169	-	-	16,667	14,166,169
Buildings and improvements	206,534,692	198,758,724	-	-	206,534,692	198,758,724
Equipment and furniture	1,649,018	1,986,913	1,025,965	1,160,127	2,674,983	3,147,040
Vehicles	2,149,362	2,308,509	-	-	2,149,362	2,308,509
Computers	62,205	43,543	-	-	62,205	43,543
Total	\$ 215,252,786	\$ 222,146,919	\$ 1,025,965	\$ 1,160,127	\$ 216,278,751	\$ 223,307,046

Debt Outstanding

During the year, the Board’s outstanding debt decreased by \$247 thousand due to made payments on installment purchase obligations for school buses in the current year. 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. For more detailed information, please see Long-Term Obligations in Note 2 in the accompanying notes to the financial statements.

**Board of Education of Moore County Schools
Management's Discussion and Analysis**

Economic Factors

County funding is a major source of income for the Board; therefore, the County's economic outlook directly affects that of the Board's. The following economic factors must be considered when viewing the County's ability to provide the required level of funding:

- As of June 30, 2022, Moore County experienced an unemployment rate of approximately 3.4% as compared to an unemployment rate of approximately 4.8% at June 30, 2021. Moore County is below the June 30, 2022 State of N.C. and national unemployment rates which were 4.1% and 3.8%, respectively.
- The population of Moore County decreased slightly from the prior year. As of June 30, 2022, the population was estimated to be 104,103.
- Total property tax collections for Moore County for the year ended June 30, 2022, was \$85.1 million, a \$2.8 million (or 3.3%) increase from the prior year.

Requests for Information

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

Tina Edmonds, Executive Office for Budget and Finance
Board of Education of Moore County Schools
P.O. Box 1180, Carthage NC 28327

Board of Education of Moore County Schools
Statement of Net Position (Deficit)
June 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 19,479,858	\$ 4,438,062	\$ 23,917,920
Due from other governments	67	231,527	231,594
Receivables	20,506	44,579	65,085
Net OPEB asset	68,014	1,304	69,318
Inventories	656,366	348,528	1,004,894
Total current assets	<u>20,224,811</u>	<u>5,064,000</u>	<u>25,288,811</u>
Non-current assets:			
Right to use leased asset, net of amortization	1,075,999	-	1,075,999
Capital assets:			
Land, improvements, and construction in progress	4,857,509	-	4,857,509
Other capital assets, net of depreciation	210,395,277	1,025,965	211,421,242
Total capital assets	<u>215,252,786</u>	<u>1,025,965</u>	<u>216,278,751</u>
Total non-current assets	<u>216,328,785</u>	<u>1,025,965</u>	<u>217,354,750</u>
Total assets	<u>236,553,596</u>	<u>6,089,965</u>	<u>242,643,561</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>40,685,371</u>	<u>915,536</u>	<u>41,600,907</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	921,519	6,137	927,656
Accrued salaries and wages payable	393,601	-	393,601
Due to other governments	497,997	-	497,997
Unearned revenue	-	68,202	68,202
Long-term liabilities			
Due within one year	3,962,910	78,932	4,041,842
Due in more than one year	153,626,912	3,344,289	156,971,201
Total liabilities	<u>159,402,939</u>	<u>3,497,560</u>	<u>162,900,499</u>
DEFERRED INFLOWS OF RESOURCES	<u>74,059,754</u>	<u>1,696,795</u>	<u>75,756,549</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	214,821,228	1,025,965	215,847,193
Restricted for:			
Stabilization by State Statute	20,573	-	20,573
School Capital Outlay	4,919,149	-	4,919,149
Individual Schools	2,779,502	-	2,779,502
DIPNC OPEB plan	68,014	1,304	69,318
Unrestricted	(178,832,192)	783,877	(178,048,315)
Total net position (deficit)	<u>\$ 43,776,274</u>	<u>\$ 1,811,146</u>	<u>\$ 45,587,420</u>

**Board of Education of Moore County Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2022**

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 51,559,626	\$ -	\$ 49,975,403	\$ -	\$ (1,584,223)	\$ -	\$ (1,584,223)
Special populations	15,940,415	-	17,123,540	-	1,183,125	-	1,183,125
Alternative programs	7,051,276	-	7,046,165	-	(5,111)	-	(5,111)
Student leadership	6,700,424	-	5,958,614	-	(741,810)	-	(741,810)
Co-curricular services	4,691,233	-	79,289	-	(4,611,944)	-	(4,611,944)
School-based support	8,723,037	3,796,125	7,679,110	-	2,752,198	-	2,752,198
System-wide support services:							
Support and development	794,487	-	280,490	-	(513,997)	-	(513,997)
Special population support and development	120,931	-	128,924	-	7,993	-	7,993
Alternative programs and services support and development	118,896	-	118,711	-	(185)	-	(185)
Technology support	5,078,047	-	3,179,076	-	(1,898,971)	-	(1,898,971)
Operational support	17,546,748	252,679	11,162,944	537,284	(5,593,841)	-	(5,593,841)
Financial and human resources	3,706,170	-	2,933,652	-	(772,518)	-	(772,518)
Accountability	240,970	-	4,307	-	(236,663)	-	(236,663)
System-wide pupil support services	-	-	-	-	-	-	-
Policy, leadership and public relations	2,184,097	-	711,655	-	(1,472,442)	-	(1,472,442)
Ancillary services	282,565	-	282,565	-	-	-	-
Non-programmed charges	2,698,313	-	180,992	-	(2,517,321)	-	(2,517,321)
Unallocated depreciation expense, excluding direct depreciation expense charged to programs	6,662,886	-	-	-	(6,662,886)	-	(6,662,886)
Interest expense	13,762	-	-	-	(13,762)	-	(13,762)
Total governmental activities	<u>134,113,883</u>	<u>4,048,804</u>	<u>106,845,437</u>	<u>537,284</u>	<u>(22,682,358)</u>	<u>-</u>	<u>(22,682,358)</u>
Business-type activities:							
School food service	5,375,027	352,854	7,799,764	-	-	2,777,591	2,777,591
Child care	407,248	816,870	-	-	-	409,622	409,622
Total business-type activities	<u>5,782,275</u>	<u>1,169,724</u>	<u>7,799,764</u>	<u>-</u>	<u>-</u>	<u>3,187,213</u>	<u>3,187,213</u>
Total primary government	<u>\$ 139,896,158</u>	<u>\$ 5,218,528</u>	<u>\$ 114,645,201</u>	<u>\$ 537,284</u>	<u>(22,682,358)</u>	<u>3,187,213</u>	<u>(19,495,145)</u>
General revenues:							
Unrestricted county appropriations - operating					30,350,000	-	30,350,000
Unrestricted county appropriations - capital					750,000	-	750,000
Unrestricted county appropriations - contributed capital					3,055,790	-	3,055,790
Unrestricted State and Federal appropriations - operating					1,372,086	-	1,372,086
Unrestricted State appropriation - capital					156,755	-	156,755
State OPEB contribution - non-capital					762,888	18,461	781,349
Loss on disposal of capital assets					(469,573)	-	(469,573)
Investment earnings, unrestricted					10,401	3,266	13,667
Miscellaneous, unrestricted					566,221	25,342	591,563
Total general revenues excluding transfers					<u>36,554,568</u>	<u>47,069</u>	<u>36,601,637</u>
Transfers in (out)					<u>264,622</u>	<u>(264,622)</u>	<u>-</u>
Total general revenues and transfers					<u>36,819,190</u>	<u>(217,553)</u>	<u>36,601,637</u>
Change in net position (deficit)					<u>14,136,832</u>	<u>2,969,660</u>	<u>17,106,492</u>
Net position (deficit), beginning					<u>29,639,442</u>	<u>(1,158,514)</u>	<u>28,480,928</u>
Net position (deficit), ending					<u>\$ 43,776,274</u>	<u>\$ 1,811,146</u>	<u>\$ 45,587,420</u>

**Board of Education of Moore County Schools
Balance Sheet
Governmental Funds
June 30, 2022**

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenues	Capital Outlay	Individual Schools	
ASSETS							
Cash and cash equivalents	\$ 9,128,437	\$ 497,997	\$ -	\$ 2,822,442	\$ 4,919,149	\$ 2,111,833	\$ 19,479,858
Due from other governments	-	-	-	-	67	-	67
Receivables	-	-	-	20,506	-	-	20,506
Due from other funds	-	-	-	3,708,900	-	667,669	4,376,569
Inventories	656,366	-	-	-	-	-	656,366
Total assets	\$ 9,784,803	\$ 497,997	\$ -	\$ 6,551,848	\$ 4,919,216	\$ 2,779,502	\$ 24,533,366
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenditures	\$ 907,710	\$ -	\$ -	\$ 13,809	\$ -	\$ -	\$ 921,519
Accrued salaries and wages payable	393,601	-	-	-	-	-	393,601
Due to other funds	3,708,900	-	-	667,669	-	-	4,376,569
Due to other governments	-	497,997	-	-	-	-	497,997
Total liabilities	5,010,211	497,997	-	681,478	-	-	6,189,686
Fund balances:							
Nonspendable:							
Inventories	656,366	-	-	-	-	-	656,366
Restricted:							
Stabilization by State Statute	-	-	-	20,506	67	-	20,573
School Capital Outlay	-	-	-	-	4,919,149	-	4,919,149
Individual Schools	-	-	-	-	-	2,779,502	2,779,502
Assigned:							
Subsequent year's expenditures	2,100,000	-	-	-	-	-	2,100,000
Other special programs	-	-	-	5,849,864	-	-	5,849,864
Unassigned:							
	2,018,226	-	-	-	-	-	2,018,226
Total fund balances	4,774,592	-	-	5,870,370	4,919,216	2,779,502	18,343,680
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,784,803	\$ 497,997	\$ -	\$ 6,551,848	\$ 4,919,216	\$ 2,779,502	
Amounts reported for governmental activities in the Statement of Net Position (Deficit) (Exhibit 1) are different because:							
Net OPEB asset							68,014
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds							215,252,786
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds							1,075,999
Deferred outflows of resources related to pensions							22,197,313
Deferred outflows of resources related to OPEB							18,488,058
Some liabilities, including those for compensated absences, installment purchase obligations, and leases are not due and payable in the current period and therefore are not reported in the							(9,195,660)
Net pension liability							(22,039,257)
Net OPEB liability							(126,354,905)
Deferred inflows of resources related to pensions							(29,660,540)
Deferred inflows of resources related to OPEB							(44,399,214)
Net position of governmental activities							\$ 43,776,274

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

Board of Education of Moore County Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

Exhibit 4

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenues	Capital Outlay	Individual Schools	
Revenues:							
Intergovernmental:							
State of North Carolina	\$ -	\$ 84,891,431	\$ -	\$ 480,460	\$ 694,039	\$ -	\$ 86,065,930
Moore County	30,350,000	-	-	-	3,805,790	-	34,155,790
U.S. Government	-	2,603,692	17,053,672	746,626	-	-	20,403,990
Other	448,829	-	-	2,932,570	2,098,636	3,796,125	9,276,160
Total revenues	30,798,829	87,495,123	17,053,672	4,159,656	6,598,465	3,796,125	149,901,870
Expenditures:							
Current:							
Instructional services:							
Regular instructional	9,653,525	47,392,754	2,582,649	437,826	-	-	60,066,754
Special populations	1,078,030	14,420,855	2,702,685	529,249	-	-	18,730,819
Alternative programs	359,650	2,940,682	4,105,483	511,961	-	-	7,917,776
School leadership	2,047,584	5,793,361	165,253	-	-	-	8,006,198
Co-curricular services	1,330,302	7,537	71,752	1,665	-	3,418,929	4,830,185
School-based support	1,549,187	6,806,620	872,490	1,035,015	-	-	10,263,312
System-wide support services:							
Support and development	604,724	160,763	119,727	36,000	-	-	921,214
Special population support and development	28,379	1,077	127,847	-	-	-	157,303
Alternative programs and services support and development	-	269	118,442	-	-	-	118,711
Technology support	1,673,008	498,975	2,680,101	455,716	-	-	5,307,800
Operational support	8,814,621	7,785,763	935,539	-	-	-	17,535,923
Financial and human resources	993,140	800,487	2,133,165	11,263	-	-	3,938,055
Accountability	272,849	4,307	-	-	-	-	277,156
System-wide pupil support	-	-	-	-	-	-	-
Policy, leadership, and public relations	1,661,564	706,896	4,759	81,690	-	-	2,454,909
Ancillary services	-	129,777	152,788	-	-	-	282,565
Non-programmed charges	2,698,313	-	180,992	57,257	-	-	2,936,562
Debt service:							
Principal	215,633	-	-	-	904,067	-	1,119,700
Interest	12,928	-	-	-	834	-	13,762
Capital outlay:							
Land, buildings, and site improvements	-	-	-	-	2,778,707	-	2,778,707
Furnishings and equipment	-	-	-	-	795,619	-	795,619
Vehicles and other	-	-	-	-	409,769	-	409,769
Total expenditures	32,993,437	87,450,123	16,953,672	3,157,642	4,888,996	3,418,929	148,862,799
Excess (deficiency) of revenues over expenditures	(2,194,608)	45,000	100,000	1,002,014	1,709,469	377,196	1,039,071
Other financing sources (uses):							
Transfers (to) from other funds	261,555	(45,000)	(100,000)	130,207	-	17,860	264,622
Installment purchase obligations issued	-	-	-	-	289,925	-	289,925
Total other financing sources (uses)	261,555	(45,000)	(100,000)	130,207	289,925	17,860	554,547
Net change in fund balances	(1,933,053)	-	-	1,132,221	1,999,394	395,056	1,593,618
Fund balances:							
Beginning of year	6,375,043	-	-	4,738,149	2,919,822	2,384,446	16,417,460
Increase in reserve for inventories	332,602	-	-	-	-	-	332,602
End of year	\$ 4,774,592	\$ -	\$ -	\$ 5,870,370	\$ 4,919,216	\$ 2,779,502	\$ 18,343,680

**Board of Education of Moore County Schools
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Fiscal Year Ended June 30, 2022**

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 1,593,618
Adjustment due to the use of consumption method of recording inventories in the government-wide statements.	332,602
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	12,698,424
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	4,898,212
Loss from disposal of capital assets	(469,573)
Proceeds received from disposal of capital assets	(1,970,843)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.	(4,453,717)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
State OPEB contribution	762,888
Net OPEB benefit	5,635,990
The issuance of long-term obligations provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term obligations.	829,775
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.	
Amortization expense for right to use assets	(578,013)
Compensated absences	(218,717)
Pension expense	(4,923,814)
	<u> </u>
Total changes in net position (deficit) of governmental activities	<u>\$ 14,136,832</u>

Board of Education of Moore County Schools
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2022

	General Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ -	\$ -	\$ -	\$ -
Moore County	30,350,000	30,350,000	30,350,000	-
U.S. Government	-	-	-	-
Other	480,000	480,000	448,829	(31,171)
Total revenues	<u>30,830,000</u>	<u>30,830,000</u>	<u>30,798,829</u>	<u>(31,171)</u>
Expenditures:				
Current:				
Instructional services	16,883,050	16,214,200	16,018,278	195,922
System-wide support services	13,006,950	14,279,715	14,048,285	231,430
Ancillary services	-	-	-	-
Nonprogrammed charges	3,040,000	2,699,000	2,698,313	687
Debt service:				
Principal	-	215,633	215,633	-
Interest	-	12,928	12,928	-
Total expenditures	<u>32,930,000</u>	<u>33,421,476</u>	<u>32,993,437</u>	<u>428,039</u>
Revenues over (under) expenditures	<u>(2,100,000)</u>	<u>(2,591,476)</u>	<u>(2,194,608)</u>	<u>396,868</u>
Other financing sources:				
Transfers from (to) other funds	-	-	261,555	261,555
Lease liabilities issued	-	491,476	-	(491,476)
Total other financing sources	<u>-</u>	<u>491,476</u>	<u>261,555</u>	<u>(229,921)</u>
Fund balance appropriated	<u>2,100,000</u>	<u>2,100,000</u>	<u>-</u>	<u>(2,100,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,933,053)</u>	<u>\$ (1,933,053)</u>
Fund balances:				
Beginning of year			6,375,043	
Increase in reserve for inventories			<u>332,602</u>	
End of year			<u>\$ 4,774,592</u>	

Board of Education of Moore County Schools
 General Fund and Annually Budgeted Major Special Revenue Funds
 Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual
 For the Fiscal Year Ended June 30, 2022

	State Public School Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 79,450,906	\$ 89,325,239	\$ 84,891,431	\$ (4,433,808)
Moore County	-	-	-	-
U.S. Government	-	23,099	2,603,692	2,580,593
Other	-	-	-	-
Total revenues	<u>79,450,906</u>	<u>89,348,338</u>	<u>87,495,123</u>	<u>(1,853,215)</u>
Expenditures:				
Current:				
Instructional services	73,460,459	79,022,170	77,361,809	1,660,361
System-wide support services	5,990,447	10,146,918	9,958,537	188,381
Ancillary services	-	134,250	129,777	4,473
Nonprogrammed charges	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>79,450,906</u>	<u>89,303,338</u>	<u>87,450,123</u>	<u>1,853,215</u>
Revenues over (under) expenditures	<u>-</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Other financing sources:				
Transfers from (to) other funds	-	(45,000)	(45,000)	-
Lease liabilities issued	-	-	-	-
Total other financing sources	<u>-</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balances:				
Beginning of year			-	
Decrease in reserve for inventories			-	
End of year			<u>\$ -</u>	

Board of Education of Moore County Schools
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2022

Exhibit 6
Page 3 of 4

	Restricted Revenues Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 580,685	\$ 420,000	\$ 480,460	\$ 60,460
Moore County	-	-	-	-
U.S. Government	387,123	293,000	746,626	453,626
Other	2,258,217	1,677,438	2,932,570	1,255,132
Total revenues	<u>3,226,025</u>	<u>2,390,438</u>	<u>4,159,656</u>	<u>1,769,218</u>
Expenditures:				
Current:				
Instructional services	2,484,039	3,482,360	2,515,716	966,644
System-wide support services	709,726	996,148	584,669	411,479
Ancillary services	-	-	-	-
Nonprogrammed charges	32,260	63,000	57,257	5,743
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>3,226,025</u>	<u>4,541,508</u>	<u>3,157,642</u>	<u>1,383,866</u>
Revenues over (under) expenditures	<u>-</u>	<u>(2,151,070)</u>	<u>1,002,014</u>	<u>3,153,084</u>
Other financing sources:				
Transfers from (to) other funds	-	588,630	130,207	(458,423)
Lease liabilities issued	-	-	-	-
Total other financing sources	<u>-</u>	<u>588,630</u>	<u>130,207</u>	<u>458,423</u>
Fund balance appropriated	<u>-</u>	<u>1,562,440</u>	<u>-</u>	<u>(1,562,440)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,132,221</u>	<u>\$ 2,049,067</u>
Fund balances:				
Beginning of year			4,738,149	
Decrease in reserve for inventories			-	
End of year			<u>\$ 5,870,370</u>	

Board of Education of Moore County Schools
General Fund and Annually Budgeted Major Special Revenue Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Fiscal Year Ended June 30, 2022

	Federal Grants Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:	\$ -	\$ -	\$ -	\$ -
State of North Carolina	-	-	-	-
Moore County	-	-	-	-
U.S. Government	21,255,031	38,323,602	17,053,672	(21,269,930)
Other	-	-	-	-
Total revenues	21,255,031	38,323,602	17,053,672	(21,269,930)
Expenditures:				
Current:				
Instructional services	6,748,069	18,337,942	10,500,312	7,837,630
System-wide support services	14,472,586	17,775,927	6,119,580	11,656,347
Ancillary services	-	1,004,213	152,788	851,425
Nonprogrammed charges	34,376	1,105,520	180,992	924,528
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	21,255,031	38,223,602	16,953,672	21,269,930
Revenues over (under) expenditures	-	100,000	100,000	-
Other financing sources:				
Transfers from (to) other funds	-	(100,000)	(100,000)	-
Lease liabilities issued	-	-	-	-
Total other financing sources	-	(100,000)	(100,000)	-
Fund balance appropriated	-	-	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balances:				
Beginning of year			-	
Decrease in reserve for inventories			-	
End of year			\$ -	

Board of Education of Moore County Schools
Statement of Net Position (Deficit)
Proprietary Funds
June 30, 2022

Exhibit 7

	Enterprise		Total
	Major Fund School Food Service	Non-major Fund Child Care	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 4,438,062	\$ -	\$ 4,438,062
Receivables	44,579	-	44,579
Due from other governments	231,527	-	231,527
OPEB asset	1,304	-	1,304
Inventories	348,528	-	348,528
Total current assets	<u>5,064,000</u>	<u>-</u>	<u>5,064,000</u>
Noncurrent assets:			
Capital assets:			
Equipment, furniture and vehicles, net	1,025,965	-	1,025,965
Total assets	<u>6,089,965</u>	<u>-</u>	<u>6,089,965</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>915,536</u>	<u>-</u>	<u>915,536</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	6,137	-	6,137
Unearned revenue	68,202	-	68,202
Compensated absences	78,932	-	78,932
Total current liabilities	<u>153,271</u>	<u>-</u>	<u>153,271</u>
Noncurrent liabilities:			
Net pension liability	421,307	-	421,307
Net OPEB liability	2,820,572	-	2,820,572
Compensated absences	102,410	-	102,410
Total noncurrent liabilities	<u>3,344,289</u>	<u>-</u>	<u>3,344,289</u>
Total liabilities	<u>3,497,560</u>	<u>-</u>	<u>3,497,560</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,696,795</u>	<u>-</u>	<u>1,696,795</u>
NET POSITION (DEFICIT)			
Investment in capital assets	1,025,965	-	1,025,965
Restricted - DIPNC OPEB plan	1,304	-	1,304
Unrestricted	783,877	-	783,877
Total net position	<u>\$ 1,811,146</u>	<u>\$ -</u>	<u>\$ 1,811,146</u>

Board of Education of Moore County Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position (Deficit)
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit 8

	Enterprise		Total
	Major Fund School Food Service	Non-major Fund Child Care	
Operating revenues:			
Food sales	\$ 352,854	\$ -	\$ 352,854
Child care fees	-	816,870	816,870
Total operating revenues	<u>352,854</u>	<u>816,870</u>	<u>1,169,724</u>
Operating expenses:			
Food cost:			
Purchase of food	1,594,925	-	1,594,925
Donated commodities	495,934	-	495,934
Salaries and benefits	2,714,472	407,248	3,121,720
Materials and supplies	357,844	-	357,844
Repairs and maintenance	12,922	-	12,922
Contracted services	11,191	-	11,191
Depreciation	153,057	-	153,057
Non-capitalized equipment	3,926	-	3,926
Other	30,756	-	30,756
Total operating expenses	<u>5,375,027</u>	<u>407,248</u>	<u>5,782,275</u>
Operating income (loss)	<u>(5,022,173)</u>	<u>409,622</u>	<u>(4,612,551)</u>
Nonoperating revenues:			
Federal reimbursements	7,303,830	-	7,303,830
Federal commodities	495,934	-	495,934
State OPEB contribution	18,461	-	18,461
Other	25,342	-	25,342
Interest earned	3,266	-	3,266
Total nonoperating revenues	<u>7,846,833</u>	<u>-</u>	<u>7,846,833</u>
Income before transfers	2,824,660	409,622	3,234,282
Transfers from (to) other funds	<u>145,000</u>	<u>(409,622)</u>	<u>(264,622)</u>
Change in net deficit	<u>2,969,660</u>	<u>-</u>	<u>2,969,660</u>
Total net deficit, beginning	<u>(1,158,514)</u>	<u>-</u>	<u>(1,158,514)</u>
Total net position, ending	<u>\$ 1,811,146</u>	<u>\$ -</u>	<u>\$ 1,811,146</u>

Board of Education of Moore County Schools
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit 9

	Enterprise		Total
	Major Fund School Food Service	Non-major Fund Child Care	
Cash flows from operating activities:			
Cash received from customers	\$ 229,261	\$ 816,870	\$ 1,046,131
Cash paid for goods and services	(2,097,184)	-	(2,097,184)
Cash paid to employees for services	(3,130,209)	(407,248)	(3,537,457)
Net cash provided (used) by operating activities	<u>(4,998,132)</u>	<u>409,622</u>	<u>(4,588,510)</u>
Cash flows from noncapital financing activities:			
Transfers from (to) other funds	145,000	(409,622)	(264,622)
Federal and state reimbursements	7,303,830	-	7,303,830
Net cash provided (used) by noncapital activities	<u>7,448,830</u>	<u>(409,622)</u>	<u>7,039,208</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(18,895)	-	(18,895)
Cash flows from investing activities:			
Interest earned on investments	3,266	-	3,266
Other	25,342	-	25,342
Net cash provided by investing activities	<u>28,608</u>	<u>-</u>	<u>28,608</u>
Net increase in cash and cash equivalents	2,460,411	-	2,460,411
Cash and cash equivalents, beginning of year	<u>1,977,651</u>	<u>-</u>	<u>1,977,651</u>
Cash and cash equivalents, end of year	<u>\$ 4,438,062</u>	<u>\$ -</u>	<u>\$ 4,438,062</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	<u>\$ (5,022,173)</u>	<u>\$ 409,622</u>	<u>\$ (4,612,551)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	153,057	-	153,057
Donated commodities	495,934	-	495,934
State OPEB contribution	18,461	-	18,461
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:			
Increase in due from other governments	(88,221)	-	(88,221)
Increase in accounts receivable	(10,998)	-	(10,998)
Increase in inventories	(85,357)	-	(85,357)
Decrease in net OPEB asset	3,434	-	3,434
Increase in deferred outflows of resources	(86,264)	-	(86,264)
Decrease in accounts payable and accrued expenses	(263)	-	(263)
Decrease in unearned revenue	(24,374)	-	(24,374)
Increase in compensated absences payable	28,818	-	28,818
Decrease in net pension liability	(889,919)	-	(889,919)
Increase in net OPEB liability	172,078	-	172,078
Increase in deferred inflows of resources	337,655	-	337,655
Total adjustments	<u>24,041</u>	<u>-</u>	<u>24,041</u>
Net cash provided (used) by operating activities	<u>\$ (4,998,132)</u>	<u>\$ 409,622</u>	<u>\$ (4,588,510)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$495,934 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8.

During the fiscal year, the State Health Plan transferred assets to the Retiree Health Benefit Fund as a result of cost savings to the State Health Plan. In accordance with GASB 75, the School Food Service Fund recorded \$18,461 as a nonoperating revenue on Exhibit 8 as a result of this transfer.

Board of Education of Moore County Schools
Statement of Fiduciary Net Position
Fiduciary Fund
June 30, 2022

Exhibit 10

	<u>Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ -
LIABILITIES	
Due to Sandhills Region Education Consortium (SREC)	<u>-</u>
NET POSITION	
Assets held for Sandhills Region Education Consortium (SREC)	<u><u>\$ -</u></u>

Board of Education of Moore County Schools
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2022

Exhibit 11

	<u>Custodial Fund</u>
Additions:	
Membership dues	<u>\$ 158,125</u>
Deductions:	
Salary and benefits	122,252
Purchased services	32,372
Supplies and materials	3,501
Total deductions	<u>158,125</u>
Change in net position	-
Net position, beginning	<u>-</u>
Net position, ending	<u><u>\$ -</u></u>

Notes to Financial Statements

1. Summary of Significant Accounting Policies

The accounting policies of the Board of Education of Moore County Schools (“Board”) 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 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 Moore County, North Carolina. The Board receives state, local, and federal government funding and must adhere to the legal requirements of each funding entity. There are no component units of the Board.

B. Basis of Presentation

Government-wide Statements: The Statement of Net Position (Deficit) and the Statement of Activities display information about the Board. These statements include the financial activities of all nonfiduciary funds of the overall government. 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, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The fiduciary fund 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.

Board of Education of Moore County Schools
Notes to Financial Statements

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 required to be accounted for in another fund. This fund is the “Local Current Expense Fund,” which is mandated by state law [G.S. 115C-426].

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

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

Restricted Revenues Fund. The Restricted Revenues Fund is used to account for activities designated for specific purposes and generally not intended for the general K-12 student population of the Board. Funding is primarily from local and state government grants and private donations received from individual and corporate donors, along with grant monies received directly from the federal government.

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) and it is reported as a capital outlay projects fund. It is mandated by state law [G.S.115C-426]. Capital projects are funded by Moore County appropriations, restricted sales tax moneys, proceeds of county debt issued for public school construction, as well as certain state assistance.

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.

The Board reports the following major enterprise fund:

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

The Board reports the following fiduciary fund:

Custodial Fund. The Custodial Fund is used to account for moneys held for the Sandhills Region Education Consortium (“SREC”) for which the Board is the fiscal agent. During the year ended June 30, 2022, the SREC received its nonprofit and the Board transferred all moneys held directly to the SREC as they are no longer functioning as the fiscal agent.

C. Measurement Focus and Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary 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,

Board of Education of Moore County Schools
Notes to Financial Statements

state, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Board funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is 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, as required by North Carolina General Statutes. No budget is required by state law for individual school funds. All appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the purpose level for all annually budgeted funds. The superintendent is authorized by the governing board to transfer appropriations within a fund without limitation and without a report being made. The superintendent is not authorized to transfer contingency appropriations within a fund, nor may he transfer amounts between funds. 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) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .15 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

The Short-Term Investment Fund (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. It consists of an internal portion and an external portion in which the board participates. Investments are restricted to those enumerated in G.S. 147-69.1

The Board's investments are reported at amortized cost or at fair value determined by either quoted market prices or a matrix pricing model. Bank deposits 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. The STIF is classified as a Level 2 investment on the fair value hierarchy. Investments classified in Level 2 of the fair value hierarchy are valued using prices that are either directly or indirectly observable for an asset or liability. 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.

Board of Education of Moore County Schools
Notes to Financial Statements

(2) Cash and Cash Equivalents

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

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

(4) Capital Assets

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

For capital assets utilized in governmental activities having an estimated useful life of two or more years, it is the policy of the Board to capitalize infrastructure costing more than \$100,000, buildings costing more than \$20,000 and all other capital assets costing more than \$5,000. For capital assets utilized in business-type activities, the Board's policy is to capitalize those assets costing more than \$1,000 with an estimated useful life of two or more years. The cost of normal repairs that do not add to the value of the asset or materially extend asset lives is not capitalized.

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

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

	<u>Years</u>
Buildings and improvements	15 to 50
Equipment and furniture	5 to 12
Vehicles	6
Computer equipment	3

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

Board of Education of Moore County Schools
Notes to Financial Statements

(5) Right to Use Assets

The Board has recorded right to use lease assets as a result of implementing Governmental Accounting Standards Board Statement No. 87, Leases ("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 shorter of the lease term or the useful life of the underlying asset.

(6) Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position (Deficit) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The Board has several items that meet this criterion - a pension and OPEB related deferral and contributions made to the plans subsequent to the measurement date. The Statement of Net Position (Deficit) also reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The Board has two items that meet this criterion – pension and OPEB related deferrals.

(7) 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.

(8) Compensated Absences

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

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.

(9) Net Position (Deficit)

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

(10) Fund Balance

In the governmental fund financial statements, fund balance is composed of four 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.

Board of Education of Moore County Schools
Notes to Financial Statements

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

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

Restricted for Stabilization by State Statute - portion of fund balance that is restricted by State Statute [G.S. 115C-425(a)].

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.

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

Subsequent year's expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the superintendent to transfer amounts between, purpose, program and object codes.

Other special programs – portion of fund balance that will be used by restricted revenues fund activities, as determined by the governing body.

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.

The Board does not have a formal fund balance policy. Therefore, the unassigned fund balance in the General Fund is available for appropriation.

The Board does not have a formal revenue spending policy; however, it is the Board's practice to use resources in the following hierarchy: debt proceeds, federal funds, state funds, local non-Board funds and Board 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.

Board of Education of Moore County Schools
Notes to Financial Statements

F. Reconciliation of Government-wide and Fund Financial Statements

Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position (Deficit).

The governmental fund Balance Sheet includes a reconciliation between *fund balance - total governmental funds* and *net position (deficit) – governmental activities* as reported in the government-wide Statement of Net Position (Deficit). The net adjustment of \$25,432,594 consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 305,148,910
Less: accumulated depreciation	<u>(89,896,124)</u>
Net capital assets	215,252,786
Right to use leased assets used in governmental activities are not financial resources and are therefore not reported in the funds	1,654,012
Less: accumulated amortization	<u>(578,013)</u>
Net right to use assets	1,075,999
Net OPEB asset	68,014
Pension related deferred outflows of resources	22,197,313
OPEB related deferred outflows of resources	18,488,058
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:	
Compensated absences	(7,688,103)
Installment financing	(435,961)
Lease liabilities	(1,071,596)
Net pension liability	(22,039,257)
Net OPEB liability	(126,354,905)
Deferred inflows of resources related to pensions	(29,660,540)
Deferred inflows of resources related to OPEB	<u>(44,399,214)</u>
Total adjustment	<u>\$ 25,432,594</u>

Board of Education of Moore County Schools
Notes to Financial Statements

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 \$12,543,214 as follows:

<u>Description</u>	<u>Amount</u>
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 2,775,053
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	(7,228,770)
Amortization expense for right to use assets	(578,013)
Principal payments on leases and installment financing are recorded as a use of funds on the fund statements but affect only the Statement of Net Position (Deficit) in the government-wide statements	1,119,700
Proceeds on installment financing are recorded as receipts of funds on the fund statements but affect only the Statement of Net Position (Deficit) in the government-wide statements	(289,925)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	12,698,424
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,898,212
Loss from disposal of capital assets	(469,573)
Proceeds from disposal of capital assets	(1,970,843)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Net OPEB benefit	5,635,990
Contributions from the State Health Plan to the OPEB Plan	762,888

Board of Education of Moore County Schools
Notes to Financial Statements

<u>Description</u>	<u>Amount</u>
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	\$ (4,923,814)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(218,717)
Adjustment due to the use of the consumption method of recording inventories in the government-wide statements	<u>332,602</u>
Total adjustment	<u>\$ 12,543,214</u>

G. Defined Benefit Pension Plans and OPEB Plans

For purposes of measuring the net pension liability and OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension expense and OPEB expense and/or benefit, 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.

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 the adequacy of their pooled collateral covering uninsured deposits to the State Treasurer. The State Treasurer does not confirm this information with the Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Board has no policy regarding custodial credit risk for deposits.

At June 30, 2022, the Board had deposits with banks with a carrying amount of \$12,433,117 and with the State Treasurer of \$3,735,420. The bank balances with the financial institutions and the State Treasurer were \$12,510,572 and \$3,985,902, respectively. Of these balances, \$2,437,137 was covered by federal depository insurance and \$14,059,337 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. At June 30, 2022, the Board's petty cash totaled \$1,068.

Board of Education of Moore County Schools
Notes to Financial Statements

(2) Investments

At June 30 2022, the Board had \$7,748,315 invested with the State Treasurer in the Short Term Investment Fund (STIF). The STIF is classified as a Level 2 fair value investment.

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 STIF had a weighted average maturity of 0.9 years as of June 30, 2022.

Credit Risk. The STIF is unrated and is authorized under North Carolina General Statute 147-69.1. The STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries and agencies, and money market instruments. The Board has no policy on credit risk.

Concentration of Credit Risk. The Board places no limit on the amount the Board may invest in any one issuer.

(3) Receivables

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

	Due from other governments	Other	Total
Governmental activities:			
General Fund	\$ -	\$ -	\$ -
Other governmental activities	<u>67</u>	<u>20,506</u>	<u>20,573</u>
Total	<u>\$ 67</u>	<u>\$ 20,506</u>	<u>\$ 20,573</u>
Business-type activities:			
School Food Service	<u>\$ 231,527</u>	<u>\$ 44,579</u>	<u>\$ 276,106</u>

Due from other governments consists of the following:

Governmental activities:		
Capital Outlay Fund	<u>\$ 67</u>	County capital appropriations
Business-type activities:		
School Food Service Fund	<u>\$ 231,527</u>	Federal grant funds

Board of Education of Moore County Schools
Notes to Financial Statements

(4) Capital Assets

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

	<u>Beginning Balances</u>	<u>Transfers</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,883,061	\$ -	\$ -	\$ 42,219	\$ 4,840,842
Construction in progress	14,166,169	(15,680,754)	1,531,252	-	16,667
Total capital assets not being depreciated	<u>19,049,230</u>	<u>(15,680,754)</u>	<u>1,531,252</u>	<u>42,219</u>	<u>\$ 4,857,509</u>
Capital assets being depreciated:					
Buildings and improvements	267,360,043	15,400,223	427,027	9,098,220	274,089,073
Equipment and furniture	11,026,557	280,531	226,013	213,695	11,319,406
Vehicles	13,254,857	-	534,776	42,000	13,747,633
Computers	1,079,304	-	55,985	-	1,135,289
Total capital assets being depreciated	<u>292,720,761</u>	<u>15,680,754</u>	<u>1,243,801</u>	<u>9,353,915</u>	<u>300,291,401</u>
Less accumulated depreciation for:					
Buildings and improvements	68,601,319	-	5,653,085	6,700,023	67,554,381
Equipment and furniture	9,039,644	-	844,439	213,695	9,670,388
Vehicles	10,946,348	-	693,923	42,000	11,598,271
Computers	1,035,761	-	37,323	-	1,073,084
Total accumulated depreciation	<u>89,623,072</u>	<u>-</u>	<u>7,228,770</u>	<u>6,955,718</u>	<u>89,896,124</u>
Total capital assets being depreciated, net	<u>203,097,689</u>				<u>210,395,277</u>
Governmental activity capital assets, net	<u>\$ 222,146,919</u>				<u>\$ 215,252,786</u>
Business-type activities:					
School Food Service Fund:					
Capital assets being depreciated:					
Equipment, furniture, and vehicles	\$ 3,585,189	\$ -	\$ 18,895	\$ 509,701	\$ 3,094,383
Less accumulated depreciation					
Equipment, furniture, and vehicles	2,425,062	-	153,057	509,701	\$ 2,068,418
Business-type activities capital assets, net	<u>\$ 1,160,127</u>				<u>\$ 1,025,965</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 6,662,886
Regular instructional programs	67,323
Operational support services	498,561
Total	<u>\$ 7,228,770</u>

Board of Education of Moore County Schools
Notes to Financial Statements

(5) Right to Use Leased Assets

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

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

	<u>Beginning Balances, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Right to use assets:				
Leased equipment	\$ 1,654,012	\$ -	\$ -	\$ 1,654,012
Less accumulated amortization:				
Leased equipment	-	578,013	-	578,013
Right to use assets, net	<u>\$ 1,654,012</u>	<u>578,013</u>	<u>-</u>	<u>\$ 1,075,999</u>

Amortization of right to use leased assets was charged to regular instructional services in the Statement of Activities.

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

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

Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate was 14.78 percent of covered payroll from July 1, 2021 to December 31, 2021 and 17.97 percent of covered payroll from January 1, 2022 to June 30, 2022. These actuarially determined contribution rates were determined as an amount that, when combined with employee contributions, are expected to finance the costs of benefits earned during the year. Contributions to the pension plan from the Board were \$13,005,709 for the year ended June 30, 2022.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2022, the Board reported a liability of \$22,460,564 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2022 and at June 30, 2021, the Board's proportion was 0.4797% and 0.4977%, respectively.

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For the year ended June 30, 2022, the Board recognized pension expense of \$5,041,508. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,262,537	\$ 510,104
Changes of assumptions	8,425,199	-
Net difference between projected and actual earnings on pension plan investments.	-	27,828,919
Changes in proportion and differences between Board contributions and proportionate share of contributions	10,485	2,036,816
Board contributions subsequent to the measurement date	<u>13,005,709</u>	<u>-</u>
Total	<u>\$ 22,703,930</u>	<u>\$ 30,375,839</u>

The Board reported \$13,005,709 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2023	\$ (3,517,300)
2024	(4,086,790)
2025	(4,538,510)
2026	<u>(8,535,018)</u>
	<u>\$ (20,677,618)</u>

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

Inflation	2.5%
Salary increases	3.25 % to 8.05%, including inflation and productivity factor
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables (RP-2014 Total Data Set Mortality Table) that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The assumptions used for the December 31, 2020 actuarial valuation are based on the 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

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measurement. 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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Totals	<u>100.0%</u>	

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.5%. 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 Liability 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 6.5%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	<u>1% Decrease (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase (7.5%)</u>
Board's proportionate share of the net pension liability	\$ 75,341,194	\$ 22,460,564	\$(21,496,495)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

(b) Other Postemployment Healthcare Benefits

1. Healthcare Benefits

Plan description. The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by Chapter 135, Article 1. 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 [\[https://www.osc.nc.gov/public-information/reports\]](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 135-7, 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.

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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. The Board’s contractually required contribution rate was 6.68 percent of covered payroll from July 1, 2021 to December 31, 2022 and 5.90 percent of covered payroll from January 1, 2022 to June 30, 2022. Board contributions to the plan were \$4,945,707 for the year ended June 30, 2022. During 2022, the North Carolina State Health Plan (SHP) contributed \$187 million to the Retiree Health Benefit Fund. In accordance with GASB, the Board recognized revenue of \$781,349 as a result of this non-employer contribution.

OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB

At June 30, 2022, Board reported a liability of \$129,175,477 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The total OPEB liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board’s proportion of the net OPEB liability was based on a projection of the Board’s present value of future salary, actuarially determined. At June 30, 2022 and 2021, the Board’s proportion was 0.4178% and 0.4394%, respectively.

The Board reported \$4,945,707 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2023	\$ 16,406,932
2024	8,705,637
2025	2,965,139
2026	3,662,379
2027	<u>(64,063)</u>
	<u>\$ 31,676,024</u>

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

Inflation	2.5%
Salary increases based on service	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	6.5%
Healthcare cost trend rates:	
Medical	5.0% to 6.0%
Prescription drug	5.0% to 9.5%
Administrative costs	3.0%
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

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

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

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Net OPEB liability	\$153,652,353	\$129,175,477	\$109,351,962

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 Board’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point.

	1% Decrease Medical - 5.5%, Pharmacy – 6.25%, Administrative - 2.0%	Healthcare Trend Rates Medical - 6.5%, Pharmacy – 7.25%, Administrative - 3.0%	1% Increase Medical - 7.5%, Pharmacy – 8.25% Administrative – 4.0%
Net OPEB liability	\$ 104,601,351	\$ 129,175,477	\$ 161,763,378

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

2. Disability Benefits

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

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

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

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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.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from the TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under the Teachers' and State Employees' Retirement System or the University Employees' Optional Retirement Program.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions. Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal year ended June 30, 2022, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$71,035 for the year ended June 30, 2022.

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

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OPEB Assets, OPEB Expense, and Deferred Outflows and Inflows of Resources of Related to OPEB

At June 30, 2022, the Board reported an asset of \$69,318 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The total OPEB asset was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2022 and 2021, the Board's proportion was 0.4244% and 0.4363%, respectively.

The Board reported \$71,035 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>		
2023	\$	47,353
2024		32,916
2025		42,107
2026		20,460
2027		8,246
Thereafter		<u>24,467</u>
	<u>\$</u>	<u>175,549</u>

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

Inflation	2.5%
Salary increases	3.25% to 8.05%, including inflation and productivity factor
Investment rate of return	3.00%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB asset, as well as what the Board's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1 percentage point lower (2.0 percent) or 1 percentage point higher (4.0 percent) than the current discount rate:

	<u>1% Decrease (2.00%)</u>	<u>Discount Rate (3.00%)</u>	<u>1% Increase (4.00%)</u>
Net DIPNC OPEB asset	\$ 43,766	\$ 69,318	\$ 92,956

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

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

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges 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 and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Totals	<u>100.0%</u>	

Total OPEB Expense, OPEB Liabilities, and Deferred Outflows and Inflows of Resources of Related to OPEB

Following is information related to the proportionate share and OPEB expense:

	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
OPEB (benefit) expense	\$ (5,926,559)	\$ 154,136	\$ (5,772,423)
OPEB liability (asset)	129,175,477	(69,318)	129,106,159
Proportionate share of the net OPEB liability (asset)	0.418%	0.424%	
Deferred outflows of resources			
Differences between expected and actual experience	762,633	176,742	939,375
Changes of assumptions	10,565,442	12,171	10,577,613
Net difference between projected and actual earnings on pension plan investments	-	6,765	6,765
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,346,460	10,022	2,356,482
Employer contributions subsequent to the measurement date	4,945,707	71,035	5,016,742
Total	<u>\$ 18,620,242</u>	<u>\$ 276,735</u>	<u>\$ 18,896,977</u>

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	<u>RHBF</u>	<u>DIPNC</u>	<u>Total</u>
Deferred inflows of resources			
Differences between expected and actual experience	\$ 2,404,557	\$ -	\$ 2,404,557
Changes of assumptions	31,392,448	25,166	31,417,614
Net difference between projected and actual earnings on pension plan investments	66,078	-	66,078
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,487,476	4,985	11,492,461
Employer contributions subsequent to the measurement date	-	-	-
Total	<u>\$ 45,350,559</u>	<u>\$ 30,151</u>	<u>\$ 45,380,710</u>

(2) Payables

Payables as of June 30, 2022 are as follows:

	<u>Vendors</u>	<u>Salaries and benefits</u>	<u>Total</u>
Governmental activities:			
General	\$ 907,710	\$ 393,601	\$ 1,301,311
Other governmental	<u>13,809</u>	<u>-</u>	<u>13,809</u>
Total governmental activities	<u>\$ 921,519</u>	<u>\$ 393,601</u>	<u>\$ 1,315,120</u>
Business-type activities:			
School Food Service	<u>\$ 6,137</u>	<u>\$ -</u>	<u>\$ 6,137</u>

In addition, due to other governments totaled \$497,997 in the State Public School Fund for excess appropriations made to the Board by the North Carolina Department of Public Instruction.

(3) Unearned Revenues

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

Business-type activities:	
Prepayments of meals (School Food Service Fund)	<u>\$ 68,202</u>

Board of Education of Moore County Schools
Notes to Financial Statements

(4) Deferred Outflows and Inflows of Resources

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,201,912	\$ 2,914,661
Changes of assumptions	19,002,812	31,417,614
Difference between projected and actual earnings on plan investments	6,765	27,894,997
Change in proportion and differences between employer contributions and proportionate share of contributions	2,366,967	13,529,277
Board contributions subsequent to the measurement date	<u>18,022,451</u>	<u>-</u>
Totals	<u>\$ 41,600,907</u>	<u>\$ 75,756,549</u>

(5) Risk Management

The Board is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board participates in the North Carolina School Boards Trust (the Trust), a member funded risk management program administered by the North Carolina School Boards Association. Through the Trust, the Board maintains general liability and errors and omissions coverage of \$1 million per claim. The Trust has an annual aggregate limit for general liability of \$2,550,000 and an annual aggregate limit of \$2,550,000 for errors and omissions claims. The Trust is reinsured through commercial companies for losses in excess of \$150,000 per claim for errors and omissions and general liability coverage. The Board maintains workers' compensation coverage through Surry Insurance up to the statutory limits for employees to the extent they are paid from federal and local funds. The state of North Carolina provides workers' compensation for employees to the extent they are paid from state funds. The board also participates in the Public School Insurance Fund (the Fund), a voluntary, self-insured risk control and risk financing fund administered by the North Carolina Department of Public Instruction. The Fund insures the tangible property assets of the Board. Coverage is provided on an "all risk" perils contract. Buildings and contents are insured on a replacement cost basis. The Fund purchases excess reinsurance to protect the assets of the Fund in the event of a catastrophic event. The Fund maintains a self-insured retention of \$10 million. Excess reinsurance is purchased through commercial insurers. A limit of \$5 million per occurrence is provided on Flood, Earthquake, Business Interruption, and Extra Expense. \$10 million per occurrence is provided on Increased Cost of Construction.

The Board does not carry supplemental flood insurance in case of natural disasters since there are no Board owned properties in flood zones.

The Board also participates in the Teachers' and State Employees' Comprehensive Major Medical Plan, a self-funded risk financing pool of the state administered by Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full-time employees of the Board are eligible to receive health care benefits up to a \$5 million lifetime limit. The Board pays the full 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 are performance bonded through a commercial surety bond. The finance officer is bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond of \$20,000 per employee.

Board of Education of Moore County Schools
Notes to Financial Statements

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

(6) Contingent Liabilities

At June 30, 2022, the Board was a defendant to various lawsuits. In the opinion of the Board’s management and the Board’s attorneys, the ultimate effect of these legal matters will not have a material adverse effect on the Board’s financial position.

(7) Long-Term Obligations

(a) **Leases**

The Board has entered into six 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 agreements were executed before July 1, 2021, range in terms from 36 to 60 months, and require monthly or annual payments in accordance with the respective contract. There are no variable payment components of the leases. The lease liability was measured using discount rates ranging from 2.6% to 3.52%.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2022, were as follows:

Governmental Activities			
Year Ending			
June 30,	Principal	Interest	Total
2023	\$ 563,363	\$ 27,842	\$ 591,205
2024	508,233	11,620	519,853
	<u>\$ 1,071,596</u>	<u>\$ 39,462</u>	<u>\$ 1,111,058</u>

(b) **Installment Purchases**

The Board is authorized to finance the purchase of school buses under G.S. 115C-528(a). Session law 2003-284, section 7.25 authorized the State Board of Education to allot 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 by Bank of America Public Capital Corp at total payments less than the purchase price. During the fiscal years ended June 30, 2019 and June 30, 2022, the Board entered into installment purchase contracts to finance the purchase of the school buses. The buses are pledged as collateral for the debt while the debt is outstanding. The financing contracts require only principal payments at the beginning of each contract year.

The future minimum payments of the installment purchase as of June 30, 2022 is are follows:

<u>Year Ending</u> <u>June 30</u>	
2023	\$ 268,267
2024	<u>167,694</u>
	<u>\$ 435,961</u>

Board of Education of Moore County Schools
Notes to Financial Statements

(b) Long-Term Obligation Activity

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

	<u>Beginning Balances, as Restated</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement					
installment purchases	\$ 683,320	\$ 289,925	\$ 537,284	\$ 435,961	\$ 268,267
Net pension liability	58,814,832	-	36,775,575	22,039,257	-
Net OPEB liability	119,243,880	7,111,025	-	126,354,905	-
Lease liabilities	1,654,012	-	582,416	1,071,596	563,363
Compensated absences	<u>7,469,386</u>	<u>5,501,697</u>	<u>5,282,980</u>	<u>7,688,103</u>	<u>3,131,280</u>
Total	<u>\$ 187,865,430</u>	<u>\$ 12,902,647</u>	<u>\$ 43,178,255</u>	<u>\$ 157,589,822</u>	<u>\$ 3,962,910</u>
Business-type activities:					
Net pension liability	\$ 421,691	-	\$ 889,919	\$ 421,307	-
Net OPEB liability	2,820,497	172,078	-	2,820,572	-
Compensated absences	<u>152,524</u>	<u>168,587</u>	<u>139,769</u>	<u>181,342</u>	<u>78,932</u>
Total	<u>\$ 3,394,712</u>	<u>\$ 340,665</u>	<u>\$ 1,029,688</u>	<u>\$ 3,423,221</u>	<u>\$ 78,932</u>

Compensated absences, net pension liability, lease liabilities, and net OPEB liabilities for governmental activities are typically liquidated by the State Public School Fund, General Fund, and Capital Outlay Fund.

(8) Interfund Balances and Activity

Transfers to/from other funds at June 30, 2022 consist of the following:

From the Child Care Fund to the Individual Schools Fund for co-curricular costs	<u>\$ 409,622</u>
From the State Public School Fund to the School Food Service Fund for additional salaries	<u>\$ 45,000</u>
From the Federal Grants Fund to the School Food Service Fund to cover COVID-19 related costs	<u>\$ 100,000</u>
From the Individual Schools Fund to the Restricted Revenues Fund for technology fees collected by the schools	<u>\$ 130,207</u>
From the Individual Schools Fund to the General Fund for copier fees collected by the schools	<u>\$ 261,555</u>
From the Federal Grants Fund to the Restricted Revenues Fund for indirect costs	<u>\$ 180,992</u>

Balances due to/from other funds at June 30, 2022 consist of the following:

From the Restricted Revenues Fund to the Individual School Fund for investments in STIF	<u>\$ 667,669</u>
From the General Fund to the Restricted Revenues Fund for investments in STIF	<u>\$ 3,708,900</u>

**Board of Education of Moore County Schools
Notes to Financial Statements**

C. Fund Balance

The Board of Education has a revenue spending policy that provides a policy for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: revenues restricted as to use and secondly general unrestricted revenues.

Restrictions for the stabilization by state statute is required by the North Carolina General Statutes. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as “restricted by state statute.” The formula is “appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.

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	\$ 4,774,592
Less:	
Inventories	656,366
Appropriated Fund Balance in 2022-23 Budget	<u>2,100,000</u>
Remaining Fund Balance	<u>\$ 2,018,226</u>

Encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

<i>Encumbrances</i>	<i>General Fund</i>	<i>Capital Outlay Fund</i>	<i>Non-Major Funds</i>
	\$ 0	\$ 0	\$ 0

3. Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

4. Change in Accounting Principle

Effective July 1, 2021, the Board implemented accounting and financial reporting requirements of GASB 87. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use the underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. At July 1, 2021, the Board recognized right to use assets of \$1,654,012 and lease liabilities of \$1,654,012. There was no effect to net position as a result of the adoption of this statement.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

- Schedule of the 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 Proportionate Share of the Net OPEB Liability – Retiree Health Benefit Fund
- Schedule of Board Contributions – Retiree Health Benefit Fund
- Schedule of the Proportionate Share of the Net OPEB Asset – Disability Income Plan of North Carolina
- Schedule of Board Contributions – Disability Income Plan of North Carolina

**Board of Education of Moore County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net Pension Liability
Teachers' and State Employees' Retirement System
Last Nine Fiscal Years***

Schedule 1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Board's proportion of the net pension liability	0.4797%	0.4977%	0.5012%	0.4959%	0.5074%	0.5069%	0.4871%	0.4846%	0.4889%
Board's proportionate share of the net pension liability	\$ 22,460,564	\$ 60,126,058	\$ 51,961,262	\$ 49,374,237	\$ 40,257,767	\$ 46,587,508	\$ 17,949,125	\$ 5,681,083	\$ 29,675,412
Board's covered payroll	\$ 74,282,018	\$ 75,596,199	\$ 75,866,969	\$ 72,158,189	\$ 70,335,672	\$ 69,445,508	\$ 68,355,417	\$ 65,727,081	\$ 67,156,722
Board's proportionate share of the net pension liability as a percentage of its covered payroll	30.24%	79.54%	68.49%	68.42%	57.24%	67.08%	26.26%	8.64%	44.19%
Plan fiduciary net position as a percentage of the total pension liability	94.86%	92.01%	91.89%	89.51%	87.32%	94.64%	98.24%	90.60%	90.60%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

**Board of Education of Moore County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Teachers' and State Employees' Retirement System
Last Ten Fiscal Years**

Schedule 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 13,005,709	\$ 10,807,704	\$ 9,635,986	\$ 9,143,585	\$ 7,630,852	\$ 6,895,240	\$ 6,215,096	\$ 6,124,235	\$ 5,598,964	\$ 5,491,510
Contributions in relation to the contractually required contribution	13,005,709	10,807,704	9,635,986	9,143,585	7,630,852	6,895,240	6,215,096	6,124,235	5,598,964	5,491,510
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 80,178,022	\$ 74,282,018	\$ 75,596,199	\$ 75,866,969	\$ 72,158,189	\$ 70,335,672	\$ 69,445,508	\$ 68,355,417	\$ 65,727,081	\$ 67,156,722
Contributions as a percentage of covered payroll	16.22%	14.55%	12.75%	12.05%	10.58%	9.80%	8.95%	8.96%	8.52%	8.18%

**Board of Education of Moore County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Liability
Retiree Health Benefit Fund
Last Six Fiscal Years***

Schedule 3

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability	0.4178%	0.4394%	0.4367%	0.4436%	0.4624%	0.4368%
Board's proportionate share of the net OPEB liability	\$ 129,175,477	\$ 121,892,374	\$ 138,173,080	\$ 126,359,923	\$ 151,611,555	\$ 190,023,492
Board's covered payroll	\$ 74,282,018	\$ 75,596,199	\$ 75,866,969	\$ 72,158,189	\$ 70,335,672	\$ 69,445,508
Board's proportionate share of the net OPEB liability as a percentage of its covered payroll	173.90%	161.24%	182.13%	175.12%	215.55%	273.63%
Plan fiduciary net position as a percentage of the total OPEB liability	7.72%	4.40%	3.52%	3.52%	2.41%	2.41%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

**Board of Education of Moore County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Retiree Health Benefit Fund
Last Ten Fiscal Years**

Schedule 4

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 4,945,707	\$ 4,884,673	\$ 4,806,849	\$ 4,664,791	\$ 4,282,470	\$ 4,114,308	\$ 3,822,094	\$ 3,674,541	\$ 3,479,218	\$ 3,493,998
Contributions in relation to the contractually required contribution	<u>4,945,707</u>	<u>4,884,673</u>	<u>4,806,849</u>	<u>4,664,791</u>	<u>4,282,470</u>	<u>4,114,308</u>	<u>3,822,094</u>	<u>3,674,541</u>	<u>3,479,218</u>	<u>3,493,998</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 80,178,022	\$ 74,282,018	\$ 75,596,199	\$ 75,866,969	\$ 72,158,189	\$ 70,335,672	\$ 69,445,508	\$ 68,355,417	\$ 65,727,081	\$ 67,156,722
Contributions as a percentage of covered payroll	6.17%	6.58%	6.36%	6.15%	5.93%	5.85%	5.50%	5.38%	5.29%	5.20%

**Board of Education of Moore County Schools
Schedules of Required Supplementary Information
Schedule of the Board's Proportionate Share of the Net OPEB Asset
Disability Income Plan of North Carolina
Last Six Fiscal Years***

Schedule 5

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.4244%	0.4363%	0.4426%	0.4391%	0.4482%	0.4524%
Board's proportionate share of the net OPEB asset	\$ 69,318	\$ 214,638	\$ 190,986	\$ 133,381	\$ 273,946	\$ 280,989
Board's covered payroll	\$ 74,282,018	\$ 75,596,199	\$ 75,866,969	\$ 72,158,189	\$ 70,335,672	\$ 69,445,508
Board's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.09%	0.28%	0.25%	0.18%	0.39%	0.40%
Plan fiduciary net position as a percentage of the net OPEB asset	105.18%	116.47%	116.37%	116.23%	116.06%	117.06%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.
Ten years of data not available.

**Board of Education of Moore County Schools
Schedules of Required Supplementary Information
Schedule of Board Contributions
Disability Income Plan of North Carolina
Last Ten Fiscal Years**

Schedule 6

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contribution	\$ 71,035	\$ 65,811	\$ 74,294	\$ 104,158	\$ 99,098	\$ 259,707	\$ 279,832	\$ 274,419	\$ 283,492	\$ 290,068
Contributions in relation to the contractually required contribution	<u>71,035</u>	<u>65,811</u>	<u>74,294</u>	<u>104,158</u>	<u>99,098</u>	<u>259,707</u>	<u>279,832</u>	<u>274,419</u>	<u>283,492</u>	<u>290,068</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Board's covered payroll	\$ 80,178,022	\$ 74,282,018	\$ 75,596,199	\$ 75,866,969	\$ 72,158,189	\$ 70,335,672	\$ 69,445,508	\$ 68,355,417	\$ 65,727,081	\$ 67,156,722
Contributions as a percentage of covered payroll	0.09%	0.09%	0.10%	0.14%	0.14%	0.37%	0.40%	0.40%	0.43%	0.43%



Individual Fund Statements and Schedules

Board of Education of Moore County Schools
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
Capital Outlay Fund
For the Fiscal Year Ended June 30, 2022

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 537,284	\$ 537,284	\$ -
State capital infrastructure fund	-	128,414	128,414
Moore County:			
General county revenues	750,000	750,000	-
Other:			
Other local	-	127,793	127,793
Disposition of school property	-	1,970,843	1,970,843
Total revenues	<u>1,287,284</u>	<u>3,514,334</u>	<u>2,227,050</u>
Expenditures:			
Debt service:			
Principal retirements	1,685,469	537,284	1,148,185
Interest	-	-	-
Capital outlay:			
Land, buildings, and site improvements		692,088	
Furnishings and equipment		165,724	
Vehicles and other		409,769	
Total capital outlay	<u>1,267,625</u>	<u>1,267,581</u>	<u>44</u>
Total expenditures	<u>2,953,094</u>	<u>1,804,865</u>	<u>1,148,229</u>
Revenues under expenditures	<u>(1,665,810)</u>	<u>1,709,469</u>	<u>3,375,279</u>
Other financing sources:			
Installment purchase obligations issued	<u>1,438,110</u>	<u>289,925</u>	<u>(1,148,185)</u>
Fund balance appropriated	<u>227,700</u>	<u>-</u>	<u>(227,700)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,999,394</u>	<u>\$ 1,999,394</u>
Fund balance:			
Beginning of year		<u>2,919,822</u>	
End of year		4,919,216	
Amounts reported on the Statement of Revenue, Expenditures and Changes in Fund Balance are different from the Budget and Actual Statement due to capital outlay activity incurred by Moore County on behalf of the Board:			
Capital outlay contributed to the Board		3,084,131	
County expenditures - financed through public school bonds		(3,055,790)	
County expenditures - financed through Public School Building Capital Fund - Lottery Funds		<u>(28,341)</u>	
Fund balance, end of year		<u>\$ 4,919,216</u>	

Board of Education of Moore County Schools
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
School Food Service Fund
For the Fiscal Year Ended June 30, 2022

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Food sales	\$ 1,635,000	\$ 352,854	\$ (1,282,146)
Operating expenditures:			
Business support services:			
Purchase of food		1,680,282	
Donated commodities		495,934	
Salaries and benefits		3,148,670	
Materials and supplies		357,844	
Repairs and maintenance		12,922	
Contracted services		11,191	
Non-capitalized equipment		22,821	
Other		30,756	
Total business support services	<u>6,133,000</u>	<u>5,760,420</u>	<u>372,580</u>
Operating loss	<u>(4,498,000)</u>	<u>(5,407,566)</u>	<u>(909,566)</u>
Nonoperating revenues:			
Federal reimbursements		7,303,830	
Federal commodities		495,934	
Other		25,342	
Interest earned		3,266	
Total nonoperating revenues	<u>4,453,000</u>	<u>7,828,372</u>	<u>3,375,372</u>
Excess of revenues under expenditures before other financing sources	(45,000)	2,420,806	2,465,806
Other financing sources:			
Transfers from other funds	<u>45,000</u>	<u>145,000</u>	<u>100,000</u>
Excess of expenditures over revenues	<u>\$ -</u>	2,565,806	<u>\$ 2,565,806</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(153,057)	
Equipment purchases		18,895	
State OPEB Contribution		18,461	
Increase in inventories		85,357	
Decrease in net OPEB asset		(3,434)	
Increase in deferred outflows of resources		86,264	
Increase in compensated absences payable		(28,818)	
Decrease in net pension liability		889,919	
Increase in net OPEB liability		(172,078)	
Increase in deferred inflows of resources		<u>(337,655)</u>	
Change in net deficit (full accrual)		<u>\$ 2,969,660</u>	

Board of Education of Moore County Schools
 Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
 Child Care Fund
 For the Fiscal Year Ended June 30, 2022

Schedule 9

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Operating revenues:			
Child care fees	\$ 750,000	\$ 816,870	\$ 66,870
Operating expenditures:			
Regular community service:			
Salaries and benefits	407,248	407,248	-
Excess of revenues over expenditures before other financing uses	342,752	409,622	66,870
Other financing uses:			
Transfers to other funds	(342,752)	(409,622)	(66,870)
Revenues over (under) expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Statistical Section

STATISTICAL SECTION (UNAUDITED)

This section of the Board's Annual Comprehensive Financial Report presents detailed information for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Board's overall financial health.

CONTENTS

Financial Trends

These schedules contain trend information to help the reader understand how the Board's financial position has changed over time.

Revenue Capacity

As the Board's revenues are derived primarily from property taxes assessed by Moore County, these schedules contain information to help the reader assess the underlying financial sources of revenues.

Debt Capacity

As the Board's school construction funding is derived from and is principally held by Moore County, these schedules present information to help the reader assess the affordability of Moore County's current levels of outstanding debt and their ability to issue additional debt.

Demographic and Economic Information

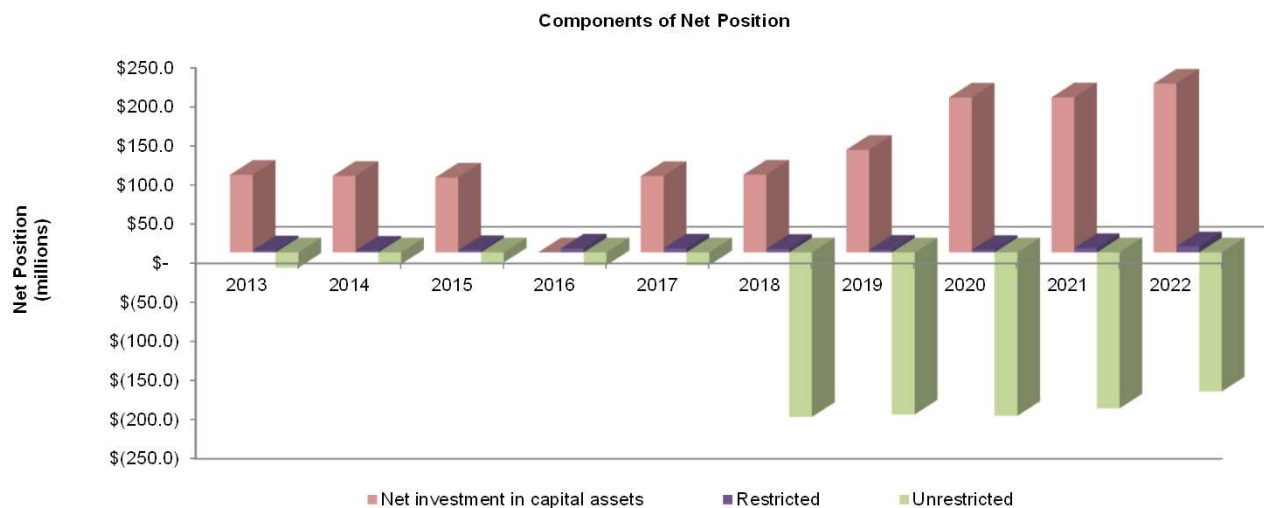
These schedules offer demographic and economic indicators to help the reader understand the environment in which the Board's financial activities are conducted.

Operating Information

These schedules contain staffing, key operating statistics, and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

Board of Education of Moore County Schools
Government-Wide - Net Position (Deficit) by Component
Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net investment in capital assets	\$ 94,437,917	\$ 98,964,946	\$ 97,717,459	\$ 95,662,149	\$ 97,564,036	\$ 99,445,548	\$ 131,152,831	\$ 197,636,773	\$ 221,463,599	\$ 214,821,228
Restricted	1,764,257	2,520,812	2,303,314	2,941,350	5,053,399	4,622,632	3,305,894	3,181,068	5,553,782	7,787,238
Unrestricted	3,778,723	(20,881,713)	(16,346,459)	(14,300,996)	(17,854,581)	(207,988,313)	(205,231,514)	(206,775,650)	(197,377,939)	(178,832,192)
Total net position (deficit)	99,980,897	80,604,045	83,674,314	84,302,503	84,762,854	(103,920,133)	(70,772,789)	(5,957,809)	29,639,442	43,776,274
Business-Type Activities										
Net investment in capital assets	387,002	312,329	190,103	105,563	52,903	10,764	9,075	439,579	1,160,127	1,025,965
Restricted	-	-	-	-	-	5,994	3,048	4,194	4,738	1,304
Unrestricted	1,823,464	1,323,778	1,303,933	1,430,703	1,470,522	(2,590,300)	(2,295,052)	(2,468,586)	(2,323,379)	783,877
Total net position (deficit)	2,210,466	1,636,107	1,494,036	1,536,266	1,523,425	(2,573,542)	(2,282,929)	(2,024,813)	(1,158,514)	1,811,146
Total Primary Government										
Net investment in capital assets	99,277,275	97,907,562	95,767,712	-	97,616,939	99,456,312	131,161,906	198,076,352	198,112,130	215,847,193
Restricted	2,520,812	2,303,314	2,941,350	5,053,399	5,053,399	4,628,626	3,308,942	3,185,262	5,558,520	7,788,542
Unrestricted	(19,557,935)	(15,042,526)	(12,870,293)	(16,384,059)	(16,384,059)	(210,578,613)	(207,526,566)	(209,244,236)	(199,701,318)	(178,048,315)
Total net position (deficit)	\$102,191,363	\$ 82,240,152	\$ 85,168,350	\$ 85,838,769	\$ 86,286,279	\$ (106,493,675)	\$ (73,055,718)	\$ (7,982,622)	\$ 28,480,928	\$ 45,587,420



Certain reclassifications were made to the governmental activities net assets in the periods prior to June 30, 2011 based on the guidance issued under GASB No. 54. The Board implemented GASB No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, as of and for the year ended June 30, 2018.

Board of Education of Moore County Schools
Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue
Last Ten Fiscal Years

	2013	2014	2015	2016
Expenses				
Governmental activities:				
Instructional programs	\$ 88,415,171	\$ 85,252,288	\$ 83,732,800	\$ 86,377,847
System-wide support services	21,046,565	20,969,775	21,396,449	20,653,772
Ancillary Services	52,346	32,480	-	-
Non-programmed charges	672,453	750,630	868,210	1,036,153
Interest on long-term debt	1,816	-	-	-
Unallocated depreciation expense	3,425,084	2,266,594	3,676,490	3,402,437
Total governmental activities expenses	<u>113,613,435</u>	<u>109,271,767</u>	<u>109,673,949</u>	<u>111,470,209</u>
Business-type activities:				
School food service	5,039,864	4,894,352	4,698,747	4,866,460
Child care	463,396	420,404	416,058	450,868
Total business-type activities expense	<u>5,503,260</u>	<u>5,314,756</u>	<u>5,114,805</u>	<u>5,317,328</u>
Total school district expenses	<u>119,116,695</u>	<u>114,586,523</u>	<u>114,788,754</u>	<u>116,787,537</u>
Program revenues				
Governmental activities:				
Charges for services:				
School-based support	3,879,374	4,600,367	4,907,425	5,131,853
Operating grants and contributions	74,707,804	74,015,512	76,320,453	77,075,968
Capital grants and contributions	1,120,038	690,115	643,267	154,538
Total governmental activities program revenue	<u>79,707,216</u>	<u>79,305,994</u>	<u>81,871,145</u>	<u>82,362,359</u>
Business-type activities:				
Charges for services	2,101,236	2,059,654	1,865,596	2,108,407
Operating grants and contributions	3,395,029	3,348,364	3,261,914	3,399,115
Capital grants and contributions	-	-	-	-
Total business-type activities program revenue	<u>5,496,265</u>	<u>5,408,018</u>	<u>5,127,510</u>	<u>5,507,522</u>
Total school district program revenues	<u>85,203,481</u>	<u>84,714,012</u>	<u>86,998,655</u>	<u>87,869,881</u>
Net (expense) revenue				
Governmental activities	(33,906,219)	(29,965,773)	(27,802,804)	(29,107,850)
Business-type activities	<u>(6,995)</u>	<u>93,262</u>	<u>12,705</u>	<u>190,194</u>
Total school district net (expense) revenue	<u>\$ (33,913,214)</u>	<u>\$ (29,872,511)</u>	<u>\$ (27,790,099)</u>	<u>\$ (28,917,656)</u>

Board of Education of Moore County Schools
Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue
Last Ten Fiscal Years

(Continued)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 92,727,719	\$ 102,176,474	\$ 95,725,444	\$ 100,905,904	\$ 96,384,001	\$94,666,011
21,243,718	24,060,722	21,425,426	26,240,015	27,348,239	29,790,346
11,722	13,820	88,220	298,697	407,414	282,565
1,238,723	1,576,934	1,863,656	2,245,702	2,635,623	2,698,313
-	-	-	-	-	13,762
3,924,812	4,157,778	4,216,186	4,488,939	5,976,705	6,662,886
<u>119,146,694</u>	<u>131,985,728</u>	<u>123,318,932</u>	<u>134,179,257</u>	<u>132,751,982</u>	<u>134,113,883</u>
4,782,552	4,764,188	4,477,277	4,246,504	3,728,048	5,375,027
447,062	424,531	420,718	338,303	204,811	407,248
<u>5,229,614</u>	<u>5,188,719</u>	<u>4,897,995</u>	<u>4,584,807</u>	<u>3,932,859</u>	<u>5,782,275</u>
<u>124,376,308</u>	<u>137,174,447</u>	<u>128,216,927</u>	<u>138,764,064</u>	<u>136,684,841</u>	<u>139,896,158</u>
4,846,890	5,346,752	5,509,758	3,995,595	2,692,699	4,048,804
78,199,739	80,430,502	84,547,421	87,665,899	93,345,535	106,845,437
246,808	558,092	686,818	631,348	818,922	537,284
<u>83,293,437</u>	<u>86,335,346</u>	<u>90,743,997</u>	<u>92,292,842</u>	<u>96,857,156</u>	<u>111,431,525</u>
2,024,771	2,099,883	1,993,415	2,149,129	791,681	1,169,724
3,324,229	3,232,874	3,395,980	2,303,653	3,263,255	7,799,764
-	-	-	-	-	-
<u>5,349,000</u>	<u>5,332,757</u>	<u>5,389,395</u>	<u>4,452,782</u>	<u>4,054,936</u>	<u>8,969,488</u>
<u>88,642,437</u>	<u>91,668,103</u>	<u>96,133,392</u>	<u>96,745,624</u>	<u>100,912,092</u>	<u>120,401,013</u>
(35,853,257)	(45,650,382)	(32,574,935)	(41,886,415)	(35,894,826)	(22,682,358)
119,386	144,038	491,400	(132,025)	122,077	3,187,213
<u>\$ (35,733,871)</u>	<u>\$ (45,506,344)</u>	<u>\$ (32,083,535)</u>	<u>\$ (42,018,440)</u>	<u>\$ (35,772,749)</u>	<u>\$ (19,495,145)</u>

Board of Education of Moore County Schools
Government-Wide - General Revenues and Total Change in Net Position (Deficit)
Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Net (expense) revenue				
Governmental activities	\$ (33,906,219)	\$ (29,965,773)	\$ (27,802,804)	\$ (29,107,850)
Business-type activities	(6,995)	93,262	12,705	190,194
Total school district net (expense) revenue	<u>(33,913,214)</u>	<u>(29,872,511)</u>	<u>(27,790,099)</u>	<u>(28,917,656)</u>
General revenues and other changes in net position				
Governmental activities:				
Unrestricted county appropriations - operating	25,540,140	25,165,140	25,315,140	26,265,140
Unrestricted county appropriations - capital	711,932	711,932	1,200,000	750,000
Unrestricted county appropriations - contributed capital	2,295,633	4,528,109	1,854,627	611,273
Unrestricted State and Federal appropriations - operating	772,137	749,191	858,527	717,135
Unrestricted State and Federal appropriations - capital	-	2,306,406	528,692	704,670
Investment earnings, unrestricted	53,051	41,504	44,432	58,988
Miscellaneous, unrestricted	565,348	498,143	909,559	469,948
Extraordinary item	-	(17,204)	-	-
Transfers	108,255	115,927	162,096	158,885
Total governmental activities	<u>30,046,496</u>	<u>34,099,148</u>	<u>30,873,073</u>	<u>29,736,039</u>
Business-type activities:				
Unrestricted county appropriations - contributed capital	-	-	-	-
Miscellaneous, unrestricted	-	-	-	-
Investment earnings, unrestricted	7,561	7,036	7,320	10,921
Transfers	(108,255)	(115,927)	(162,096)	(158,885)
Total business-type activities	<u>(100,694)</u>	<u>(108,891)</u>	<u>(154,776)</u>	<u>(147,964)</u>
Change in net position (deficit)				
Governmental activities	(3,859,723)	4,133,375	3,070,269	628,189
Business-type activities	(107,689)	(15,629)	(142,071)	42,230
Total school district change in net position (deficit)	<u>\$ (3,967,412)</u>	<u>\$ 4,117,746</u>	<u>\$ 2,928,198</u>	<u>\$ 670,419</u>

Board of Education of Moore County Schools
Government-Wide - General Revenues and Total Change in Net Position (Deficit)
Last Ten Fiscal Years

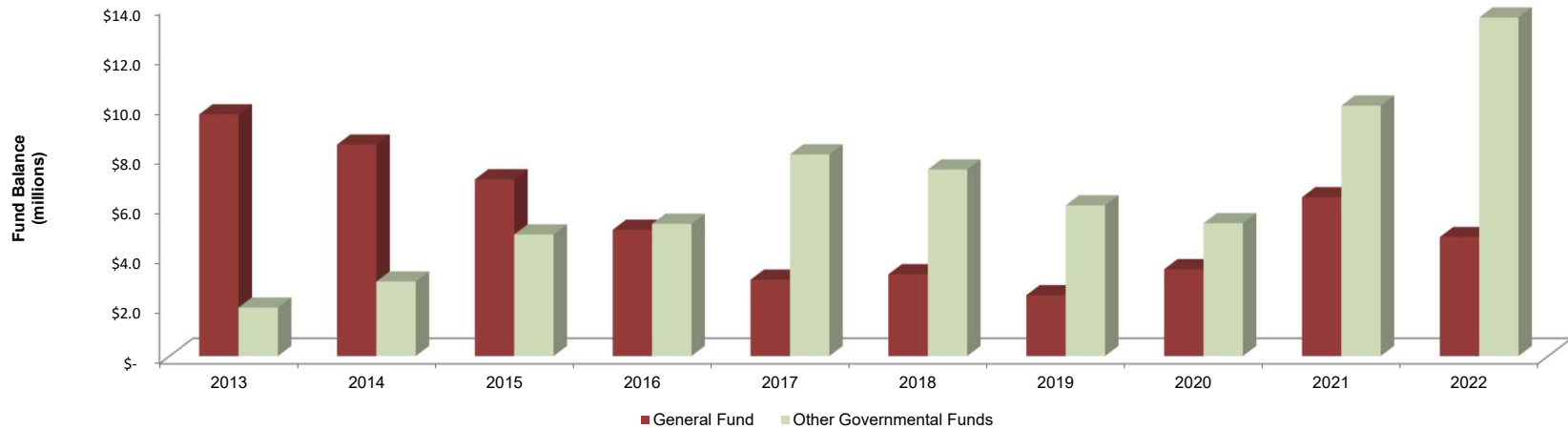
(Continued)

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ (35,853,257)	\$ (45,650,382)	\$ (32,574,935)	\$ (41,886,415)	\$ (35,894,826)	\$ (22,682,358)
119,386	144,038	491,400	(132,025)	122,077	3,187,213
<u>(35,733,871)</u>	<u>(45,506,344)</u>	<u>(32,083,535)</u>	<u>(42,018,440)</u>	<u>(35,772,749)</u>	<u>(19,495,145)</u>
27,029,515	30,341,352	29,500,000	31,089,133	30,350,000	30,350,000
2,921,000	750,000	750,000	750,000	750,000	750,000
3,529,202	4,649,014	32,641,008	72,456,282	34,120,069	3,055,790
649,311	859,922	984,130	1,263,792	1,539,721	1,372,086
1,533,006	1,002,796	900,221	494,563	483,656	156,755
43,608	56,745	100,817	61,516	10,878	10,401
460,498	501,087	614,614	581,577	4,124,899	859,536
-	-	-	-	-	-
147,468	204,126	231,489	4,532	112,854	264,622
<u>36,313,608</u>	<u>38,365,042</u>	<u>65,722,279</u>	<u>106,701,395</u>	<u>71,492,077</u>	<u>36,819,190</u>
-	-	-	364,297	799,921	-
-	-	-	-	49,798	43,803
15,241	20,996	30,702	30,376	7,357	3,266
<u>(147,468)</u>	<u>(204,126)</u>	<u>(231,489)</u>	<u>(4,532)</u>	<u>(112,854)</u>	<u>(264,622)</u>
<u>(132,227)</u>	<u>(183,130)</u>	<u>(200,787)</u>	<u>390,141</u>	<u>744,222</u>	<u>(217,553)</u>
460,351	(7,285,340)	33,147,344	64,814,980	35,597,251	14,136,832
<u>(12,841)</u>	<u>(39,092)</u>	<u>290,613</u>	<u>258,116</u>	<u>866,299</u>	<u>2,969,660</u>
<u>\$ 447,510</u>	<u>\$ (7,324,432)</u>	<u>\$ 33,437,957</u>	<u>\$ 65,073,096</u>	<u>\$ 36,463,550</u>	<u>\$ 17,106,492</u>

Board of Education of Moore County Schools
Governmental Funds - Fund Balances
Last Ten Fiscal Years

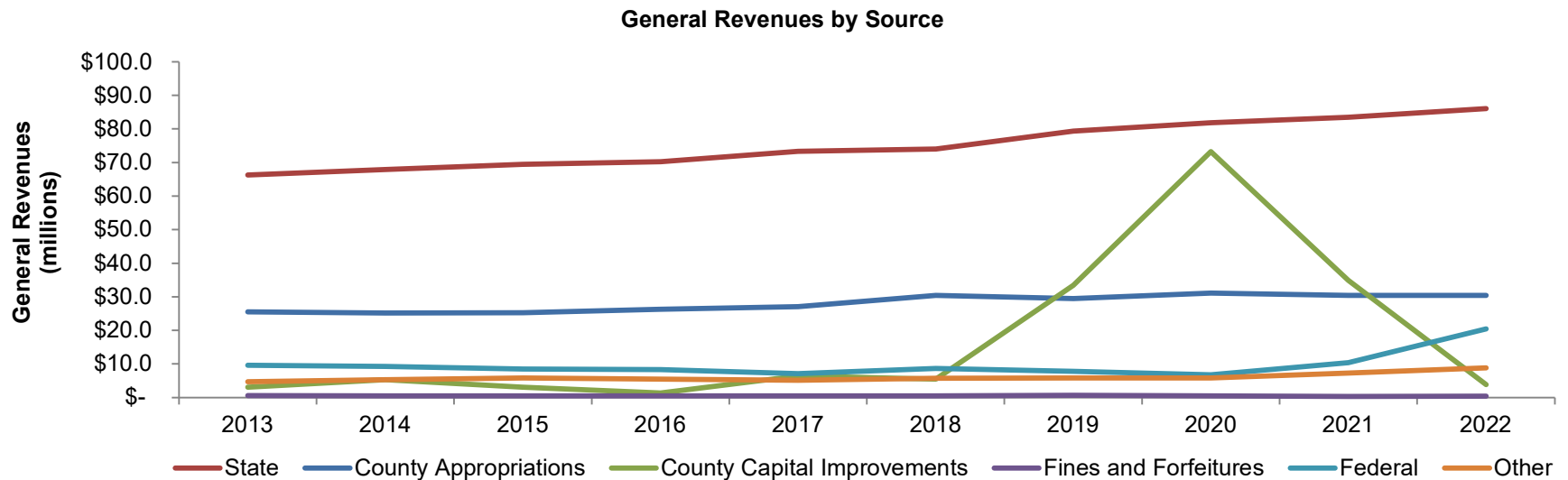
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable										
Inventories	\$ 479,519	\$ 481,082	\$ 325,147	\$ 242,577	\$ 231,962	\$ 374,044	\$ 308,041	\$ 174,525	\$ 323,764	\$ 656,366
Prepays	-	22,449	44,956	44,956	44,956	22,507	-	-	-	-
Restricted										
Stabilization by state statute	37,963	423,556	313,143	85,400	54,047	45,077	16,253	503,725	100	-
Assigned										
Subsequent year's expenditures	4,000,000	2,800,000	2,800,000	3,500,000	700,000	613,500	-	175,000	2,100,000	2,100,000
Unassigned	5,175,158	4,756,526	3,608,604	1,196,096	2,034,697	2,226,781	2,119,016	2,633,080	3,951,179	2,018,226
Total general fund	\$ 9,692,640	\$ 8,483,613	\$ 7,091,850	\$ 5,069,029	\$ 3,065,662	\$ 3,281,909	\$ 2,443,310	\$ 3,486,330	\$ 6,375,043	\$ 4,774,592
All other governmental funds										
Nonspendable										
Prepays	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by state statute	723,168	1,001,635	812,221	16,577	24,000	179,808	45,705	502,885	74,699	20,573
School capital outlay	292,092	276,815	818,299	831,542	3,130,664	2,202,571	1,011,665	1,488	2,884,637	4,919,149
Individual schools	711,034	818,806	1,143,362	2,007,831	1,844,688	1,927,224	2,101,938	1,986,178	2,384,446	2,779,502
Assigned										
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Other special programs	219,387	892,599	2,105,237	2,450,340	3,090,865	3,176,199	2,891,400	2,839,679	4,698,635	5,849,864
Total all other governmental funds	\$ 1,945,681	\$ 2,989,855	\$ 4,879,119	\$ 5,306,290	\$ 8,090,217	\$ 7,485,802	\$ 6,050,708	\$ 5,330,230	\$ 10,042,417	\$ 13,569,088

Governmental Fund Balances



**Board of Education of Moore County Schools
Governmental Funds - Revenues by Sources
Last Ten Fiscal Years**

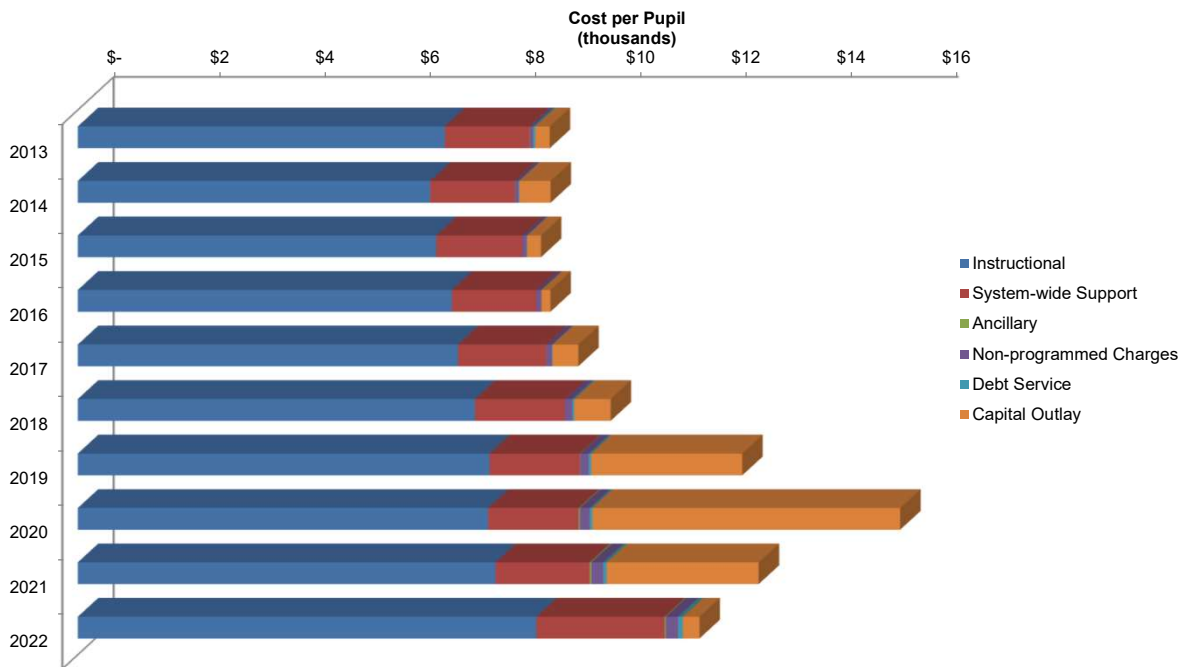
Fiscal Year	State	County Appropriations	County Capital Improvements	Fines and Forfeitures	Federal	Other	Total
2013	\$ 66,309,681	\$25,540,140	\$ 3,007,565	\$ 565,348	\$ 9,630,298	\$ 4,708,425	\$ 109,761,457
2014	67,900,980	25,165,140	5,240,041	537,579	9,310,244	5,284,435	113,438,419
2015	69,426,151	25,315,140	3,054,627	489,317	8,421,639	5,856,143	112,563,017
2016	70,273,960	26,265,140	1,361,273	526,936	8,266,285	5,404,123	112,097,717
2017	73,387,497	27,029,515	6,450,202	501,202	7,124,581	5,104,670	119,597,667
2018	74,032,180	30,341,352	5,399,014	501,087	8,717,088	5,699,294	124,690,015
2019	79,334,781	29,500,000	33,391,008	614,614	7,728,339	5,829,908	156,398,650
2020	81,849,962	31,089,133	73,206,282	508,444	6,734,495	5,725,925	199,114,241
2021	83,486,713	30,350,000	34,870,069	327,698	10,371,341	7,230,076	166,635,897
2022	86,065,930	30,350,000	3,805,790	438,428	20,403,990	8,837,732	149,901,870



Board of Education of Moore County Schools
Governmental Funds - Expenditures by Function Per Pupil and in Total
Last Ten Fiscal Years

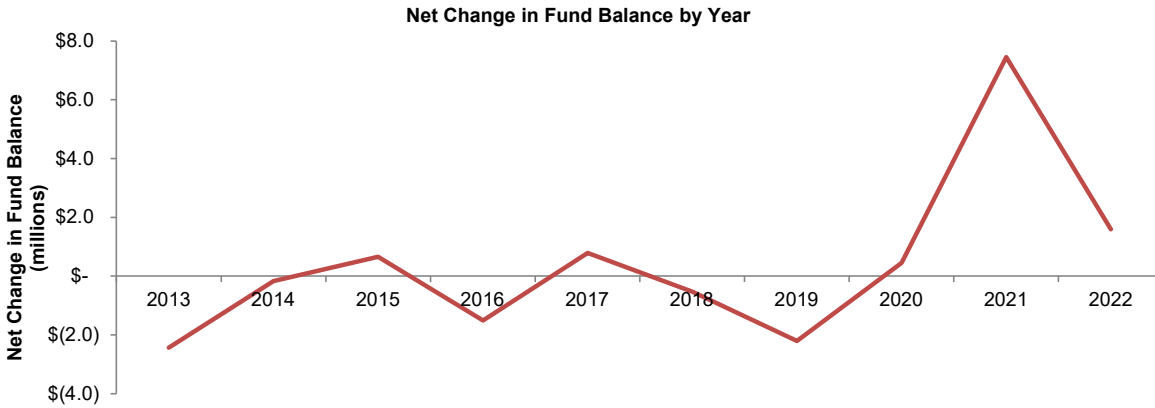
Fiscal Year	Average Daily Membership	Instructional Services	System-wide Support Services	Ancillary Services	Non-programmed Charges	Debt Service		Capital Outlay	Total
						Principal	Interest		
2013	12,609	\$ 6,961 87,769,382	\$ 1,607 20,265,186	\$ 4 52,346	\$ 63 788,453	\$ 41 520,828	\$ - -	\$ 275 3,471,048	\$ 8,951 112,867,243
2014	12,723	6,685 85,054,153	1,605 20,418,224	3 32,480	69 882,630	11 140,115	- -	594 7,563,792	8,967 114,091,394
2015	12,802	6,799 87,040,395	1,634 20,918,471	- -	79 1,017,210	11 140,118	- -	261 3,338,404	8,784 112,454,598
2016	12,703	7,093 90,100,524	1,604 20,377,629	- -	94 1,194,357	3 42,472	- -	168 2,139,645	8,963 113,854,627
2017	12,578	7,214 90,737,919	1,670 21,010,494	1 11,722	109 1,376,813	10 130,022	- -	487 6,122,135	9,492 119,389,105
2018	12,541	7,533 94,474,274	1,705 21,377,659	1 13,820	141 1,770,687	36 456,048	- -	689 8,636,008	10,105 126,728,496
2019	12,668	7,811 98,945,264	1,710 21,663,343	7 88,220	160 2,027,519	50 631,348	- -	2,863 36,268,276	12,601 159,623,970
2020	12,743	7,782 99,160,285	1,718 21,892,663	23 293,522	186 2,370,238	50 631,348	- -	5,832 74,314,659	15,590 198,662,715
2021	12,398	7,924 98,236,510	1,784 22,117,856	33 407,414	225 2,786,058	66 818,922	- -	2,881 35,713,474	12,912 160,080,234
2022	12,626	8,698 109,815,044	2,432 30,711,071	22 282,565	233 2,936,562	89 1,119,700	1 13,762	316 3,984,095	11,790 148,862,799

Cost per Pupil by Function



Board of Education of Moore County Schools
Governmental Funds - Other Financing Sources (Uses) and Net Change in Fund Balances
Last Ten Fiscal Years

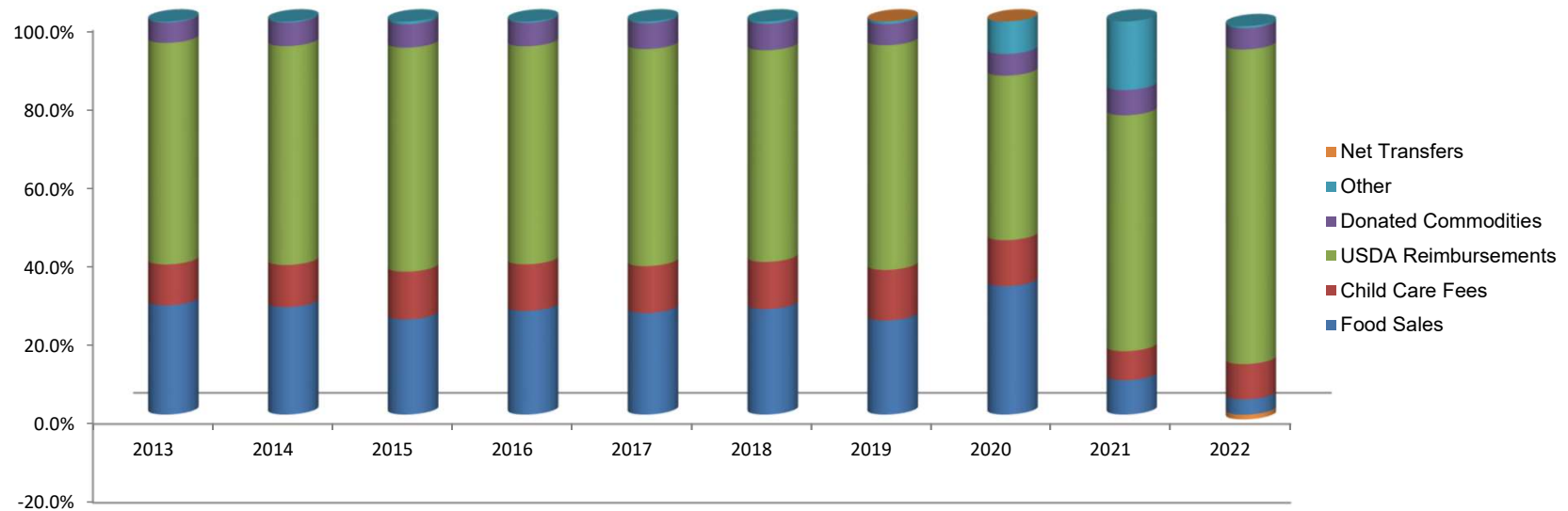
Fiscal Year	Excess of Revenues over (under) Expenditures	Transfers In	Transfers Out	Installment Purchases and Capitalized Leases	Insurance Proceeds	Total Other Financing Sources (Uses)	Net Change in Fund Balance	Debt Service As a Percentage of Noncapital Expenditures
2013	\$(3,105,786)	\$ 108,255	\$ -	\$ 560,459	\$ -	\$ 668,714	#####	0.48%
2014	(652,975)	160,927	(45,000)	-	370,632	486,559	(166,416)	0.13%
2015	108,419	207,096	(45,000)	-	382,921	545,017	653,436	0.13%
2016	(1,756,910)	203,885	(45,000)	84,945	-	243,830	(1,513,080)	0.04%
2017	208,562	192,468	(45,000)	435,145	-	582,613	791,175	0.11%
2018	(2,038,481)	249,126	(45,000)	1,304,105	-	1,508,231	(530,250)	0.39%
2019	(3,225,320)	276,489	(45,000)	786,141	-	1,017,630	(2,207,690)	0.51%
2020	451,526	226,976	(222,444)	-	-	4,532	456,058	0.51%
2021	6,555,663	157,854	(45,000)	783,144	-	895,998	7,451,661	0.66%
2022	1,039,071	409,622	(145,000)	289,925	-	554,547	1,593,618	0.78%



Board of Education of Moore County Schools
Proprietary Funds - Revenues by Source and Net Transfers
Last Ten Fiscal Years

Fiscal Year	Food Sales	Child Care Fees	USDA Reimbursements	Donated Commodities	Other	Net Transfers	Total
2013	\$ 1,529,585	\$ 571,651	\$ 3,102,079	\$ 285,802	\$ 14,709	\$ (108,255)	\$ 5,395,571
2014	1,478,323	581,331	3,015,593	324,474	15,333	(115,927)	5,299,127
2015	1,242,442	623,154	2,926,469	307,852	34,913	(162,096)	4,972,734
2016	1,453,654	654,753	3,061,168	330,040	18,828	(158,885)	5,359,558
2017	1,385,241	639,530	2,962,275	354,548	22,647	(147,468)	5,216,773
2018	1,426,226	637,657	2,863,580	361,426	28,864	(204,126)	5,113,627
2019	1,296,208	697,207	3,098,058	293,355	35,269	(231,489)	5,188,608
2020	1,583,850	565,279	2,029,555	268,637	400,134	(4,532)	4,842,923
2021	429,016	362,665	2,947,164	316,091	857,076	(112,854)	4,799,158
2022	352,854	816,854	7,303,830	495,934	47,069	(264,622)	8,751,919

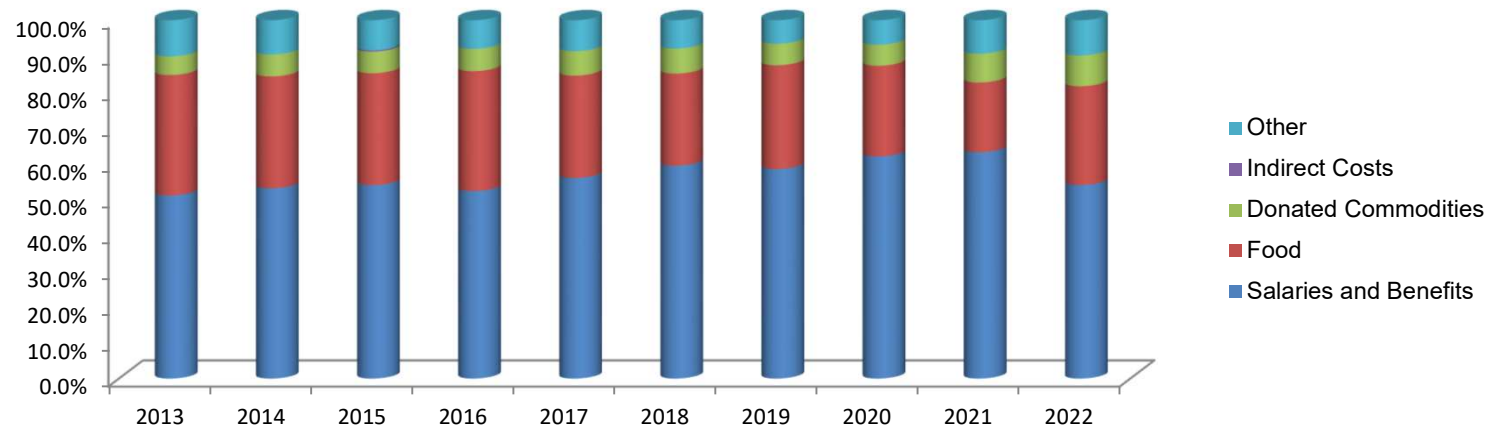
Proprietary Fund Revenues as a Percentage of Total



**Board of Education of Moore County Schools
Proprietary Funds - Expenses by Category
Last Ten Fiscal Years**

Fiscal Year	Salaries and Benefits	Food	Donated Commodities	Indirect Costs	Other	Total
2013	\$ 2,811,198	\$ 1,849,727	\$ 285,802	\$ -	\$ 556,533	\$ 5,503,260
2014	2,820,989	1,659,804	324,474	-	509,489	5,314,756
2015	2,759,701	1,598,655	307,852	19,854	428,743	5,114,805
2016	2,781,832	1,779,451	330,040	-	426,005	5,317,328
2017	2,926,894	1,494,511	354,548	-	453,661	5,229,614
2018	3,081,259	1,334,666	361,426	-	411,368	5,188,719
2019	2,863,368	1,418,837	293,355	-	322,435	4,897,995
2020	2,841,105	1,160,830	268,637	-	314,235	4,584,807
2021	2,483,636	765,119	316,091	-	368,013	3,932,859
2022	3,121,720	1,594,925	495,934	-	569,696	5,782,275

Proprietary Expenses as a Percentage of Total



Board of Education of Moore County Schools

Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-type Activities	Total Primary Government	Per Student
	Installment Purchases	Lease Liabilities	Installment Purchases		
2013	\$ 280,233	\$ -	\$ -	\$ 280,233	\$ 22
2014	140,115	-	-	140,115	11
2015	140,118	-	-	140,118	11
2016	42,473	-	-	42,473	3
2017	347,596	-	-	347,596	28
2018	1,195,653	-	-	1,195,653	95
2019	1,350,446	-	-	1,350,446	107
2020	719,098	-	-	719,098	56
2021	683,320	-	-	683,320	55
2022	435,961	1,071,596	-	1,507,557	119

Board of Education of Moore County Schools
Assessed Value and Actual Value of Taxable Property for Moore County, NC
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Real Property		Personal Property		Less: Tax Exempt Real Property	Less: Abatements	Actual Taxable Assessed Value (1)	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (2)	Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Utilities and Other						
2013	\$ 332,786	\$ 12,269,515	\$ 810,645	\$ 161,752	\$ 1,435,350	\$ 80,421	\$ 12,058,927	\$ 0.465	\$ 11,984,766	101%
2014	324,616	12,362,197	1,088,687	161,475	1,470,691	50,551	12,415,733	0.465	12,120,800	102%
2015	327,018	12,533,473	859,941	156,354	1,478,800	31,683	12,366,303	0.465	12,325,600	100%
2016	334,158	12,170,136	897,122	179,536	1,602,825	13,122	11,965,005	0.465	12,006,812	100%
2017	380,414	12,377,743	950,352	185,741	1,652,895	(417)	12,241,772	0.465	12,213,976	100%
2018	513,948	12,591,779	964,137	195,626	1,670,345	97,458	12,497,687	0.465	12,213,976	102%
2019	477,431	12,784,249	1,042,386	201,007	1,675,803	26,894	12,802,376	0.465	12,544,513	102%
2020	557,477	13,863,927	1,061,383	212,930	1,815,745	71,059	13,808,913	0.510	13,761,278	100%
2021	582,689	14,189,839	1,250,091	218,672	1,904,271	110,513	14,226,507	0.510	14,056,315	101%
2022	579,377	14,499,533	1,310,902	232,278	1,899,228	87,340	14,635,522	0.510	14,458,351	101%

Notes: (1) Per \$100 of value.
(2) Property in the county is reassessed every four years. The County assesses property at 100 percent of market value based on a revaluation date of 1/1/2019 and assesses personal property at 100 percent based on original cost with Department of Revenue trend factors applied each year.

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Board of Education of Moore County Schools
Direct and Overlapping Property Tax Rates for Moore County, NC
Last Ten Fiscal Years

	Year Taxes are Payable									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Direct Rates</u>										
County General	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.5100	\$ 0.5100	\$ 0.5100
Advanced Life Support (ALS)	0.0200	0.0200	0.0200	0.0200	0.0300	0.0300	0.0400	0.0400	0.0400	0.0400
<u>Municipality Rates</u>										
Aberdeen	0.4300	0.4300	0.4300	0.4300	0.4700	0.4700	0.4700	0.4900	0.4900	0.4900
Cameron	0.5750	0.5750	0.5750	0.5750	0.5750	0.5750	0.5750	0.5750	0.5750	0.5750
Carthage	0.4000	0.4000	0.4300	0.4950	0.4950	0.4950	0.4950	0.5050	0.5050	0.5050
Carthage Tag Fee	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Foxfire	0.3500	0.3500	0.3500	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Pinebluff	0.3700	0.3700	0.3700	0.3800	0.3900	0.3900	0.3900	0.3900	0.4000	0.4000
Pinehurst	0.2800	0.2800	0.2800	0.2900	0.2950	0.2950	0.2950	0.3000	0.3000	0.3150
Robbins	0.6400	0.6400	0.6400	0.6400	0.6200	0.6200	0.6400	0.7500	0.7500	0.7400
Robbins Tag Fee	N/A	N/A	N/A	N/A	N/A	N/A	10.0000	10.0000	10.00	10.00
Southern Pines	0.3500	0.3500	0.3700	0.3800	0.3800	0.4000	0.4000	0.4000	0.4000	0.4000
Southern Pines Tag	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.0000	5.0000	5.0000
Taylortown	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.5000	0.5000	0.5000
Vass	0.4800	0.4800	0.4900	0.4900	0.4900	0.5000	0.5150	0.5150	0.5150	0.5150
Whispering Pines	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.4200	0.4700
<u>Fire Districts</u>										
Southern Pines	0.0890	0.0890	0.0890	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Crestline	0.0830	0.0830	0.0830	0.0800	0.0850	N/A	N/A	N/A	N/A	N/A
Pinebluff	0.0860	0.0860	0.0860	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Pinehurst	0.0840	0.0840	0.0840	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Seven Lakes	0.0400	0.0400	0.0400	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
West End	0.0590	0.0590	0.0690	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Eastwood	0.0700	0.0700	0.0700	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Robbins	0.0630	0.0630	0.0630	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Carthage	0.0640	0.0640	0.0640	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Highfalls	0.0660	0.0660	0.0660	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Eagle Springs	0.0750	0.0750	0.0750	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Aberdeen	0.0920	0.0920	0.0920	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Crains Creek	0.1110	0.1110	0.1110	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
SP Service District	0.0500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.4000
Whispering Pines	0.0580	0.0580	0.0580	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
V Cypress Point	0.0810	0.0810	0.0810	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050
Westmoore	0.0700	0.0700	0.0700	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500	0.1050

N/A - not applicable

Note: (1) Tax rates per \$100 of property value.

(2) Moore County does not display any components of the total direct rate as the County appropriate fund balance and capital reserve funds to pay for debt payments and major capital projects.

(3) Beginning in fiscal year 2011, Circle V and Cameron Fire Districts were combined into V Cypress Point Fire District.

(4) Starting FY 2016, All Fire Districts are assessed the same rate.

(5) Starting FY 2018, Crestline Fire District was combined with Aberdeen Fire District.

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

**Board of Education of Moore County Schools
Principal Property Tax Payers for Moore County, NC
Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2022			Fiscal Year 2013		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress, Inc	\$ 135,492,595	1	0.93%	\$ 77,229,222	2	0.64%
Resorts of Pinehurst	100,245,720	2	0.68%	86,129,730	1	0.71%
Pinehurst, Inc	47,960,040	3	0.33%	51,794,930	3	0.43%
Morganton Park, LLC	36,665,150	5	0.25%			
Lee Electrical Construction Inc	38,461,996	4	0.26%			
Pinehurst Surgical Clinic	31,618,140	6	0.22%	23,614,600	7	0.20%
Pinehurst Medical Group, LLC	30,451,840	7	0.21%			
Pinehurst LLC	26,735,252	8	0.18%			
SBV Southern Pines, LLC	26,505,280	9	0.18%			
Randolph Electric Memb Corp	25,294,962	10	0.17%			
Forest Creek Holding Co., LLC				49,552,650	4	0.41%
Kirkpatrick, James R - Aberdeen Commons				19,991,120	9	0.17%
Country Club of North Carolina				22,028,920	8	0.18%
Hawthorne Pinecrest, LLC				24,344,970	5	0.20%
Carolina Telephone & Telegraph				23,676,112	6	0.20%
Park at Clearwater, LLC				18,027,160	10	0.15%
Total	<u>\$ 499,430,975</u>		<u>3.41%</u>	<u>\$ 396,389,414</u>		<u>3.29%</u>

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Board of Education of Moore County Schools
Property Tax Levies and Collections for Moore County, NC
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Taxes Levied for the Fiscal Year (net)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2013	\$ 56,115	\$ 55,771	99%	334	\$ 56,105	100%
2014	57,793	57,539	100%	243	57,782	100%
2015	57,654	57,316	99%	325	57,641	100%
2016	55,773	55,524	100%	233	55,757	100%
2017	57,064	56,753	99%	291	57,044	100%
2018	58,326	57,993	99%	306	58,299	100%
2019	59,693	59,404	100%	252	59,656	100%
2020	70,494	70,067	99%	377	70,444	100%
2021	72,763	72,414	100%	286	72,700	100%
2022	74,908	74,552	100%	-	74,552	100%

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Board of Education of Moore County Schools
Ratios of Outstanding Debt by Type for Moore County, NC
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

Fiscal Year	Governmental Activities					Business-Type Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation	Leases	Limited Obligation	Installment	Unamortized	Federal/State Revolving Loan	Installment	Limited Obligation	Unamortized	Bond Anticipation Note				
	Bonds		Bonds	Financing	Premium		Financing	Bonds	Premium					
2013	69,444	-	26,080	531	2,671	12,394	21,387	513	8,010	570	-	141,600	3.79%	\$1,541
2014	64,805	-	24,085	453	2,479	12,218	20,452	219	7,705	538	-	132,954	3.43%	1,433
2015	60,230	-	22,040	286	2,286	12,035	20,951	149	7,385	506	-	125,868	3.05%	1,339
2016	51,260	-	19,955	449	10,123	11,845	19,769	561	7,050	475	-	121,487	2.81%	1,288
2017	46,535	-	19,374	278	7,732	11,592	18,806	413	15,811	309	-	120,850	2.52%	1,262
2018	43,350	-	17,080	31,205	7,058	11,368	17,624	341	15,193	298	-	143,517	2.83%	1,476
2019	105,200	-	15,251	45,623	12,221	11,143	16,441	267	14,563	287	-	220,996	4.22%	2,186
2020	136,950	-	13,418	43,288	15,812	10,911	15,259	192	13,916	277	-	250,023	4.44%	2,429
2021	148,295	-	57,419	41,056	24,594	10,440	1,364	116	26,338	2,993	1,395	314,010	*	3,016
2022	137,530	1,280	53,508	38,599	22,915	11,561	1,237	39	24,799	2,766	-	294,234	*	2,848

* Information not available

Note: See the "Demographic and Economic Statistics for Moore County" schedule for personal income and population data.

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Board of Education of Moore County Schools
Ratios of Net General Bonded Debt Outstanding for Moore County, NC
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Property Value (1)</u>	<u>Per Capita (2)</u>
2013	70,053	0.58%	\$ 762
2014	64,805	0.53%	699
2015	60,230	0.49%	641
2016	51,260	0.43%	543
2017	46,535	0.38%	486
2018	43,350	0.35%	446
2019	105,200	0.84%	1,041
2020	136,950	0.99%	1,330
2021	148,295	1.06%	1,424
2022	137,530	0.95%	1,331

Note: (1) See the schedule of "Assessed Value and Estimated Actual Value of Taxable Property for Moore County" for property value data.

(2) Population data can be found in the schedule of "Demographic and Economic Statistics for Moore County".

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Board of Education of Moore County Schools
Legal Debt Margin for Moore County, NC
Last Ten Fiscal Years

	Year Taxes are Payable									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 964,714,170	\$ 993,258,652	\$ 989,304,259	\$ 957,200,393	\$ 979,341,759	\$ 999,814,982	#####	\$1,104,712,965	\$1,138,120,551	\$ 1,170,841,805
Total net debt applicable to limit	96,054,408	89,342,769	82,555,861	71,664,012	66,186,977	214,635,261	224,074,310	213,655,767	246,769,878	229,637,016
Legal Debt Margin	<u>\$ 868,659,762</u>	<u>\$ 903,915,883</u>	<u>\$ 906,748,398</u>	<u>\$ 885,536,381</u>	<u>\$ 913,154,782</u>	<u>\$ 785,179,721</u>	<u>\$ 800,115,797</u>	<u>\$ 891,057,198</u>	<u>\$ 891,350,673</u>	<u>\$ 941,204,789</u>
Total net debt applicable to the limit as a percentage of debt	10.0%	9.0%	8.3%	7.5%	6.8%	21.5%	21.9%	19.3%	21.7%	19.6%

Legal Debt Margin Calculation for Fiscal Year 2022

Appraised valuation - June 30, 2022	\$ 14,635,522,557
Debt limit - eight percent (8%) of appraised value	1,170,841,805
Gross Debt	
Total bonded debt	147,720,000
Revenue bond anticipation note	1,371,000
Limited obligation bonds	78,307,000
Authorized and unissued bonds	-
Federal/State revolving loan	1,236,765
Notes payable	38,638,002
Capital lease	-
Gross debt	267,272,767
Statutory Deductions	(37,635,751)
Net debt	<u>229,637,016</u>
Legal debt margin	941,204,789

Note: NC Statute G.S. 159-55 limits the County's outstanding debt to 8% of the appraised property value subject to taxation. The legal debt margin is the difference between the debt limit and the County's net debt outstanding to the limit and represents the County's legal borrowing authority.

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

**Board of Education of Moore County Schools
Principal Employers for Moore County, NC
Current Year and Nine Years Ago**

Employer	2022			2013		
	Employees (Note)	Rank	Percentage of Total County Employment	Employees (Note)	Rank	Percentage of Total County Employment
Firsthealth of the Carolinas Inc	1,000 & over	1	*	1000 & over	1	*
Moore County Schools	1,000 & over	2	*	1000 & over	2	*
Pinehurst, LLC	1,000 & over	3	*	1000 & over	3	*
County of Moore	500 - 999	4	*	500 - 999	4	*
Sandhills Community College	500 - 999	5	*	500 - 999	5	*
Pinehurst Medical Clinic Inc	500 - 999	6	*	250 - 499	8	*
Pinehurst Surgical Clinic, PA	501 - 999	7	*	250 - 499	10	
Harris Teeter	250 - 499	8	*			
United Parcel Service	250 - 499	9	*			
Burfords Tree LLC	250 - 499	10	*			
Wal-Mart Associates				250 - 499	7	*
Food Lion				250 - 499	9	*
St Joseph of the Pines Hospital, Inc.				500 - 999	6	*

* Information not available

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Note: Per the North Carolina Employment Security Commission, Labor Market Division. Employee figures were compiled for statistical purposes on a range basis only.

Board of Education of Moore County Schools
Demographic and Economic Statistics for Moore County, NC
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment</u>	<u>Unemployment Rate</u>
2013	91,912	3,732,881	40,758	12,707	8.8%
2014	92,763	3,873,244	41,613	13,009	6.7%
2015	93,984	4,125,534	43,725	13,130	5.7%
2016	94,352	4,327,275	45,181	12,993	5.4%
2017	95,776	4,793,730	49,286	12,792	4.9%
2018	97,264	5,063,095	51,307	12,856	4.0%
2019	101,088	5,236,988	51,913	12,759	3.9%
2020	102,950	5,634,157	54,514	12,835	5.5%
2021	104,130	*	*	12,444	5.6%
2022	103,298	*	*	12,825	3.8%

* Information not available

Note: Personal income is expressed in thousands of dollars.

Source: Moore County, North Carolina, Comprehensive Annual Financial Report for the year ended June 30, 2022.

Board of Education of Moore County Schools
Employees by Function
Last Ten Fiscal Years

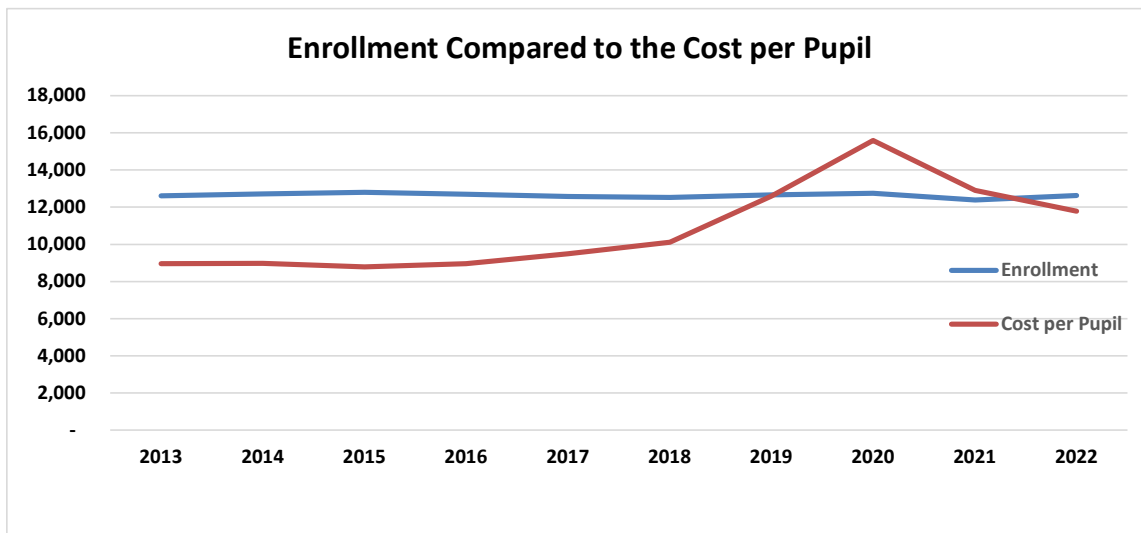
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2021</u>
<u>School and School Based Support</u>										
Principals	23	23	23	23	23	23	23	24	23	22
Assistant Principals	27	28	27	28	29	28	28	29	28	26
Elementary Teachers	400	390	379	595	604	596	597	583	575	585
Secondary Teachers	117	112	107	113	104	105	105	106	105	109
Teacher Assistants	241	222	220	198	186	186	188	181	162	197
Other Teachers	328	331	332	114	119	117	112	112	111	111
Guidance Counselors	34	34	33	34	39	40	42	37	37	30
Psychological	11	11	10	9	9	11	11	10	11	9
Librarian / Audiovisual	22	22	22	20	22	22	21	22	20	21
Consultants	14	14	13	11	6	7	7	7	8	10
Other	63	69	70	72	91	94	101	106	106	106
Based Support	<u>1,280</u>	<u>1,256</u>	<u>1,236</u>	<u>1,217</u>	<u>1,232</u>	<u>1,229</u>	<u>1,235</u>	<u>1,217</u>	<u>1,186</u>	<u>1,226</u>
<u>Central Services</u>										
Administration and Management	9	9	11	9	8	7	7	8	8	8
Technicians	13	15	17	17	16	16	16	16	16	15
Clerical	76	77	78	85	91	89	90	98	93	93
Service Workers	183	179	163	165	169	180	173	186	174	168
Other	63	62	62	63	61	65	63	64	59	55
Total Central Services	<u>344</u>	<u>342</u>	<u>331</u>	<u>339</u>	<u>345</u>	<u>357</u>	<u>349</u>	<u>372</u>	<u>350</u>	<u>339</u>
Total Employees	<u>1,624</u>	<u>1,598</u>	<u>1,567</u>	<u>1,556</u>	<u>1,577</u>	<u>1,586</u>	<u>1,584</u>	<u>1,589</u>	<u>1,536</u>	<u>1,565</u>

Source: North Carolina Public Schools Statistical Profile

Board of Education of Moore County Schools
Operating Indicators
Last Ten Fiscal Years

Fiscal Year	Enrollment	Percentage Change	Operating Expenditures	Cost per Pupil	Percentage Change	Number of Schools	Graduating Class
2013	12,609	1.92%	\$ 112,867,243	\$ 8,951	8.79%	23	826
2014	12,723	0.90%	114,091,394	8,967	0.18%	23	900
2015	12,802	0.62%	112,454,598	8,784	-2.04%	23	875
2016	12,703	-0.77%	113,854,627	8,963	2.03%	23	1,016
2017	12,578	-0.98%	119,389,105	9,492	5.90%	23	994
2018	12,541	-0.29%	126,728,496	10,105	6.46%	23	987
2019	12,668	1.01%	159,623,970	12,601	24.69%	23	1,008
2020	12,743	0.59%	198,662,715	15,590	23.72%	24	1,014
2021	12,398	-2.71%	160,080,234	12,912	-17.18%	23	981
2022	12,626	1.84%	148,862,799	11,790	-8.69%	22	980

Source: North Carolina Public Schools Statistical Profile



Board of Education of Moore County Schools
Capital Assets
For the Year Ended June 30, 2022

Schools	Site Size (Acres)	Square Footage	Year First Built	Building Classrooms (1)	Mobile Unit Classrooms (2)	Capacity (3)	Final Enrollment
<u>Elementary Schools</u>							
New Aberdeen Elementary	22.060	115,014	2020	40	0	800	653
Cameron Elementary	26.400	79,962	1951	12	6	284	236
Carthage Elementary	16.810	77,397	1950	18	0	440	326
Highfalls (K-8)	22.000	68,362	1949	14	3	350	258
McDeeds Creek Elementary	38.710	117,693	2019	40	0	800	646
Pinehurst Elementary	12.650	118,346	2021	40	0	800	629
Robbins Elementary	28.910	50,372	1977	24	0	600	348
Sandhills Farm Life Elementary	14.000	73,442	1953	22	8	550	353
New Southern Pines Elementary	18.600	119,495	2020	40	0	800	604
Vass-Lakeview Elementary	30.420	99,274	1958	24	4	600	442
Westmoore (K-8)	32.300	63,734	1952	16	0	400	283
West End Elementary	38.590	56,039	1952	20	2	500	489
West Pine Elementary	25.420	70,500	2011	24	0	600	402
<u>Middle Schools</u>							
Crain's Creek Middle	49.000	89,456	2011	20	13	478	584
Elise Middle	27.600	53,376	1951	11	1	270	228
New Century Middle	40.000	98,731	1997	28	0	700	637
Southern Middle	67.140	99,331	1999	28	0	700	609
West Pine Middle	35.000	104,869	1997	28	6	700	715
<u>High Schools</u>							
North Moore High	51.000	118,130	1965	23	1	559	593
Pinecrest High	121.000	282,170	1969	66	17	1,650	2,144
Union Pines High	110.880	184,914	1963	43	18	1,068	1,331
<u>Alternative School</u>							
Community Learning Center @ Pinckney	20.5	16,303	1947	0	5	0	116

Source: Moore County Schools Facilities and Transportation Department

Notes:

- (1) Building classrooms are based off permanent capacity divided by 25.
 - (2) Mobile unit classrooms includes modular units at high schools. Each room in a modular unit counts as one mobile unit classroom.
 - (3) Capacity includes mobile and modular units.
 - (4) This is an accurate representation of Moore County Schools Capital Assets based on actual accounting documents for each school site. Any differences are corrections to the values in prior years.
- Any differences are corrections to the values in prior years.



Compliance Section

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

Independent Auditor's Report

Board of Education
Moore County Schools
Carthage, NC

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Moore County Schools ("Board") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated December 12, 2022, which contained an emphasis of matter paragraph regarding the change in accounting principle.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing 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 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 to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free from 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 financial statements. 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.

FORVIS,LLP

**Winston-Salem, NC
December 12, 2022**

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

Independent Auditor's Report

Board of Education
Moore County Schools
Carthage, NC

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Board of Education of Moore County Schools ("Board") 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 Board's major federal programs for the year ended June 30, 2022. The Board'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 Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Board 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 basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Board'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 the Board'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 the Board'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*, and the Uniform Guidance 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 the Board's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 the Board'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 the Board'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, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 a 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.

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

FORVIS, LLP

**Winston-Salem, NC
December 12, 2022**

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

Independent Auditor's Report

Board of Education
Moore County Schools
Carthage, NC

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Board of Education of Moore County Schools ("Board") 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 Board's major state programs for the year ended June 30, 2022. The Board'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 Board complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and 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 and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the Board 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 basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the Board'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 the Board'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 the Board'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*, and the Uniform Guidance 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 the Board's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, 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 the Board'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 the Board'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, but not for the purpose of expressing an opinion on the effectiveness of the Board'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 a 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.

FORVIS

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

FORVIS,LLP

**Winston-Salem, NC
December 12, 2022**

1. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified _____ yes x none reported

Noncompliance material to financial statements noted _____ yes x no

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified _____ yes x none reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)? _____ yes x no

Identification of major federal program:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
84.425	COVID-19 Education Stabilization Fund
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Fund
84.027 & 84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B Programs \$ 845,785

Auditee qualified as low-risk auditee? x yes _____ no

State Awards

Internal control over major state programs:

- Material weaknesses identified? _____ yes x no
- Significant deficiencies identified that are not considered to be material weaknesses _____ yes x none reported

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act _____ yes x no

Identification of major state programs:

Program Name

State Public School Fund
 Career and Technical Education – State Program Support Funds
 School Buses Appropriation

2. Financial Statement Findings

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

3. Federal Award Findings and Questioned Costs

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

4. State Award Findings and Questioned Costs

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

There were no findings or questioned costs related to our audit of federal and state awards for the fiscal year ended June 30, 2021.

Board of Education of Moore County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2022

Schedule 12

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
Federal Grants:			
<u>U.S. Department of Agriculture</u>			
School Nutrition Program (Note 3)			
<u>Child Nutrition Cluster:</u>			
Non-Cash Assistance (Commodities)			
Passed-through the N.C. Department of Agriculture:			
National School Lunch Program	10.555	PRC 035	\$ 495,934
Total Non-Cash Assistance			<u>495,934</u>
Cash Assistance			
Passed-through the N.C. Department of Public Instruction:			
National School Lunch Program	10.555	PRC 035	7,244,063
Summer Food Service Program for Children	10.559	PRC 035	59,767
Total Cash Assistance			<u>7,303,830</u>
Total Child Nutrition Cluster			<u>7,799,764</u>
Total School Nutrition Program (Note 3)			<u>7,799,764</u>
<u>Total U.S. Department of Agriculture</u>			<u>7,799,764</u>
<u>U.S. Department of Education</u>			
Cash Assistance			
Direct Program:			
Impact Aid (School Assistance in Federally Affected Areas)	84.041		<u>519,025</u>
Passed-through the N.C. Department of Public Instruction			
Title I Grants to Local Educational Agencies (Title I, Part A of ESEA)	84.010	PRC 050	<u>2,493,642</u>
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) -			
Education of the Handicapped	84.027	PRC 060	2,228,123
Special Needs Targeted Assistance	84.027	PRC 118	6,546
ESSER III - ARP IDEA 611 Grants to States	84.027X	PRC 185	3,999
Special Education - Preschool Grants (IDEA Preschool) -			
Risk Pool Program	84.173	PRC 114	200,579
Preschool Handicapped	84.173	PRC 049	128,018
Targeted Assistance	84.173	PRC 119	5,054
ESSER III - ARP IDEA Preschool Grants	84.173X	PRC 186	1,713
Total Special Education Cluster			<u>2,574,032</u>
Career and Technical Education - Capacity Building Grants	84.048	PRC 017	162,336
Education for Homeless Children and Youth	84.196	PRC 026	31,100
English Language Acquisition Grant	84.365	PRC 104	72,861
Supporting Effective Instruction State Grants	84.367	PRC 103	504,910
Special Education - State Personnel Development	84.323	PRC 082	11,950
Student Support and Academic Enrichment Program	84.424	PRC 108	205,502

**Board of Education of Moore County Schools
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended June 30, 2022**

**Schedule 12
 (Continued)**

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-through Grantor's Number	Expenditures
Federal Grants (continued):			
<u>U.S. Department of Education (continued)</u>			
COVID-19 Education Stabilization Fund			
ESSER I - K12 Emergency Relief Fund	84.425D	PRC 163	1,261,329
ESSER I - Digital Curricula	84.425D	PRC 165	48,315
ESSER I - Exceptional Children Grants	84.425D	PRC 167	11,078
GEER I - Specialized Instructional Support for COVID-19 Response	84.425C	PRC 169	27,575
GEER I - Supplemental Instructional Services	84.425C	PRC 170	97,262
ESSER II - K12 Emergency Relief Fund	84.425D	PRC 171	2,717,334
ESSER II - Supplemental Contracted Instructional Support Funding	84.425D	PRC 173	46,525
ESSER II - School Nutritional COVID Support	84.425D	PRC 174	90,516
ESSER II - Summer Career Accelerator Program	84.425D	PRC 177	2,694
ESSER II - Competency-Based Assessment	84.425D	PRC 178	17,929
ESSER III - K-12 Emergency Relief Fund	84.425U	PRC 181	5,683,806
ESSER III - Homeless I	84.425W	PRC 183	14,059
ESSER III - Homeless II	84.425W	PRC 184	31,940
ARP - ESSER III - Cyberbullying & Suicide Prevention Grant	84.425U	PRC 192	105,912
ARP - ESSER III - Teacher Bonuses	84.425U	PRC 203	841,065
Total COVID-19 Education Stabilization Fund	84.425		<u>10,997,339</u>
<u>Total U.S. Department of Education</u>			<u>17,572,697</u>
<u>U.S. Department of Defense</u>			
Cash Assistance			
Direct Program:			
Army Youth Programs in Your Neighborhood	NONE		86,699
ROTC	NONE	PRC 031	<u>130,000</u>
<u>Total U.S. Department of Defense</u>			<u>216,699</u>
<u>U.S. Department of Treasury</u>			
Cash Assistance			
Passed-through the Office of State Budget and Management:			
NC Pandemic Recovery Office			
Passed-through the N.C. Department of Public Instruction:			
COVID-19 Coronavirus Relief Fund			
Student Computers and Devices	21.019	PRC 124	1,641
Services for Exceptional Children	21.019	PRC 132	1,380
Total COVID-19 Coronavirus Relief Fund	21.019		<u>3,021</u>
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	PRC 141	<u>2,600,671</u>
<u>Total U.S. Department of Treasury</u>			<u>2,603,692</u>
Total Federal Assistance			<u>28,192,852</u>

**Board of Education of Moore County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2022**

**Schedule 12
(Continued)**

Grantor/Pass-through Grantor/Program Title	State/ Pass-through Grantor's Number	Expenditures
State Grants:		
Cash Assistance		
<u>N.C. Department of Public Instruction</u>		
State Public School Fund		\$ 79,757,316
Driver Training - SPSF	PRC 012	237,367
School Technology Fund - SPSF	PRC 015	148,881
Career and Technical Education		
- State Months of Employment	PRC 013	4,017,029
- State Program Support Funds	PRC 014	501,798
Textbooks and Digital Resources	PRC 131	229,040
State Capital Infrastructure Fund		128,414
Passed-through Moore County		
Public School Building Capital Fund - Lottery Funds		<u>28,341</u>
Total N.C. Department of Public Instruction		<u>85,048,186</u>
<u>N.C. Department of Health and Human Services</u>		
Division of Child Development and Early Education:		
NC Pre-Kindergarten Program		371,464
State School Nurse Initiative		68,737
Non-Cash Assistance		
<u>N.C. Department of Public Instruction</u>		
School Buses Appropriation	PRC 120	<u>537,284</u>
Total State Assistance		<u>86,025,671</u>
Total Federal and State Assistance		<u>\$ 114,218,523</u>

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

Note 2: Summary of Significant Account 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Board has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: Cluster of Programs

The following are clustered by the NC Department of Public Instruction and are treated separately for state audit requirement purposes: School Nutrition Program

Note 4: Non-cash Assistance

Included in the amounts reported on the Schedule of Expenditures of Federal and State Awards, the Board received non-cash assistance in the form of food commodities and school buses. Non-cash items with a fair value of \$1,033,218 were received during the year ended June 30, 2022. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2022.