

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

**ANNUAL
COMPREHENSIVE
FINANCIAL REPORT**

**For the Fiscal Year Ended
JUNE 30, 2021**



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Board of Education of Moore County Schools
Carthage, North Carolina

FOR THE FISCAL YEAR ENDED
JUNE 30, 2021

PREPARED BY

Andrew Cox, Executive Officer for Budget and Finance

Jennie Patnode, Assistant Finance Officer

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 November 22, 2021

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, 2021. 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, 2021, 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 12,400 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, 2021. 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;
- Use data driven decision-making to respond to learning recovery needs of our students in response to the COVID-19 pandemic;
- 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 2020-21.

The Board of County Commissioners maintained a property tax rate by 51 cents per \$100 of assessed value in 2021. They have maintained the County appropriation, reflecting continued support for our school system. As a result of a \$103 million bond referendum passed in May 2018, bonds have been issued for our construction projects and all three new elementary schools. Two of the three school financed with the \$103 million dollar bonds opened during the 2020-21 school year with the remaining school set to open during the 2021-22 school year. In addition, the Board of Education continues to advocate for establishing a funding formula with the County Commissioners for future budgets.

The Board of Education undertook a student reassignment plan as a result of the new schools being built. The plan was approved in the fall of 2019 and the first phase of the new student assignment plan was implement in the 2019-20 school year. The second and final phase of the student reassignment was implemented in the 2020-21 school year as the new schools open their doors to students. The new schools, along with the reassignment plan has resulted in only two schools being over capacity as compared to six previously.

The Board of Education (BOE) continued to be impacted by COVID-19, as all other school districts did in the 2020-21 school year. Moore County Schools was one of only few schools that opened its door to in-person learning on day 1 of the 2020-21 school year. Students attended in-person two days per week and were in remote learning for three days per week. The district offered a virtual academy (Connect Academy) for any parents who were not comfortable with in-person learning. K-5 students transitioned to five days of in-person learning on January 5, 2021 with grades 6-12 returning to five days of in-person learning on March 29, 2021. During the summer of 2021, Moore County Schools offered a summer learning program (PowerUp!) to provide additional in-person instruction to students who may have been negatively impacted by the school closures in 2020 and 2021. The Moore County Schools will open all grades with five days per week of in-person learning in August of 2021 and continue to offer the Connect Academy.

Moore County Schools has completed the last phase of a multi-year district-wide student assignment plan that balances the capacities at the schools to the furthest extent possible. The results are an equitable distribution of students across the elementary and middle schools. We continue to monitor the enrollment at each school to know if any future adjustments would be warranted.

The completion of one new 800-student elementary school (McDeeds Creek), the replacement of three aging facilities with new 800-student elementary schools (Aberdeen, Southern Pines and Pinehurst), and the addition at North Moore High accomplished five projects of the Board's Master Facility Plan all within three years. These new schools allowed for balanced distribution of students throughout the southern part of the county and removed high maintenance demands from the operation budget.

The funding provided through the ESSER grants allowed the district to perform many improvements to facilities and sites that will jump start the capital improvements of existing facilities. Coupling these funds with current local and Lottery funding allows the district to address the highest needs at the schools.

The local economy continues to thrive with an unemployment rate of 4.8% as of June 30, 2021. This is a decrease of nearly three (3) percent from the prior year, indicating a significant recovery from COVID 19. Moore County's economy is well diversified with significant agriculture, tourism, retirement, and manufacturing sectors, plus strong healthcare and retail sectors.

Agriculture

The agricultural community in Moore County is served by several groups including: Cooperative Extension, Farm Service Agency, Natural Resource Conservation Service and the Soil and Water Conservation District. The Farm Bureau and Piedmont Farm Credit also serve the agricultural community. The agencies mentioned continue to develop programs that will reduce our reliance on the tobacco market, which remains one of our top three crops. Efforts are being made in the areas of cooperative marketing and agritourism. Agritourism may also provide opportunities for generating additional income on farm land from the tourist market already present in Moore County. The latest income data available from the United States Department of Agriculture shows cash receipts of \$147,654,000 from agriculture in 2019. This represents a decrease of nearly \$30,000,000 compared to 2018 receipts. 2020 data was not yet available.

Tourism

Tourism is the 2nd largest private industry sector in Moore County, only behind healthcare. The suppliers of tourism assets and services in Moore County are well known and quite diverse, ranging from four-star self-contained golf resorts to independent restaurants and family owned motels. Supporting the destinations appeal are more than 40 golf courses, which are consistently ranked in the top echelon of golf courses within the State and country. The Convention and Visitors Bureau (CVB) serves as the destination marketing & management organization for the County, responsible for promoting the area for meetings and conventions, motor coach tours, and leisure travelers. Visitors to Moore County spent over \$563 million dollars in 2019, and increase of 8.1% from 2018.

The strong tourist economy, along with a community-wide effort including the CVB, helped the Pinehurst Resort and the County obtain the rights to host the 1994 U.S. Senior Open; the 2009 U.S. Amateur Open; the 1996, 2001 and 2007 U.S. Women's Open at Pine Needles; and the 1999 and 2005 U.S. Men's Open Championships. Pinehurst Resort successfully hosted the 2014 U.S Men's Open Championship and the 2014 U.S Women's Open in back-to-back weeks. In 2019, Pinehurst hosted the U.S. Amateur Championship. Pinehurst will host the 2022 US Women's Open and the 2024 US Men's Open again. These championships have increased Moore County's exposure tremendously, and have improved upon an already strong tourism economy. In 2020, the USGA announced it will establish "Golf House Pinehurst" in North Carolina. It will include a new equipment-testing facility, innovation hub, museum/visitor center and offices. The tourism industry continues to seek new ways to further diversify its business by adding family-friendly amenities and new initiatives and products such as agritourism and amateur sports tourism to the mix.

Retirement

The County's retirement sector is very important to the local economy, as 27% of the County's population is over 65. The County has an above average number of older residents and a higher per capita income than the State average. Many seniors enjoy retirement communities and assisted living facilities as part of their lifestyle.

Manufacturing

Incorporated in 2002 as a 501(c) (3) nonprofit entity, Moore County Partners in Progress (PIP) brings public and private interests together to provide economic development services for all of Moore County. The

County makes an annual contribution to support PIP's operating budget and mission of increasing the number of new jobs and capital investment in Moore County through new industry recruitment, existing industry expansion and retention, and entrepreneurial development.

INDEPENDENT AUDIT

Dixon Hughes Goodman LLP has audited the financial records and transactions of the Moore County Board of Education for the year ended June 30, 2021. 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

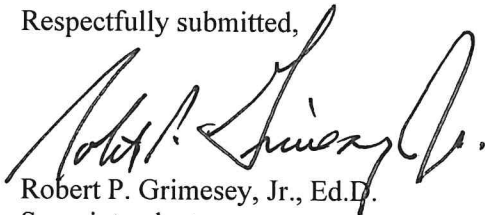
The Government Finance Officers Association of the United States and Canada (GFOA) awarded their Certificate of Achievement for Excellence in Financial Reporting (COA) and the Association of School Business Officials (ASBO) awarded their Certificate of Excellence in Financial Reporting to the Board for its annual comprehensive financial report for the year ended June 30, 2020. 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,



Robert P. Grimesey, Jr., Ed.D.
Superintendent



Andrew Cox, CSBD
Executive Officer for Budget and Finance

BOARD OF EDUCATION OF MOORE COUNTY SCHOOLS

2021 BOARD MEMBERS AND PRINCIPAL OFFICERS

Board Members

Elizabeth Carter, Chair

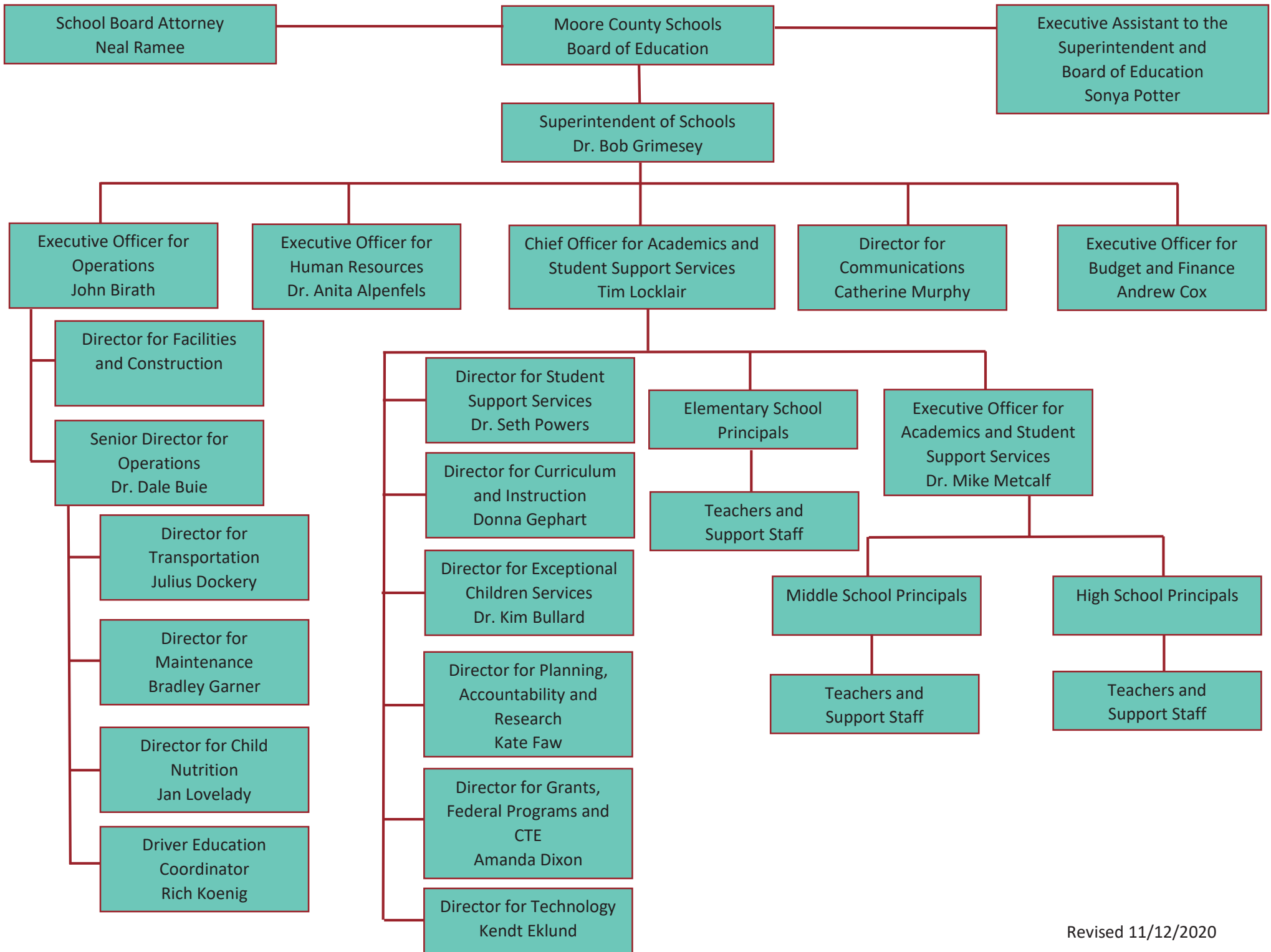
Pam Thompson, Vice-Chair

Stacey Caldwell, Ed Dennison, David Hensley,

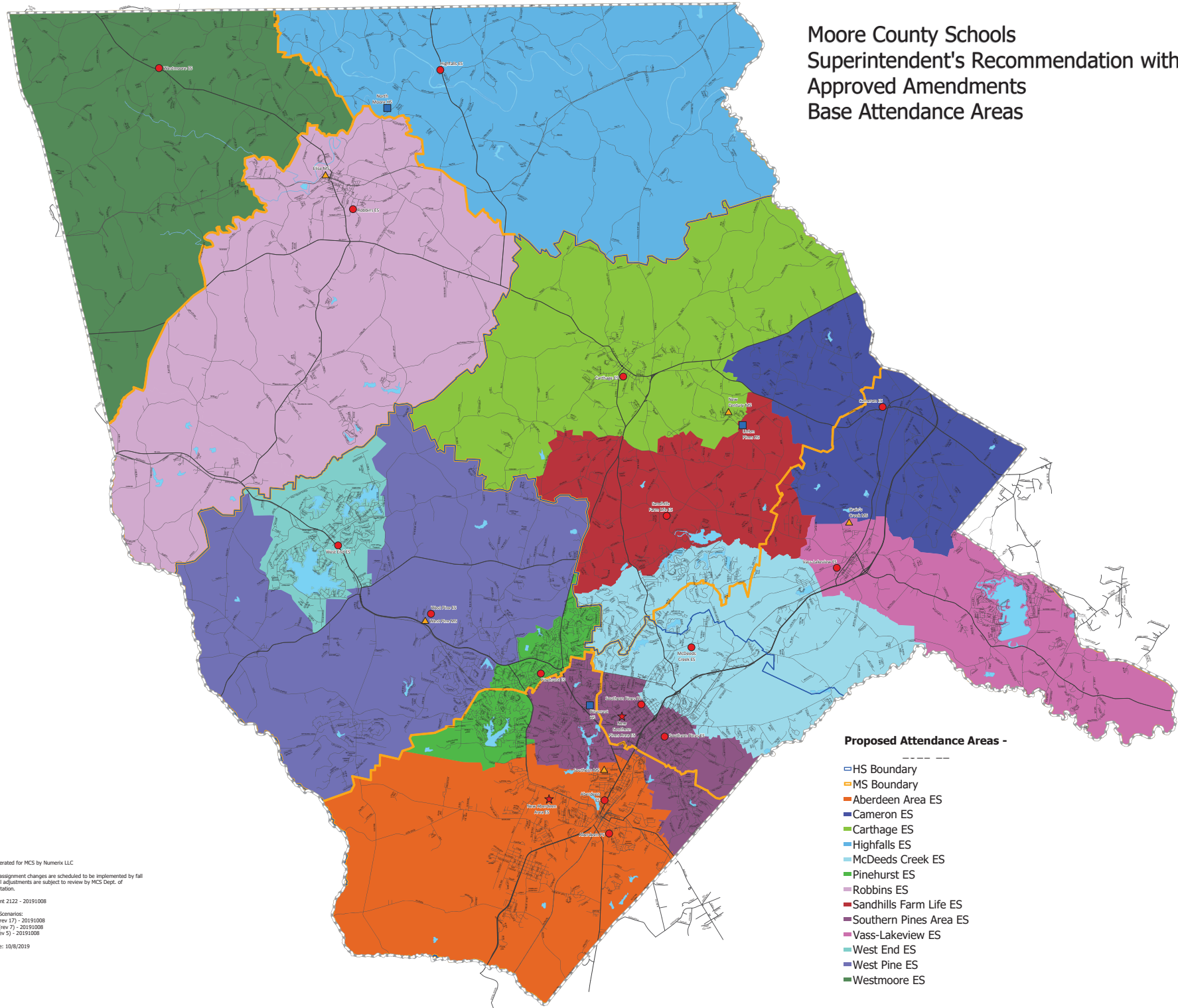
Robert Levy, Philip Holmes

Principal Officers

Robert Grimesey, Ed.D.	Superintendent
Tim Locklair	Chief Officer for Academics and Student Support Service
Mike Metcalf, Ed.D	Executive Officer for Academics and Student Support Services
John Birath	Executive Officer for Operations
Anita Alpenfels, Ed.D.	Executive Officer for Human Resources
Andrew Cox	Executive Officer for Budget and Finance
Catherine Murphy	Director for Communications
Neal Ramee	General Counsel



Moore County Schools Superintendent's Recommendation with Approved Amendments Base Attendance Areas



Map generated for MCS by Numerix LLC
 All base assignment changes are scheduled to be implemented by fall 2021. All adjustments are subject to review by MCS Dept. of Transportation.
 Catchment 2122 - 20191008
 Original Scenarios:
 ES 01A (rev 17) - 20191008
 HS 01C (rev 7) - 20191008
 HS 01 (rev 5) - 20191008
 Map Date: 10/8/2019



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Moore County Board of Education

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

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



Handwritten signature of W. Edward Chabal in black ink.

W. Edward Chabal
President

Handwritten signature of David J. Lewis in black ink.

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, 2020

Christopher P. Morill

Executive Director/CEO



Financial Section



Independent Auditors' Report

Board of Education
Moore County Schools
Carthage, NC

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Moore County Schools, North Carolina ("Board"), as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Board as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, State Public School, Restricted Revenues, and Federal Grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 12 and the Schedules of Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of Board Contributions on pages 50 through 55, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Board's basic financial statements. The individual fund 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

The individual fund schedules and the accompanying schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 schedules, and the accompanying schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 the Board's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 22, 2021

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

Financial Highlights

The State Public School Fund allotted ADM (Average Daily Membership) increased by 121 students or approximately 1% in 2020-2021 from 2019-2020. Due to the COVID pandemic, however, ADM was approximately 400 students less than 2019-20. In 2020-21, the County Current Expense appropriation decreased by \$740,000 from 2019-20. This represents an approximate 2.3% decrease in overall county funding from 2019-20. County Capital Expense and Technology remained the same at \$750,000 each, respectively. Charter School enrollments for Moore County students increased resulting in Moore County Schools providing \$2.6M or the \$30 million in current expense county funding to charter schools, reducing the amount of county current expense funds available for use by Moore County Schools. Employer matching benefits rates for retirement and hospitalization continue to increase. For 2020-21 they increased to 21.68% from 19.86 in 19-20 and \$6,306/employee to \$6,326/employee, respectively.

The Board's total government-wide net position at June 30, 2021 increased by \$36.5 million over the prior year. Governmental activities net position increased by \$35.6 million while business-type activities net position increased by \$866 thousand over the prior year. 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, 2020.

Our instructional focus for the upcoming school year is driven by the goal of moving learning forward for all K-12 students during the COVID-19 pandemic as we fully return to face-to-face instruction. The Moore County Schools Academic and Student Support Services' team is focused on providing the curricular, instructional and social emotional support that our principals, teachers and students needed to ensure learning is moving forward. Moore County Schools has strong foundational frameworks in MTSS, Social Emotional Learning, K-5 Literacy, K-5 Math and 6-12 Instruction. These frameworks will be supported and implemented within the current context of the COVID-19 pandemic. In addition, we continue to work to sustain, refine and expand Moore County Schools' Digital Learning Initiative which now is expanding into the K-5 grades. Elementary and Secondary School Emergency Relief (ESSER) funding is being used to achieve this. This initiative includes ensuring expansion and refinement of digital applications with continued focus on allowing opportunities for students to use their devices to collaborate, create and publish, while remaining grounded in the foundation of our curriculum standards. Moore County Schools will continue to grow advocacy efforts to increase funding as needed to ensure sustainability of the technological needs of teachers and students, as well as staffing to support blended digital learning. This effort includes researching and identifying base content for core curriculum that supports the implementation of blended digital learning and highly effective instruction.

Moore County Schools' Digital Learning Initiative involves four phases. Phase I was completed in 2012-13, and provided laptops to all teachers, and an iPad initiative at Carthage Elementary and a laptop initiative at the Community Learning Center at Pinckney. Phase II, completed in 2013-14, provided Chromebooks to all students in Area 1 and Area 2 middle and high schools. Phase III, enacted over the 2015-2016 school term provided Chromebooks to all students in Area 3 middle schools and its high school. Phase IV, scheduled for the 2019-20 school year, would have expanded the Digital Learning Initiative to elementary schools. Due to the COVID-19 pandemic, the district has leveraged state relief funds in order to provide devices for all students in grades K-12. For the 2020-2021 school year, all K-1 students have an assigned iPad, and 2-12 students have an assigned Chromebook. K-5 students have had to use a combination of new and near-end-of-life devices in order to have a student-assigned device. Some of these devices were replaced during the 2020-21 school year with ESSER funding. For grades 6-12, student devices in half the district have been refreshed, but moving to a 4-year lease and refresh cycle. These student devices will have warranty and accidental damage/theft coverage for the entire 4-year lease/purchase period.

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

The vision for our Digital Learning Initiative is as follows: Moore County Schools will leverage the full range of digital resources to ensure students are immersed in authentic, personalized learning experiences that allow opportunities to showcase mastery and growth through creation and publication of digital work.

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 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.

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

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 three types of funds:

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

The fiduciary fund statement is shown as Exhibit 10.

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 \$28.5 million as of June 30, 2021. The largest component of net position is the Board's net investment in capital assets of \$221.5 million. Restricted and

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

unrestricted net position (deficit) amounted to \$5.6 million and (\$197.4) million, respectively. The Board's overall financial position has improved in the current year, as the net deficit decreased by \$36.5 million, primarily due to capital contributions provided by Moore County. 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 has a \$205.3 million negative effect to the Board's overall net deficit.

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

**Table 1
Condensed Statement of Net Position (Deficit)
as of June 30, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 19,688,749	\$ 12,039,740	\$ 2,422,447	\$ 2,394,403	\$ 22,111,196	\$ 14,434,143
Capital assets	222,146,919	198,355,871	1,160,127	439,579	223,307,046	198,795,450
Total assets	<u>241,835,668</u>	<u>210,395,611</u>	<u>3,582,574</u>	<u>2,833,982</u>	<u>245,418,242</u>	<u>213,229,593</u>
Deferred outflows of resources	37,120,544	37,052,930	829,272	827,679	37,949,816	37,880,609
Current liabilities	6,494,774	6,634,808	170,299	182,444	6,665,073	6,817,252
Long-term liabilities	182,778,033	190,618,235	4,040,921	4,235,006	186,818,954	194,853,241
Total liabilities	<u>189,272,807</u>	<u>197,253,043</u>	<u>4,211,220</u>	<u>4,417,450</u>	<u>193,484,027</u>	<u>201,670,493</u>
Deferred inflows of resources	60,043,963	56,153,307	1,359,140	1,269,024	61,403,103	57,422,331
Net investment in capital assets	221,463,599	197,636,773	1,160,127	439,579	222,623,726	198,076,352
Restricted net position	5,553,782	3,181,068	4,738	4,194	5,558,520	3,185,262
Unrestricted net deficit	<u>(197,377,939)</u>	<u>(206,775,650)</u>	<u>(2,323,379)</u>	<u>(2,468,586)</u>	<u>(199,701,318)</u>	<u>(209,244,236)</u>
Total net position (deficit)	<u>\$ 29,639,442</u>	<u>\$ (5,957,809)</u>	<u>\$ (1,158,514)</u>	<u>\$ (2,024,813)</u>	<u>\$ 28,480,928</u>	<u>\$ (7,982,622)</u>

The net deficit of the Board's governmental activities decreased from (\$6) million at June 30, 2020 to \$29.6 million at June 30, 2021, a decrease of \$35.6 million. The Board's net investment in capital assets increased by \$23.8 million during the year due to the construction of four elementary schools and renovation of one high school which were funded primarily by Moore County. Restricted and unrestricted combined net deficit decreased by a total of \$11.8 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 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.

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

The net deficit of the Board's business-type activities decreased \$866 thousand from \$2 million at June 30, 2020 to \$1.2 million at June 30, 2021. This decrease in net deficit is primarily attributable contributed capital of \$800 thousand related to cafeteria equipment for the new elementary schools.

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, 2021 & 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues:						
Program revenues:						
Charges for services	\$ 2,692,699	\$ 3,995,595	\$ 791,681	\$ 2,149,129	\$ 3,484,380	\$ 6,144,724
Operating grants and contributions	93,345,535	87,665,899	3,263,255	2,303,653	96,608,790	89,969,552
Capital grants and contributions	818,922	631,348	-	-	818,922	631,348
General revenues:						
Unrestricted state and federal appropriations	4,063,349	1,758,355	48,041	-	4,111,390	1,758,355
Unrestricted county appropriations	31,100,000	31,839,133	-	-	31,100,000	31,839,133
Unrestricted county appropriation - contributed capital	34,120,069	72,456,282	799,921	364,297	34,919,990	72,820,579
Other revenues	2,095,805	643,093	9,114	30,376	2,104,919	673,469
Total revenues	<u>168,236,379</u>	<u>198,989,705</u>	<u>4,912,012</u>	<u>4,847,455</u>	<u>173,148,391</u>	<u>203,837,160</u>
Expenses:						
Governmental activities:						
Instructional services	96,384,001	100,905,904	-	-	96,384,001	100,905,904
System-wide support services	27,348,239	26,240,015	-	-	27,348,239	26,240,015
Ancillary services	407,414	298,697	-	-	407,414	298,697
Non-programmed charges	2,635,623	2,245,702	-	-	2,635,623	2,245,702
Unallocated depreciation expense	5,976,705	4,488,939	-	-	5,976,705	4,488,939
Business-type activities:						
School food service	-	-	3,728,048	4,246,504	3,728,048	4,246,504
Child care	-	-	204,811	338,303	204,811	338,303
Total expenses	<u>132,751,982</u>	<u>134,179,257</u>	<u>3,932,859</u>	<u>4,584,807</u>	<u>136,684,841</u>	<u>138,764,064</u>
Transfers in (out)	<u>112,854</u>	<u>4,532</u>	<u>(112,854)</u>	<u>(4,532)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	35,597,251	64,814,980	866,299	258,116	36,463,550	65,073,096
Net deficit, beginning	<u>(5,957,809)</u>	<u>(70,772,789)</u>	<u>(2,024,813)</u>	<u>(2,282,929)</u>	<u>(7,982,622)</u>	<u>(73,055,718)</u>
Net position (deficit), ending	<u>\$ 29,639,442</u>	<u>\$ (5,957,809)</u>	<u>\$ (1,158,514)</u>	<u>\$ (2,024,813)</u>	<u>\$ 28,480,928</u>	<u>\$ (7,982,622)</u>

During the year ended June 30, 2021, governmental activities generated revenues of \$168 million and incurred expenses totaling \$133 million. Transfers in from business-type activities during the year were approximately \$113 thousand, net. Overall, governmental activities recognized a decrease in net deficit totaling \$35.6 million. Revenues were down \$30.8 million from the prior year, while expenses decreased \$1.4 million. The decrease in revenues is primarily attributable to capital outlay contributed to Moore County which decreased \$38.3 million

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

when compared to the prior year. Primary sources of revenue included funding from the state of North Carolina, the County of Moore, and the United States government, which respectively comprised 50.1%, 39.1%, and 6.2% of the Board's revenues. As would be expected, the major component of the Board's expenses was for instructional services, which accounted for 61.4% of total expenses during the most recent fiscal year. Of the remaining, 13.82% 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 \$3.6 million in funding from the federal government through the Coronavirus Relief Fund and the Education Stabilization Fund.

Business-type activities generated revenue of \$4.9 million, had expenses of \$3.9 million and transfers to governmental activities of \$113 thousand, resulting in a decrease in net deficit of \$866 thousand. This represents a increase of \$608 thousand over the prior year decrease in net deficit of \$258 thousand. Federal reimbursements increased by \$960 thousand while food sales decreased \$1.4 million. Operating expenses decreased by \$652 thousand driven by a decrease in food costs of \$400 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 \$16.4 million at June 30, 2021, a \$7.6 million increase when compared to the prior year. Overall, total revenues decreased by \$32.5 million, or 16.3%, when compared to the prior year while total expenditures decreased by \$38.6 million, or 19.4%, when compared to the prior year. The decrease in revenues is attributable to a decrease in contributed capital from Moore County of \$38.3 million related to the contribution of new schools and an increase in revenues from the U.S Government of \$3.6 million to assist in combatting the COVID-19 Pandemic. The decrease in expenditures is attributable to the aforementioned decrease in contributed capital.

For the fiscal year ended June 30, 2021, the Board's General Fund and Restricted Revenues Fund experienced a net change in fund balance of \$2.9 million and \$1.9 million, respectively, compared to changes in fund balances of \$1 million and \$(64) thousand for the prior year ended, respectively. Specifically related to the General Fund, County revenues during this same period decreased by \$739 thousand to \$30.4 million. The small decrease in County revenues is related to one time start up funding for McDeeds Creek Elementary which was received in 2020 but not 2021. The Restricted Revenues Fund recognized increases in total revenues of \$1.3 million for the year ended June 30, 2021 compared to the year ended June 30, 2020. During the same period, the Board experienced a decrease in expenditures of \$623 thousand.

The Board's State Public School Fund and Federal Grants Fund recognized changes in revenues of \$3.1 million or 3.9% and \$1.5 million or 25%, 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 the Education Stabilization and Coronavirus Relief Funds.

The Board's Individual Schools Fund and Capital Outlay Fund had a net change in fund balance of \$398 thousand and \$2.4 million, respectively. In comparison to the prior year, the Individual Schools Fund and Capital Outlay Fund had a net change of \$(116) thousand and \$(541) thousand, respectively. Revenues in the Capital Outlay Fund decreased by \$36.2 million, or 48.7%. The decrease is related to the aforementioned decreases in 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 \$38.4 million in the current year.

Proprietary funds: The Board's business-type funds reported a combined net deficit of \$1.2 million at June 30, 2021, a \$866 thousand decrease to the deficit when compared to the prior year. The School Food Service Fund

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

generated net income after transfers of \$866 thousand during the year ended June 30, 2021 compared to a net income after transfers of \$258 thousand during the prior year. In comparison to the prior year, federal reimbursement increased by \$965 thousand and operating expenses decreased by \$749 thousand. The Child Care Fund generated \$158 thousand of income before transfers which was a decrease of \$69 thousand over the prior year income of \$227 thousand. These decreases were primarily due to the COVID-19 Pandemic.

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, 2021, capital assets, net of accumulated depreciation, increased by \$23.8 million or 12% for governmental activities and increased by \$721 thousand for business-type activities, compared to the prior year. During the year, the Board added \$29.4 million to construction in progress primarily related to school construction projects and transferred \$96.8 million to other capital asset accounts for projects completed during the year. Total depreciation charges for the year ended June 30, 2021 were \$6.5 million for governmental activities and \$126 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, 2021 and 2020**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,883,061	\$ 4,860,382	\$ -	\$ -	\$ 4,883,061	\$ 4,860,382
Construction in progress	14,166,169	81,555,766	-	-	14,166,169	81,555,766
Buildings and improvements	198,758,724	107,669,641	-	-	198,758,724	107,669,641
Equipment and furniture	1,986,913	2,333,132	1,160,127	439,579	3,147,040	2,772,711
Vehicles	2,308,509	1,932,551	-	-	2,308,509	1,932,551
Computers	43,543	4,399	-	-	43,543	4,399
Total	\$ 222,146,919	\$ 198,355,871	\$ 1,160,127	\$ 439,579	\$ 223,307,046	\$ 198,795,450

Debt Outstanding

During the year, the Board's outstanding debt decreased by \$631 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.

Economic Factors

With the impact of COVID19 starting in March 2020, no one can truly project enrollment. Prior to COVID19, the Board anticipated a modest increase in enrollment over the next few years. The district opened two new elementary schools during the year and plans to open the final one of four in August 2021. 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

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

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.

County funding in 20-21, excluding one-time Elementary and Secondary School Emergency Relief (ESSER) funding consisted of 23.4% of our annual resources, a decrease of approximately 2.3%. The state of the local economy directly affects our schools and did extremely well even during the COVID19 pandemic. Moore County projected both increases in property tax collections and well as sales tax collections during FY21 despite the pandemic.

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 in 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. The most recent per capita income estimate was \$34,606 in 2019 dollars, an increase of 3.5%. As of June 30, 2021, our unemployment rate was 4.8% a decrease of over 3% from the prior year, showing the strong economy of Moore County.

The economic outlook for Moore County continues to look good as the County approved a budget increase of 7% while using no fund balance. As part of a region, which is poised for growth with the proximity to Fort Bragg, world-class golf at Pinehurst, and continued business spin-off from Research Triangle Park, the future budget outlook for Moore County is positive.

Impact of Coronavirus on School. During the fiscal year, the impact of COVID 19 continued. The Board's response to the coronavirus included providing a hybrid approach to learning with an all-remote option, while also offering a combination of in-person and remote for other students. During the year, students were able to return to in-person learning five days a week.

During the summer, Moore County Schools offered a summer extended learning program for all who wished to participate using ESSER funding. Instruction was provided for six-hours a days as well as nutritious meals were provided to all participating students at no cost to them.

The safety and health of our students and staff is paramount. School opened to in-person learning in FY22, with a mask mandate in place to limit the amount of exposure to COVID 19 as well as reduce the possibility of missed instructional time due to quarantines. The district continues to utilize ESSER funding to provide the safest learning environments to our students as best possible in order to respond to the COVID 19 pandemic.

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

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:

Andrew Cox, 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, 2021

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 17,669,646	\$ 1,977,651	\$ 19,647,297
Due from other governments	1,445,825	-	1,445,825
Receivables	39,614	176,886	216,500
Net OPEB asset	209,900	4,738	214,638
Inventories	323,764	263,172	586,936
Capital assets:			
Land, improvements, and construction in progress	19,049,230	-	19,049,230
Other capital assets, net of depreciation	203,097,689	1,160,127	204,257,816
Total capital assets	222,146,919	1,160,127	223,307,046
 Total assets	 241,835,668	 3,582,574	 245,418,242
DEFERRED OUTFLOWS OF RESOURCES	37,120,544	829,272	37,949,816
LIABILITIES			
Accounts payable and accrued expenses	703,137	6,400	709,537
Accrued salaries and wages payable	1,860,255	-	1,860,255
Due to other governments	497,997	-	497,997
Unearned revenue	-	92,576	92,576
Long-term liabilities:			
Due within one year	3,433,385	71,323	3,504,708
Due in more than one year	182,778,033	4,040,921	186,818,954
 Total liabilities	 189,272,807	 4,211,220	 193,484,027
DEFERRED INFLOWS OF RESOURCES	60,043,963	1,359,140	61,403,103
NET POSITION (DEFICIT)			
Net investment in capital assets	221,463,599	1,160,127	222,623,726
Restricted for:			
Stabilization by State Statute	74,799	-	74,799
School Capital Outlay	2,884,637	-	2,884,637
Individual Schools	2,384,446	-	2,384,446
DIPNC OPEB plan	209,900	4,738	214,638
Unrestricted	(197,377,939)	(2,323,379)	(199,701,318)
 Total net position (deficit)	 \$ 29,639,442	 \$ (1,158,514)	 \$ 28,480,928

Board of Education of Moore County Schools
Statement of Activities
For the Fiscal Year Ended June 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
Instructional services:							
Regular instructional	\$ 53,244,065	\$ -	\$ 46,061,899	\$ -	\$ (7,182,166)	\$ -	\$ (7,182,166)
Special populations	16,946,196	-	15,502,364	-	(1,443,832)	-	(1,443,832)
Alternative programs	6,153,077	-	5,519,474	-	(633,603)	-	(633,603)
Student leadership	7,550,118	-	5,909,861	-	(1,640,257)	-	(1,640,257)
Co-curricular services	3,004,892	-	13,600	-	(2,991,292)	-	(2,991,292)
School-based support	9,485,653	2,490,456	8,014,175	-	1,018,978	-	1,018,978
System-wide support services:							
Support and development	930,184	-	272,819	-	(657,365)	-	(657,365)
Special population support and development	138,734	-	140,871	-	2,137	-	2,137
Alternative programs and services support and development	37,982	-	37,995	-	13	-	13
Technology support	2,059,397	-	429,083	-	(1,630,314)	-	(1,630,314)
Operational support	20,030,934	202,243	9,512,916	818,922	(9,496,853)	-	(9,496,853)
Financial and human resources	1,792,109	-	751,153	-	(1,040,956)	-	(1,040,956)
Accountability	247,039	-	-	-	(247,039)	-	(247,039)
System-wide pupil support services	1,645	-	-	-	(1,645)	-	(1,645)
Policy, leadership and public relations	2,110,215	-	643,367	-	(1,466,848)	-	(1,466,848)
Ancillary services	407,414	-	385,522	-	(21,892)	-	(21,892)
Non-programmed charges	2,635,623	-	150,436	-	(2,485,187)	-	(2,485,187)
Unallocated depreciation expense, excluding direct depreciation expense charged to programs	5,976,705	-	-	-	(5,976,705)	-	(5,976,705)
Total governmental activities	<u>132,751,982</u>	<u>2,692,699</u>	<u>93,345,535</u>	<u>818,922</u>	<u>(35,894,826)</u>	<u>-</u>	<u>(35,894,826)</u>
Business-type activities:							
School food service	3,728,048	429,016	3,263,255	-	-	(35,777)	(35,777)
Child care	204,811	362,665	-	-	-	157,854	157,854
Total business-type activities	<u>3,932,859</u>	<u>791,681</u>	<u>3,263,255</u>	<u>-</u>	<u>-</u>	<u>122,077</u>	<u>122,077</u>
Total primary government	<u>\$ 136,684,841</u>	<u>\$ 3,484,380</u>	<u>\$ 96,608,790</u>	<u>\$ 818,922</u>	<u>(35,894,826)</u>	<u>122,077</u>	<u>(35,772,749)</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					34,120,069	799,921	34,919,990
Unrestricted State and Federal appropriations - operating					1,539,721	-	1,539,721
Unrestricted State appropriation - capital					483,656	-	483,656
State OPEB contribution - non-capital					2,039,972	48,041	2,088,013
Gain on disposal of capital assets					1,257,346	-	1,257,346
Investment earnings, unrestricted					10,878	7,357	18,235
Miscellaneous, unrestricted					827,581	1,757	829,338
Total general revenues excluding transfers					<u>71,379,223</u>	<u>857,076</u>	<u>72,236,299</u>
Transfers in (out)					<u>112,854</u>	<u>(112,854)</u>	<u>-</u>
Total general revenues and transfers					<u>71,492,077</u>	<u>744,222</u>	<u>72,236,299</u>
Change in net deficit					<u>35,597,251</u>	<u>866,299</u>	<u>36,463,550</u>
Net deficit, beginning					<u>(5,957,809)</u>	<u>(2,024,813)</u>	<u>(7,982,622)</u>
Net position (deficit), ending					<u>\$ 29,639,442</u>	<u>\$ (1,158,514)</u>	<u>\$ 28,480,928</u>

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

**Board of Education of Moore County Schools
Balance Sheet
Governmental Funds
June 30, 2021**

Exhibit 3

	Major Funds						Total Governmental Funds
	General	State Public School	Federal Grants	Restricted Revenues	Capital Outlay	Individual Schools	
ASSETS							
Cash and cash equivalents	\$ 7,152,031	\$ 497,997	\$ -	\$ 5,416,877	\$ 2,884,637	\$ 1,718,104	\$ 17,669,646
Due from other governments	-	1,341,418	69,222	-	35,185	-	1,445,825
Receivables	100	-	-	39,514	-	-	39,614
Due from other funds	-	-	-	-	-	666,342	666,342
Inventories	323,764	-	-	-	-	-	323,764
Total assets	\$ 7,475,895	\$ 1,839,415	\$ 69,222	\$ 5,456,391	\$ 2,919,822	\$ 2,384,446	\$ 20,145,191
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenditures	\$ 651,237	\$ -	\$ -	\$ 51,900	\$ -	\$ -	\$ 703,137
Accrued salaries and wages payable	449,615	1,341,418	69,222	-	-	-	1,860,255
Due to other funds	-	-	-	666,342	-	-	666,342
Due to other governments	-	497,997	-	-	-	-	497,997
Total liabilities	1,100,852	1,839,415	69,222	718,242	-	-	3,727,731
Fund balances:							
Nonspendable:							
Inventories	323,764	-	-	-	-	-	323,764
Restricted:							
Stabilization by State Statute	100	-	-	39,514	35,185	-	74,799
School Capital Outlay	-	-	-	-	2,884,637	-	2,884,637
Individual Schools	-	-	-	-	-	2,384,446	2,384,446
Assigned:							
Subsequent year's expenditures	2,100,000	-	-	-	-	-	2,100,000
Other special programs	-	-	-	4,698,635	-	-	4,698,635
Unassigned:	3,951,179	-	-	-	-	-	3,951,179
Total fund balances	6,375,043	-	-	4,738,149	2,919,822	2,384,446	16,417,460
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,475,895	\$ 1,839,415	\$ 69,222	\$ 5,456,391	\$ 2,919,822	\$ 2,384,446	

Amounts reported for governmental activities in the Statement of Net Position (Deficit) (Exhibit 1) are different because:

Net OPEB asset	209,900
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	222,146,919
Deferred outflows of resources related to pensions	22,319,207
Deferred outflows of resources related to OPEB	14,801,337
Some liabilities, including those for compensated absences and installment purchase obligations, are not due and payable in the current period and therefore are not reported in the funds	(8,152,706)
Net pension liability	(58,814,832)
Net OPEB liability	(119,243,880)
Deferred inflows of resources related to pensions	(781,470)
Deferred inflows of resources related to OPEB	(59,262,493)
Net position of governmental activities	\$ 29,639,442

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, 2021

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	\$ -	\$ 81,712,840	\$ -	\$ 471,295	\$ 1,302,578	\$ -	\$ 83,486,713
Moore County	30,350,000	-	-	-	34,870,069	-	65,220,069
U.S. Government	44,127	2,005,765	7,342,150	979,299	-	-	10,371,341
Other	359,416	-	-	2,682,459	2,025,443	2,490,456	7,557,774
Total revenues	30,753,543	83,718,605	7,342,150	4,133,053	38,198,090	2,490,456	166,635,897
Expenditures:							
Current:							
Instructional services:							
Regular instructional	7,963,640	44,992,225	1,069,674	274,942	-	-	54,300,481
Special populations	1,195,373	13,307,151	2,195,213	584,348	-	-	17,282,085
Alternative programs	277,072	2,948,394	2,571,080	456,820	-	-	6,253,366
School leadership	1,801,622	5,760,023	149,838	-	-	-	7,711,483
Co-curricular services	854,419	13,600	-	12,315	-	2,142,284	3,022,618
School-based support	1,203,201	7,203,397	810,778	449,100	-	-	9,666,476
System-wide support services:							
Support and development	553,806	140,946	131,873	118,500	-	-	945,125
Special population support and development	-	-	140,871	-	-	-	140,871
Alternative programs and services and development	-	-	37,995	-	-	-	37,995
Technology support	1,554,794	407,225	21,858	103,379	-	-	2,087,256
Operational support	7,414,041	7,132,962	50,174	96,426	-	-	14,693,603
Financial and human resources	853,709	738,793	12,360	212,926	-	-	1,817,788
Accountability	251,301	-	-	-	-	-	251,301
System-wide pupil support	-	-	-	1,646	-	-	1,646
Policy, leadership, and public relations	1,434,903	643,367	-	64,001	-	-	2,142,271
Ancillary services	20,565	385,522	-	1,327	-	-	407,414
Non-programmed charges	2,635,623	-	150,436	-	-	-	2,786,059
Debt service:							
Principal retirements	-	-	-	-	818,922	-	818,922
Capital outlay:							
Land, buildings, and site improvements	-	-	-	-	32,259,590	-	32,259,590
Furnishings and equipment	-	-	-	-	2,670,740	-	2,670,740
Vehicles and other	-	-	-	-	783,144	-	783,144
Total expenditures	28,014,069	83,673,605	7,342,150	2,375,730	36,532,396	2,142,284	160,080,234
Excess (deficiency) of revenues over expenditures	2,739,474	45,000	-	1,757,323	1,665,694	348,172	6,555,663
Other financing sources (uses):							
Installment purchase obligations issued	-	-	-	-	783,144	-	783,144
Transfers (to) from other funds	-	(45,000)	-	107,758	-	50,096	112,854
Total other financing sources (uses)	-	(45,000)	-	107,758	783,144	50,096	895,998
Net change in fund balances	2,739,474	-	-	1,865,081	2,448,838	398,268	7,451,661
Fund balances:							
Beginning of year	3,486,330	-	-	2,873,068	470,984	1,986,178	8,816,560
Decrease in reserve for inventories	149,239	-	-	-	-	-	149,239
End of year	<u>\$ 6,375,043</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,738,149</u>	<u>\$ 2,919,822</u>	<u>\$ 2,384,446</u>	<u>\$ 16,417,460</u>

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, 2021

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 7,451,661
Adjustment due to the use of consumption method of recording inventories in the government-wide statements.	149,239
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,559,041
Contributions to the OPEB plan in the current fiscal year are not included on the Statement of Activities	4,836,581
Gain from disposal of capital assets	1,257,346
Proceeds received from disposal of capital assets	(1,546,400)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	24,080,102
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
State OPEB contribution	2,039,972
Net OPEB benefit	3,228,206
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	35,778
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.	
Compensated absences	40,280
Pension expense	(16,534,555)
Total changes in net position (deficit) of governmental activities	<u>\$ 35,597,251</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, 2021

	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	-	-	44,127	44,127
Other	480,000	480,000	359,416	(120,584)
Total revenues	<u>30,830,000</u>	<u>30,830,000</u>	<u>30,753,543</u>	<u>(76,457)</u>
Expenditures:				
Current:				
Instructional services	15,820,388	16,065,564	13,295,327	2,770,237
System-wide support services	12,473,012	12,207,271	12,062,554	144,717
Ancillary services	-	20,565	20,565	-
Nonprogrammed charges	2,711,600	2,711,600	2,635,623	75,977
Total expenditures	<u>31,005,000</u>	<u>31,005,000</u>	<u>28,014,069</u>	<u>2,990,931</u>
Revenues over (under) expenditures	<u>(175,000)</u>	<u>(175,000)</u>	<u>2,739,474</u>	<u>2,914,474</u>
Other financing sources:				
Transfers from (to) other funds	-	-	-	-
Fund balance appropriated	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,739,474</u>	<u>\$ 2,739,474</u>
Fund balances:				
Beginning of year			3,486,330	
Decrease in reserve for inventories			<u>149,239</u>	
End of year			<u>\$ 6,375,043</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, 2021

	State Public School Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 82,101,925	\$ 84,521,664	\$ 81,712,840	\$ (2,808,824)
Moore County	-	-	-	-
U.S. Government	-	1,500,770	2,005,765	504,995
Other	-	-	-	-
Total revenues	<u>82,101,925</u>	<u>86,022,434</u>	<u>83,718,605</u>	<u>(2,303,829)</u>
Expenditures:				
Current:				
Instructional services	75,105,407	76,522,017	74,224,790	2,297,227
System-wide support services	6,996,518	9,065,395	9,063,293	2,102
Ancillary services	-	390,022	385,522	4,500
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>82,101,925</u>	<u>85,977,434</u>	<u>83,673,605</u>	<u>2,303,829</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	<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, 2021

	Restricted Revenues Fund			Variance with final budget positive (negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State of North Carolina	\$ 360,600	\$ 384,250	\$ 471,295	\$ 87,045
Moore County	-	-	-	-
U.S. Government	747,500	796,446	979,299	182,853
Other	1,807,900	1,926,392	2,682,459	756,067
Total revenues	<u>2,916,000</u>	<u>3,107,088</u>	<u>4,133,053</u>	<u>1,025,965</u>
Expenditures:				
Current:				
Instructional services	2,378,500	3,159,250	1,777,525	1,381,725
System-wide support services	510,500	677,991	596,878	81,113
Ancillary services	27,000	35,990	1,327	34,663
Nonprogrammed charges	-	-	-	-
Total expenditures	<u>2,916,000</u>	<u>3,873,231</u>	<u>2,375,730</u>	<u>1,497,501</u>
Revenues over (under) expenditures	<u>-</u>	<u>(766,143)</u>	<u>1,757,323</u>	<u>2,523,466</u>
Other financing sources:				
Transfers from (to) other funds	-	107,774	107,758	(16)
Fund balance appropriated	-	658,369	-	(658,369)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	1,865,081	<u>\$ 1,865,081</u>
Fund balances:				
Beginning of year			2,873,068	
Decrease in reserve for inventories			-	
End of year			<u>\$ 4,738,149</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, 2021

	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	9,292,887	35,791,380	7,342,150	(28,449,230)
Other	-	-	-	-
Total revenues	<u>9,292,887</u>	<u>35,791,380</u>	<u>7,342,150</u>	<u>(28,449,230)</u>
Expenditures:				
Current:				
Instructional services	7,937,301	18,743,119	6,796,583	11,946,536
System-wide support services	1,067,384	16,385,019	395,131	15,989,888
Ancillary services	-	-	-	-
Nonprogrammed charges	288,202	663,242	150,436	512,806
Total expenditures	<u>9,292,887</u>	<u>35,791,380</u>	<u>7,342,150</u>	<u>28,449,230</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfers from (to) other funds	-	-	-	-
Fund balance appropriated	-	-	-	-
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
Statement of Net Position (Deficit)
Proprietary Funds
June 30, 2021

Exhibit 7

	Enterprise		Total
	Major Fund School Food Service	Non-major Fund Child Care	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,977,651	\$ -	\$ 1,977,651
Receivables	176,886	-	176,886
OPEB asset	4,738	-	4,738
Inventories	263,172	-	263,172
Total current assets	<u>2,422,447</u>	<u>-</u>	<u>2,422,447</u>
Noncurrent assets:			
Capital assets:			
Equipment, furniture and vehicles, net	1,160,127	-	1,160,127
Total assets	<u>3,582,574</u>	<u>-</u>	<u>3,582,574</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>829,272</u>	<u>-</u>	<u>829,272</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	6,400	-	6,400
Unearned revenue	92,576	-	92,576
Compensated absences	71,323	-	71,323
Total current liabilities	<u>170,299</u>	<u>-</u>	<u>170,299</u>
Noncurrent liabilities:			
Net pension liability	1,311,226	-	1,311,226
Net OPEB liability	2,648,494	-	2,648,494
Compensated absences	81,201	-	81,201
Total noncurrent liabilities	<u>4,040,921</u>	<u>-</u>	<u>4,040,921</u>
Total liabilities	<u>4,211,220</u>	<u>-</u>	<u>4,211,220</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,359,140</u>	<u>-</u>	<u>1,359,140</u>
NET POSITION (DEFICIT)			
Investment in capital assets	1,160,127	-	1,160,127
Restricted - DIPNC OPEB plan	4,738	-	4,738
Unrestricted	<u>(2,323,379)</u>	<u>-</u>	<u>(2,323,379)</u>
Total net deficit	<u>\$ (1,158,514)</u>	<u>\$ -</u>	<u>\$ (1,158,514)</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, 2021

Exhibit 8

	Enterprise		Total
	Major Fund	Non-major Fund	
	School Food Service	Child Care	
Operating revenues:			
Food sales	\$ 429,016	\$ -	\$ 429,016
Child care fees	-	362,665	362,665
Total operating revenues	<u>429,016</u>	<u>362,665</u>	<u>791,681</u>
Operating expenses:			
Food cost:			
Purchase of food	760,604	-	760,604
Donated commodities	316,091	-	316,091
Salaries and benefits	2,278,825	204,811	2,483,636
Materials and supplies	168,415	-	168,415
Repairs and maintenance	15,427	-	15,427
Contracted services	13,378	-	13,378
Depreciation	126,068	-	126,068
Non-capitalized equipment	20,391	-	20,391
Other	28,849	-	28,849
Total operating expenses	<u>3,728,048</u>	<u>204,811</u>	<u>3,932,859</u>
Operating income (loss)	<u>(3,299,032)</u>	<u>157,854</u>	<u>(3,141,178)</u>
Nonoperating revenues:			
Federal reimbursements	2,947,164	-	2,947,164
Federal commodities	316,091	-	316,091
State OPEB contribution	48,041	-	48,041
Contributed capital	799,921	-	799,921
Other	1,757	-	1,757
Interest earned	7,357	-	7,357
Total nonoperating revenues	<u>4,120,331</u>	<u>-</u>	<u>4,120,331</u>
Income before transfers	821,299	157,854	979,153
Transfers from (to) other funds	<u>45,000</u>	<u>(157,854)</u>	<u>(112,854)</u>
Change in net deficit	<u>866,299</u>	<u>-</u>	<u>866,299</u>
Total net deficit, beginning	<u>(2,024,813)</u>	<u>-</u>	<u>(2,024,813)</u>
Total net deficit, ending	<u>\$ (1,158,514)</u>	<u>\$ -</u>	<u>\$ (1,158,514)</u>

**Board of Education of Moore County Schools
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021**

Exhibit 9

	Enterprise		Total
	Major Fund School Food Service	Non-major Fund Child Care	
Cash flows from operating activities:			
Cash received from customers	\$ 449,389	\$ 362,665	\$ 812,054
Cash paid for goods and services	(1,007,897)	-	(1,007,897)
Cash paid to employees for services	(2,333,879)	(204,811)	(2,538,690)
Net cash provided (used) by operating activities	<u>(2,892,387)</u>	<u>157,854</u>	<u>(2,734,533)</u>
Cash flows from noncapital financing activities:			
Transfers from (to) other funds	45,000	(157,854)	(112,854)
Federal and state reimbursements	2,947,164	-	2,947,164
Net cash provided (used) by noncapital activities	<u>2,992,164</u>	<u>(157,854)</u>	<u>2,834,310</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(46,695)	-	(46,695)
Cash flows from investing activities:			
Interest earned on investments	7,357	-	7,357
Other	1,757	-	1,757
Net cash provided by investing activities	<u>9,114</u>	<u>-</u>	<u>9,114</u>
Net increase in cash and cash equivalents	62,196	-	62,196
Cash and cash equivalents, beginning of year	1,915,455	-	1,915,455
Cash and cash equivalents, end of year	<u>\$ 1,977,651</u>	<u>\$ -</u>	<u>\$ 1,977,651</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (3,299,032)	\$ 157,854	\$ (3,141,178)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	126,068	-	126,068
Donated commodities	316,091	-	316,091
State OPEB contribution	48,041	-	48,041
Changes in assets, deferred outflows of resources, deferred inflows of resources, and liabilities:			
Decrease in accounts receivable	35,529	-	35,529
Increase in inventories	(833)	-	(833)
Increase in net OPEB asset	(544)	-	(544)
Increase in deferred outflows of resources	(1,593)	-	(1,593)
Decrease in unearned revenue	(15,156)	-	(15,156)
Decrease in compensated absences payable	(4,343)	-	(4,343)
Increase in net pension liability	187,855	-	187,855
Decrease in net OPEB liability	(374,586)	-	(374,586)
Increase in deferred inflows of resources	90,116	-	90,116
Total adjustments	<u>406,645</u>	<u>-</u>	<u>406,645</u>
Net cash provided (used) by operating activities	<u>\$ (2,892,387)</u>	<u>\$ 157,854</u>	<u>\$ (2,734,533)</u>

NONCASH OPERATING AND NONCAPITAL FINANCING ACTIVITIES:

The School Food Service Fund received donated commodities with a value of \$316,091 during the fiscal year. The receipt of these commodities is reflected as a nonoperating revenue on Exhibit 8.

During the fiscal year, capital assets of \$799,921 were contributed to the School Food Service Fund. The receipt of these items is reflected as 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 \$48,041 as a nonoperating revenue on Exhibit 8 as a result of this transfer.

Board of Education of Moore County Schools
Statement of Fiduciary Assets and Liabilities
Fiduciary Fund
June 30, 2021

Exhibit 10

	<u>Agency Fund</u>
ASSETS	
Cash and cash equivalents	<u>\$ 362,510</u>
LIABILITIES	
Due to Sandhills Region Education Consortium (SREC)	<u>\$ 362,510</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 for which the Board is 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.

Board of Education of Moore County Schools
Notes to Financial Statements

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

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

Fiduciary Fund Financial Statements. The Board's fiduciary fund is a Custodial Fund (assets equal liabilities) and does not involve measurement of results of operations as custodial funds have no measurement focus.

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

Board of Education of Moore County Schools
Notes to Financial Statements

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.

(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

Board of Education of Moore County Schools
Notes to Financial Statements

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.

(5) 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 position 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 position 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.

(6) Long-term Obligations

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

(7) Compensated Absences

The Board follows the state’s policy for vacation and sick leave. Employees may accumulate up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the Board, the current portion of the accumulated vacation pay is not considered to be material. The Board’s liability for accumulated earned vacation and the salary-related payments as of June 30, 2021 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.

(8) 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.

(9) 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.

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.

Board of Education of Moore County Schools
Notes to Financial Statements

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.

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 \$13,221,982 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)	\$ 311,769,991
Less accumulated depreciation	<u>(89,623,072)</u>
Net capital assets	222,146,919
Net OPEB asset	209,900

Board of Education of Moore County Schools
Notes to Financial Statements

Pension related deferred outflows of resources	22,319,207
OPEB related deferred outflows of resources	14,801,337
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	(7,469,386)
Installment financing	(683,320)
Net pension liability	(58,814,832)
Net OPEB liability	(119,243,880)
Deferred inflows of resources related to pensions	(781,470)
Deferred inflows of resources related to OPEB	<u>(59,262,493)</u>
Total adjustment	<u>\$ (13,221,982)</u>

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 \$28,145,590 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	\$ 30,572,209
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	(6,492,107)
Principal payments on 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	818,922
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	(783,144)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	10,559,041
Contributions to the OPEB plans in the current fiscal year are not included on the Statement of Activities	4,836,581
Gain from disposal of capital assets	1,257,346
Proceeds from disposal of capital assets	(1,546,400)
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	3,228,206
Contributions from the State Health Plan to the OPEB Plan	2,039,972

Board of Education of Moore County Schools
Notes to Financial Statements

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	(16,534,555)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	40,280
Adjustment due to the use of the consumption method of recording inventories in the government-wide statements	<u>149,239</u>
Total adjustment	<u>\$ 28,145,590</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, 2021, the Board had deposits with banks with a carrying amount of \$12,548,902 and with the State Treasurer of \$2,726,518. The bank balances with the financial institutions and the State Treasurer were \$12,618,991 and \$2,793,337, respectively. Of these balances, \$2,036,121 was covered by federal depository insurance and \$13,376,207 was covered by collateral held by authorized escrow agents in the name of the State Treasurer. At June 30, 2021, the Board's petty cash totaled \$1,068.

Board of Education of Moore County Schools
Notes to Financial Statements

(2) Investments

At June 30 2021, the Board had \$4,733,319 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 1.3 years as of June 30, 2021.

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, 2021, were as follows:

	<u>Due from other governments</u>	<u>Other</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ -	\$ 100	\$ 100
Other governmental activities	<u>1,445,825</u>	<u>39,514</u>	<u>1,485,339</u>
Total	<u>\$ 1,445,825</u>	<u>\$ 39,614</u>	<u>\$ 1,485,439</u>
Business-type activities:			
School Food Service	<u>\$ -</u>	<u>\$ 176,886</u>	<u>\$ 176,886</u>

Due from other governments consists of the following:

Governmental activities:		
State Public School Fund	\$ 1,341,418	Operating funds from DPI
Federal Grants Fund	69,222	Federal grant funds
Capital Outlay Fund	<u>35,185</u>	County capital appropriations
Total	<u>\$ 1,445,825</u>	

Board of Education of Moore County Schools
Notes to Financial Statements

(4) Capital Assets

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

	<u>Beginning Balances</u>	<u>Reclassifications</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 4,860,382	\$ -	\$ 22,679	\$ -	\$ 4,883,061
Construction in progress	<u>81,555,766</u>	<u>(96,813,756)</u>	<u>29,424,159</u>	<u>-</u>	<u>14,166,169</u>
Total capital assets not being depreciated	<u>86,416,148</u>	<u>(96,813,756)</u>	<u>29,446,838</u>	<u>-</u>	<u>\$ 19,049,230</u>
Capital assets being depreciated:					
Buildings and improvements	173,314,383	95,983,426	-	1,937,766	267,360,043
Equipment and furniture	10,089,080	830,330	107,147	-	11,026,557
Vehicles	12,315,753	-	962,239	23,135	13,254,857
Computers	<u>1,023,319</u>	<u>-</u>	<u>55,985</u>	<u>-</u>	<u>1,079,304</u>
Total capital assets being depreciated	<u>196,742,535</u>	<u>96,813,756</u>	<u>1,125,371</u>	<u>1,960,901</u>	<u>292,720,761</u>
Less accumulated depreciation for:					
Buildings and improvements	65,644,742	-	4,605,289	1,648,712	68,601,319
Equipment and furniture	7,755,948	-	1,283,696	-	9,039,644
Vehicles	10,383,202	-	586,281	23,135	10,946,348
Computers	<u>1,018,920</u>	<u>-</u>	<u>16,841</u>	<u>-</u>	<u>1,035,761</u>
Total accumulated depreciation	<u>84,802,812</u>	<u>-</u>	<u>6,492,107</u>	<u>1,671,847</u>	<u>89,623,072</u>
Total capital assets being depreciated, net	<u>111,939,723</u>				<u>203,097,689</u>
Governmental activity capital assets, net	<u>\$ 198,355,871</u>				<u>\$ 222,146,919</u>
Business-type activities:					
School Food Service Fund:					
Capital assets being depreciated:					
Equipment, furniture, and vehicles	<u>\$ 2,738,573</u>	<u>\$ -</u>	<u>\$ 846,616</u>	<u>\$ -</u>	<u>\$ 3,585,189</u>
Less accumulated depreciation					
Equipment, furniture, and vehicles	<u>2,298,994</u>	<u>-</u>	<u>126,068</u>	<u>-</u>	<u>\$ 2,425,062</u>
Business-type activities capital assets, net	<u>\$ 439,579</u>				<u>\$ 1,160,127</u>

Depreciation was charged to governmental functions as follows:

Unallocated depreciation	\$ 5,976,705
Regular instructional programs	16,841
Operational support services	<u>498,561</u>
Total	<u>\$ 6,492,107</u>

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(5) Construction Commitments

The Board has active construction projects as of June 30, 2021. The projects consist of the construction of elementary schools. At year-end, the Board's commitments with contractors for construction are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
New elementary schools	\$ 60,242,299	\$ 1,018,494

B. Liabilities

(1) Pension Plan and Other Postemployment Obligations

(a) **Teachers' and State Employees' Retirement System**

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

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

TSERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer (or 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.

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Contributions. Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Board employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the TSERS Board of Trustees. The Board's contractually required contribution rate for the year ended June 30, 2021, was 14.78% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Board were \$10,807,704 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Board reported a liability of \$60,126,058 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension liability was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. At June 30, 2021 and at June 30, 2020, the Board's proportion was 0.4977% and 0.5012%, respectively.

For the year ended June 30, 2021, the Board recognized pension expense of \$16,922,486. At June 30, 2021, 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	\$ 3,313,269	\$ -
Changes of assumptions	2,037,504	-
Net difference between projected and actual earnings on pension plan investments.	6,649,326	-
Changes in proportion and differences between Board contributions and proportionate share of contributions	20,971	799,390
Board contributions subsequent to the measurement date	<u>10,807,704</u>	<u>-</u>
Total	<u>\$ 22,828,774</u>	<u>\$ 799,390</u>

The Board reported \$10,807,704 as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022.

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

Year ended June 30:	
2022	\$ 3,736,848
2023	3,047,199
2024	2,456,742
2025	<u>1,980,891</u>
	<u>\$ 11,221,680</u>

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

Inflation	3.0%
Salary increases	3.5 % to 8.1%, including inflation and productivity factor
Investment rate of return	7.0%, 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, 2019 actuarial valuation are based on the experience study prepared as of December 31, 2014 and adopted by the Board of Trustees on January 21, 2016, Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement. 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, 2019 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	<u>6.0%</u>	4.0%
Totals	<u>100.0%</u>	

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The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.0%. 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 7.0%, 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 (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Discount Rate (7.0%)</u>	<u>1% Increase (8.0%)</u>
Board’s proportionate share of the net pension liability	\$108,212,783	\$ 60,126,058	\$ 19,791,247

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).

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

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

Section 35.21 (c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits. RHBF's benefit and contribution provisions are established by Chapter 135-7, 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.

Contributions. By General Statute, accumulated contributions from employers to RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to RHBF. However, RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state—supported retired employees' health benefits. Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the fiscal year ended June 30, 2021, employers made a statutory contribution of 6.68% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$4,884,673 for the year ended June 30, 2021. During 2021, the North Carolina State Health Plan (SHP) contributed \$475.2 million to the Retiree Health Benefit Fund as a result of cost savings to the SHP over a span of six years. In accordance with GASB 75, the Board recognized revenue of \$2,088,013 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, 2021, Board reported a liability of \$121,892,374 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB liability was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and 2020, the Board's proportion was 0.4394% and 0.4367%, respectively.

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The Board reported \$4,884,673 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended	
June 30:	
2022	\$ (17,269,293)
2023	(17,255,908)
2024	(9,064,470)
2025	(3,101,292)
2026	(3,860,746)
	<u>\$ (50,551,709)</u>

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

Inflation	3.0%
Salary increases based on service	Teachers: 7.55% grading down to 3.5% General Employees: 5.5% grading down to 3.5%
Investment rate of return	7.0%,
Healthcare cost trend rates:	
Medical	6.5% grading down to 5.0% by 2024 for non-MA and MA coverage
Prescription drug	9.5% grading down to 5.0% by 2028
Administrative costs	3.0%
Post-Retirement Mortality Rates	RP-2014 Healthy Annuitant Mortality Table for males and females, adjusted for Collar for some Participants, further adjusted with scaling factors varying before and after age 78, and projected for mortality improvement using Scale MP-2015

Discount rate. The discount rate used to measure the total OPEB liability for the RHBF was 2.21% at June 30, 2020 compared to 3.5% at June 30, 2019. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.5% was used as the discount rate used to measure the total OPEB liability. The 2.21% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2020.

Sensitivity of the Board's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB liability, as well as what the 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 (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$144,556,642	\$121,892,374	\$103,632,528

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

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	1% Decrease Medical - 4.0-5.5%, Pharmacy - 4.0-8.5%, Medicare Advantage - 4.0-5.5%, Administrative - 2.0%	Healthcare Trend Rates Medical - 5.0-6.5%, Pharmacy - 5.0-9.5%, Medicare Advantage - 5.0-6.5%, Administrative - 3.0%	1% Increase Medical - 6.0-7.5%, Pharmacy - 6.0-10.5% Medicare Advantage - 6.0-7.5%, Administrative - 4.0%
Net OPEB liability	\$ 98,267,293	\$ 121,892,374	\$ 153,470,475

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

2. Disability Benefits

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

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

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

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

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

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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, 2021, employers made a statutory contribution of 0.09% of covered payroll which was equal to the actuarially required contribution. Board contributions to the plan were \$65,811 for the year ended June 30, 2021.

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

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

At June 30, 2021, the Board reported an asset of \$214,638 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019. The total OPEB asset was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net OPEB asset was based on a projection of the Board's present value of future salary, actuarially determined. At June 30, 2021 and 2020, the Board's proportion was 0.4363% and 0.4426%, respectively.

The Board reported \$65,811 as deferred outflows of resources related to OPEB resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2022	\$	43,782
2023		29,183
2024		14,339
2025		23,789
2026		1,554
Thereafter		<u>5,907</u>
	\$	<u>118,554</u>

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

Inflation	3.0%
Salary increases	3.5% to 8.1%, including inflation and productivity factor
Investment rate of return	3.75%, net of OPEB plan expense, including inflation

Sensitivity of the Board's proportionate share of the net OPEB asset to changes in the discount rate. The following presents the Board's proportionate share of the net OPEB asset, as well as what the 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 (2.75 percent) or 1 percentage point higher (4.75 percent) than the current discount rate:

	<u>1% Decrease (2.75%)</u>	<u>Discount Rate (3.75%)</u>	<u>1% Increase (4.75%)</u>
Net DIPNC OPEB asset	\$ 185,370	\$ 214,638	\$ 243,055

Common actuarial assumptions for both OPEB plans. The net OPEB liability was determined by an actuarial valuation performed as of June 30, 2019 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, 2019 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, 2020. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

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>	

Board of Education of Moore County Schools
Notes to Financial Statements

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	\$ (3,463,743)	\$ 159,460	\$ (3,304,283)
OPEB liability (asset)	121,892,374	(214,638)	121,677,736
Proportionate share of the net OPEB liability (asset)	0.4394%	0.4363%	
Deferred outflows of resources			
Differences between expected and actual experience	110,426	155,488	265,914
Changes of assumptions	5,345,676	16,689	5,362,365
Net difference between projected and actual earnings on plan investments	256,779	-	256,779
Changes in proportion and differences between Board contributions and proportionate share of contributions	4,280,042	5,458	4,285,500
Board contributions subsequent to the measurement date	4,884,673	65,811	4,950,484
Deferred inflows of resources			
Differences between expected and actual experience	4,768,580	-	4,768,580
Changes of assumptions	49,465,580	16,903	49,482,483
Net difference between projected and actual earnings on plan investments	-	36,362	36,362
Changes in proportion and differences between Board contributions and proportionate share of contributions	6,310,202	5,816	6,316,018

(2) Payables

Payables as of June 30, 2021 are as follows:

	<u>Vendors</u>	<u>Salaries and benefits</u>	<u>Total</u>
Governmental activities:			
General	\$ 651,237	\$ 449,615	\$ 1,100,852
Other governmental	<u>51,900</u>	<u>1,410,640</u>	<u>1,462,540</u>
Total governmental activities	<u>\$ 703,137</u>	<u>\$ 1,860,255</u>	<u>\$ 2,563,392</u>
Business-type activities:			
School Food Service	<u>\$ 6,400</u>	<u>\$ -</u>	<u>\$ 6,400</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.

Board of Education of Moore County Schools
Notes to Financial Statements

(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>92,576</u>

(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	\$ 3,579,183	\$ 4,768,580
Changes of assumptions	7,399,869	49,482,753
Difference between projected and actual earnings on plan investments	6,906,105	36,362
Change in proportion and differences between employer contributions and proportionate share of contributions	4,306,471	7,115,408
Board contributions subsequent to the measurement date	<u>15,758,188</u>	<u>-</u>
Totals	<u>\$ 37,949,816</u>	<u>\$ 61,403,103</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

Board of Education of Moore County Schools
Notes to Financial Statements

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.

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, 2021, 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) **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, 2021, 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, 2021 is are follows:

<u>Year Ending</u> <u>June 30</u>	
2022	\$ 373,280
2023	176,744
2024	<u>76,171</u>
	<u>\$ 626,195</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, 2021:

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Governmental activities:					
Direct placement					
installment purchases	\$ 719,098	\$ 783,144	\$ 818,922	\$ 683,320	\$ 373,280
Net pension liability	50,837,891	7,976,941	-	58,814,832	-
Net OPEB liability	135,150,000	-	15,906,120	119,243,880	-
Compensated absences	<u>7,509,666</u>	<u>5,143,583</u>	<u>5,183,863</u>	<u>7,469,386</u>	<u>3,060,105</u>
Total	<u>\$ 194,216,655</u>	<u>\$ 13,903,668</u>	<u>\$ 21,908,905</u>	<u>\$ 186,211,418</u>	<u>\$ 3,433,385</u>

	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>	<u>Current Portion</u>
Business-type activities:					
Net pension liability	\$ 1,123,371	\$ 187,855	\$ -	\$ 1,311,226	\$ -
Net OPEB liability	3,023,080	-	374,586	2,648,494	-
Compensated absences	<u>156,867</u>	<u>129,626</u>	<u>133,969</u>	<u>152,524</u>	<u>71,323</u>
Total	<u>\$ 4,303,318</u>	<u>\$ 317,481</u>	<u>\$ 508,555</u>	<u>\$ 4,112,244</u>	<u>\$ 71,323</u>

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

(8) Interfund Balances and Activity

Transfers to/from other funds at June 30, 2021 consist of the following:

From the Child Care Fund to the Individual Schools Fund for co-curricular costs	<u>\$ 157,854</u>
From the State Public School Fund to the School Food Service Fund for additional salaries	<u>\$ 45,000</u>
From the Individual Schools Fund to the Restricted Revenues Fund for technology fees collected by the schools	<u>\$ 107,758</u>

Balances due to/from other funds at June 30, 2021 consist of the following:

From the Restricted Revenues Fund to the Individual School Fund for investments in STIF	<u>\$ 666,341</u>
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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.

Board of Education of Moore County Schools
Notes to Financial Statements

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	\$ 6,375,043
Less:	
Inventories	323,764
Stabilization by State Statute	100
Appropriated Fund Balance in 2021-22 Budget	<u>2,100,000</u>
Remaining Fund Balance	<u>\$ 3,951,179</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.

COVID-19

In March 2020, the World Health Organization declared the outbreak of a novel strain of the coronavirus (“COVID-19”) to be a pandemic. The COVID-19 pandemic is continuing to have a widespread and unpredictable impact on global society, economies, and business practices. Federal and state governments have implemented measures in an effort to contain the virus, including social distancing, travel restrictions, border closures, limitations on public gatherings, work from home, supply chain logistical changes, and closure of non-essential businesses. The COVID-19 pandemic has impacted and may continue to impact our Board, including employees, partners, and communities, and there is substantial uncertainty in the nature and degree of its continued effects over time. The financial statements do not reflect any adjustments as a result of the subsequent increase in economic uncertainty.

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 Eight Fiscal Years***

Schedule 1

	2021	2020	2019	2018	2017	2016	2015	2014
Board's proportion of the net pension liability	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	\$ 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	\$ 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	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	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>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>	<u>2012</u>
Contractually required contribution	\$ 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	\$ 4,602,547
Contributions in relation to the contractually required contribution	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	4,602,547
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	\$ 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	\$ 63,070,283
Contributions as a percentage of covered payroll	14.55%	12.75%	12.05%	10.58%	9.80%	8.95%	8.96%	8.52%	8.18%	7.30%

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 Five Fiscal Years*

Schedule 3

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB liability	0.4394%	0.4367%	0.4436%	0.4624%	0.4368%
Board's proportionate share of the net OPEB liability	\$ 121,892,374	\$ 138,173,080	\$ 126,359,923	\$ 151,611,555	\$ 190,023,492
Board's covered payroll	\$ 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	161.24%	182.13%	175.12%	215.55%	273.63%
Plan fiduciary net position as a percentage of the total OPEB liability	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>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>	<u>2012</u>
Contractually required contribution	\$ 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	\$ 3,093,109
Contributions in relation to the contractually required contribution	<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>	<u>3,093,109</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	\$ 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	\$ 63,070,283
Contributions as a percentage of covered payroll	6.58%	6.36%	6.15%	5.93%	5.85%	5.50%	5.38%	5.29%	5.20%	4.90%

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 Five Fiscal Years*

Schedule 5

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Board's proportion of the net OPEB asset	0.4363%	0.4426%	0.4391%	0.4482%	0.4524%
Board's proportionate share of the net OPEB asset	\$ 214,638	\$ 190,986	\$ 133,381	\$ 273,946	\$ 280,989
Board's covered payroll	\$ 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	0.28%	0.25%	0.18%	0.39%	0.40%
Plan fiduciary net position as a percentage of the net OPEB asset	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>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>	<u>2012</u>
Contractually required contribution	\$ 65,811	\$ 74,294	\$ 104,158	\$ 99,098	\$ 259,707	\$ 279,832	\$ 274,419	\$ 283,492	\$ 290,068	\$ 321,683
Contributions in relation to the contractually required contribution	<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>	<u>321,683</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	\$ 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	\$ 63,070,283
Contributions as a percentage of covered payroll	0.09%	0.10%	0.14%	0.14%	0.37%	0.40%	0.40%	0.43%	0.43%	0.51%



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, 2021

Schedule 7

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
State of North Carolina:			
State appropriations - buses	\$ 891,404	\$ 818,922	\$ (72,482)
Moore County:			
General county revenues	750,000	750,000	-
Other:			
Other local	-	479,043	479,043
Disposition of school property	-	1,546,400	1,546,400
Total revenues	<u>1,641,404</u>	<u>3,594,365</u>	<u>1,952,961</u>
Expenditures:			
Debt service:			
Principal retirements	891,404	818,922	72,482
Capital outlay:			
Land, buildings, and site improvements		257,471	
Furnishings and equipment		69,134	
Vehicles and other		783,144	
Total capital outlay	<u>1,823,069</u>	<u>1,109,749</u>	<u>713,320</u>
Total expenditures	<u>2,714,473</u>	<u>1,928,671</u>	<u>785,802</u>
Revenues under expenditures	<u>(1,073,069)</u>	<u>1,665,694</u>	<u>2,738,763</u>
Other financing sources:			
Installment purchase obligations issued	1,073,069	783,144	(289,925)
Fund balance appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>2,448,838</u>	<u>\$ 2,448,838</u>
Fund balance:			
Beginning of year		<u>470,984</u>	
End of year		2,919,822	
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		34,603,725	
County expenditures - financed through public school bonds		(34,120,069)	
County expenditures - financed through Public School Building Capital Fund - Lottery Funds		<u>(483,656)</u>	
Fund balance, end of year		<u>\$ 2,919,822</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, 2021

Schedule 8

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Operating revenues:			
Food sales	\$ 1,635,000	\$ 429,016	\$ (1,205,984)
Operating expenditures:			
Business support services:			
Purchase of food		761,437	
Donated commodities		316,091	
Salaries and benefits		2,381,920	
Materials and supplies		168,415	
Repairs and maintenance		15,427	
Contracted services		13,378	
Non-capitalized equipment		67,086	
Other		28,849	
Total business support services	<u>5,133,000</u>	<u>3,752,603</u>	<u>1,380,397</u>
Operating loss	<u>(3,498,000)</u>	<u>(3,323,587)</u>	<u>174,413</u>
Nonoperating revenues:			
Federal reimbursements		2,947,164	
Federal commodities		316,091	
Other		1,757	
Interest earned		7,357	
Total nonoperating revenues	<u>3,453,000</u>	<u>3,272,369</u>	<u>(180,631)</u>
Excess of revenues under expenditures before other financing sources	(45,000)	(51,218)	(6,218)
Other financing sources:			
Transfers from other funds	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>(6,218)</u>	<u>\$ (6,218)</u>
Reconciliation of modified accrual to full accrual basis:			
Reconciling items:			
Depreciation		(126,068)	
Equipment purchases		46,695	
Contributed capital		799,921	
State OPEB Contribution		48,041	
Increase in inventories		833	
Increase in net OPEB asset		544	
Increase in deferred outflows of resources		1,593	
Decrease in compensated absences payable		4,343	
Increase in net pension liability		(187,855)	
Decrease in net OPEB liability		374,586	
Increase in deferred inflows of resources		<u>(90,116)</u>	
Change in net deficit (full accrual)		<u>\$ 866,299</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, 2021

Schedule 9

	<u>Budget</u>	<u>Actual</u>	<u>Variance positive (negative)</u>
Operating revenues:			
Child care fees	<u>\$ 750,000</u>	<u>\$ 362,665</u>	<u>\$ (387,335)</u>
Operating expenditures:			
Regular community service:			
Salaries and benefits	<u>204,811</u>	<u>204,811</u>	<u>-</u>
Excess of revenues over expenditures before other financing uses	545,189	157,854	(387,335)
Other financing uses:			
Transfers to other funds	<u>(545,189)</u>	<u>(157,854)</u>	<u>387,335</u>
Revenues over (under) expenditures and other uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Board of Education of Moore County Schools
 Sandhills Region Education Consortium (SREC) Custodial Fund
 Statement of Changes in Assets and Liabilities
 For the Fiscal Year Ended June 30, 2021

Schedule 10

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>
ASSETS				
Cash and cash equivalents	<u>\$ 358,740</u>	<u>\$ 165,000</u>	<u>\$ 161,230</u>	<u>\$ 362,510</u>
LIABILITIES				
Due to Sandhill's Region Education Consortium (SREC)	<u>\$ 358,740</u>	<u>\$ 165,000</u>	<u>\$ 161,230</u>	<u>\$ 362,510</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

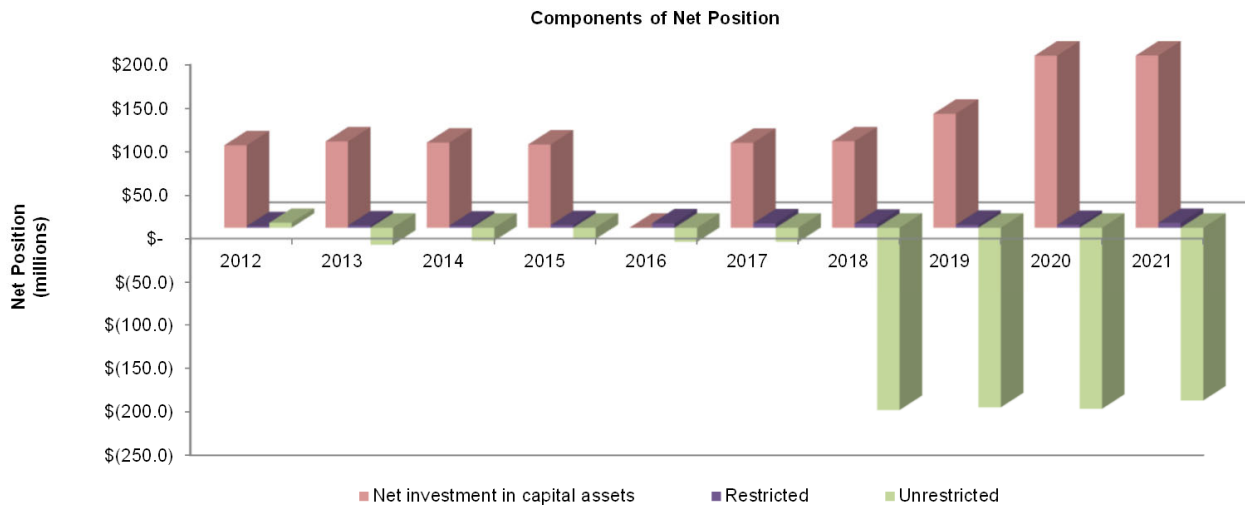
These schedules offer demographic and economic indicators to help the reader understand the environment in which the Board's financial activities are conducted.

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ 95,096,366	\$ 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
Restricted	1,721,790	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
Unrestricted	7,022,464	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)
Total net position (deficit)	103,840,620	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
Business-Type Activities										
Net investment in capital assets	378,443	387,002	312,329	190,103	105,563	52,903	10,764	9,075	439,579	1,160,127
Restricted	-	-	-	-	-	-	5,994	3,048	4,194	4,738
Unrestricted	1,939,712	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)
Total net position (deficit)	2,318,155	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)
Total Primary Government										
Net investment in capital assets	94,824,919	99,277,275	97,907,562	95,767,712	-	97,616,939	99,456,312	131,161,906	198,076,352	198,112,130
Restricted	1,764,257	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
Unrestricted	5,602,187	(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)
Total net position (deficit)	\$106,158,775	\$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



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

	2012	2013	2014	2015
Expenses				
Governmental activities:				
Instructional programs	\$ 81,565,170	\$ 88,415,171	\$ 85,252,288	\$ 83,732,800
System-wide support services	19,559,225	21,046,565	20,969,775	21,396,449
Ancillary Services	70,888	52,346	32,480	-
Non-programmed charges	653,689	672,453	750,630	868,210
Interest on long-term debt	11,686	1,816	-	-
Unallocated depreciation expense	3,212,969	3,425,084	2,266,594	3,676,490
Total governmental activities expenses	<u>105,073,627</u>	<u>113,613,435</u>	<u>109,271,767</u>	<u>109,673,949</u>
Business-type activities:				
School food service	4,850,298	5,039,864	4,894,352	4,698,747
Child care	523,966	463,396	420,404	416,058
Total business-type activities expense	<u>5,374,264</u>	<u>5,503,260</u>	<u>5,314,756</u>	<u>5,114,805</u>
Total school district expenses	<u>110,447,891</u>	<u>119,116,695</u>	<u>114,586,523</u>	<u>114,788,754</u>
Program revenues				
Governmental activities:				
Charges for services:				
School-based support	3,887,759	3,879,374	4,600,367	4,907,425
Operating grants and contributions	72,656,364	74,707,804	74,015,512	76,320,453
Capital grants and contributions	604,379	1,120,038	690,115	643,267
Total governmental activities program revenue	<u>77,148,502</u>	<u>79,707,216</u>	<u>79,305,994</u>	<u>81,871,145</u>
Business-type activities:				
Charges for services	2,260,682	2,101,236	2,059,654	1,865,596
Operating grants and contributions	3,217,588	3,395,029	3,348,364	3,261,914
Capital grants and contributions	-	-	-	-
Total business-type activities program revenue	<u>5,478,270</u>	<u>5,496,265</u>	<u>5,408,018</u>	<u>5,127,510</u>
Total school district program revenues	<u>82,626,772</u>	<u>85,203,481</u>	<u>84,714,012</u>	<u>86,998,655</u>
Net (expense) revenue				
Governmental activities	(27,925,125)	(33,906,219)	(29,965,773)	(27,802,804)
Business-type activities	104,006	(6,995)	93,262	12,705
Total school district net (expense) revenue	<u>\$ (27,821,119)</u>	<u>\$ (33,913,214)</u>	<u>\$ (29,872,511)</u>	<u>\$ (27,790,099)</u>

Board of Education of Moore County Schools

(Continued)

Government-Wide - Expenses, Program Revenues, and Net (Expense) Revenue

Last Ten Fiscal Years

2016	2017	2018	2019	2020	2021
\$ 86,377,847	\$ 92,727,719	\$ 102,176,474	\$ 95,725,444	\$ 100,905,904	\$ 96,384,001
20,653,772	21,243,718	24,060,722	21,425,426	26,240,015	27,348,239
-	11,722	13,820	88,220	298,697	407,414
1,036,153	1,238,723	1,576,934	1,863,656	2,245,702	2,635,623
-	-	-	-	-	-
3,402,437	3,924,812	4,157,778	4,216,186	4,488,939	5,976,705
<u>111,470,209</u>	<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>
4,866,460	4,782,552	4,764,188	4,477,277	4,246,504	3,728,048
450,868	447,062	424,531	420,718	338,303	204,811
<u>5,317,328</u>	<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>116,787,537</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>
5,131,853	4,846,890	5,346,752	5,509,758	3,995,595	2,692,699
77,075,968	78,199,739	80,430,502	84,547,421	87,665,899	93,345,535
154,538	246,808	558,092	686,818	631,348	818,922
<u>82,362,359</u>	<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>
2,108,407	2,024,771	2,099,883	1,993,415	2,149,129	791,681
3,399,115	3,324,229	3,232,874	3,395,980	2,303,653	3,263,255
-	-	-	-	-	-
<u>5,507,522</u>	<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>87,869,881</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>
(29,107,850)	(35,853,257)	(45,650,382)	(32,574,935)	(41,886,415)	(35,894,826)
190,194	119,386	144,038	491,400	(132,025)	122,077
<u>\$ (28,917,656)</u>	<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>

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

	2012	2013	2014	2015
Net (expense) revenue				
Governmental activities	\$ (27,925,125)	\$ (33,906,219)	\$ (29,965,773)	\$ (27,802,804)
Business-type activities	104,006	(6,995)	93,262	12,705
Total school district net (expense) revenue	<u>(27,821,119)</u>	<u>(33,913,214)</u>	<u>(29,872,511)</u>	<u>(27,790,099)</u>
General revenues and other changes in net position				
Governmental activities:				
Unrestricted county appropriations - operating	25,540,140	25,540,140	25,165,140	25,315,140
Unrestricted county appropriations - capital	711,932	711,932	711,932	1,200,000
Unrestricted county appropriations - contributed capital	-	2,295,633	4,528,109	1,854,627
Unrestricted State and Federal appropriations - operating	589,602	772,137	749,191	858,527
Unrestricted State and Federal appropriations - capital	-	-	2,306,406	528,692
Investment earnings, unrestricted	4,068	53,051	41,504	44,432
Miscellaneous, unrestricted	739,665	565,348	498,143	909,559
Extraordinary item	-	-	(17,204)	-
Transfers	75,637	108,255	115,927	162,096
Total governmental activities	<u>27,661,044</u>	<u>30,046,496</u>	<u>34,099,148</u>	<u>30,873,073</u>
Business-type activities:				
Unrestricted county appropriations - contributed capital	-	-	-	-
Miscellaneous, unrestricted	-	-	-	-
Investment earnings, unrestricted	11,977	7,561	7,036	7,320
Transfers	(75,637)	(108,255)	(115,927)	(162,096)
Total business-type activities	<u>(63,660)</u>	<u>(100,694)</u>	<u>(108,891)</u>	<u>(154,776)</u>
Change in net position (deficit)				
Governmental activities	(264,081)	(3,859,723)	4,133,375	3,070,269
Business-type activities	40,346	(107,689)	(15,629)	(142,071)
Total school district change in net position (deficit)	<u>\$ (223,735)</u>	<u>\$ (3,967,412)</u>	<u>\$ 4,117,746</u>	<u>\$ 2,928,198</u>

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

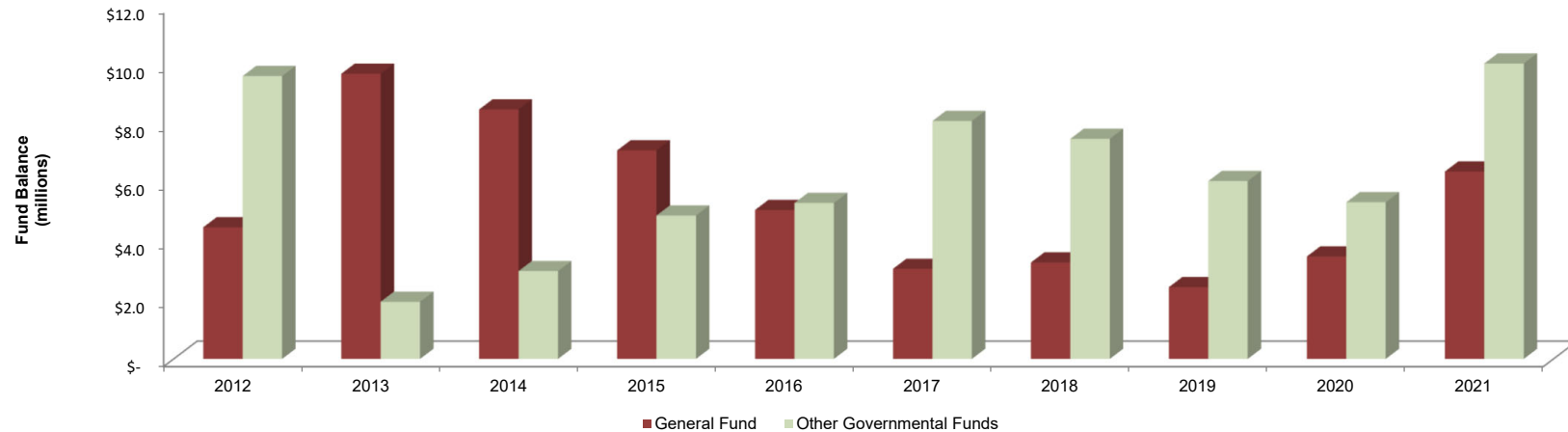
(Continued)

2016	2017	2018	2019	2020	2021
\$ (29,107,850)	\$ (35,853,257)	\$ (45,650,382)	\$ (32,574,935)	\$ (41,886,415)	\$ (35,894,826)
190,194	119,386	144,038	491,400	(132,025)	122,077
(28,917,656)	(35,733,871)	(45,506,344)	(32,083,535)	(42,018,440)	(35,772,749)
26,265,140	27,029,515	30,341,352	29,500,000	31,089,133	30,350,000
750,000	2,921,000	750,000	750,000	750,000	750,000
611,273	3,529,202	4,649,014	32,641,008	72,456,282	34,120,069
717,135	649,311	859,922	984,130	1,263,792	1,539,721
704,670	1,533,006	1,002,796	900,221	494,563	483,656
58,988	43,608	56,745	100,817	61,516	10,878
469,948	460,498	501,087	614,614	581,577	4,124,899
-	-	-	-	-	-
158,885	147,468	204,126	231,489	4,532	112,854
29,736,039	36,313,608	38,365,042	65,722,279	106,701,395	71,492,077
-	-	-	-	364,297	799,921
-	-	-	-	-	49,798
10,921	15,241	20,996	30,702	30,376	7,357
(158,885)	(147,468)	(204,126)	(231,489)	(4,532)	(112,854)
(147,964)	(132,227)	(183,130)	(200,787)	390,141	744,222
628,189	460,351	(7,285,340)	33,147,344	64,814,980	35,597,251
42,230	(12,841)	(39,092)	290,613	258,116	866,299
\$ 670,419	\$ 447,510	\$ (7,324,432)	\$ 33,437,957	\$ 65,073,096	\$ 36,463,550

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

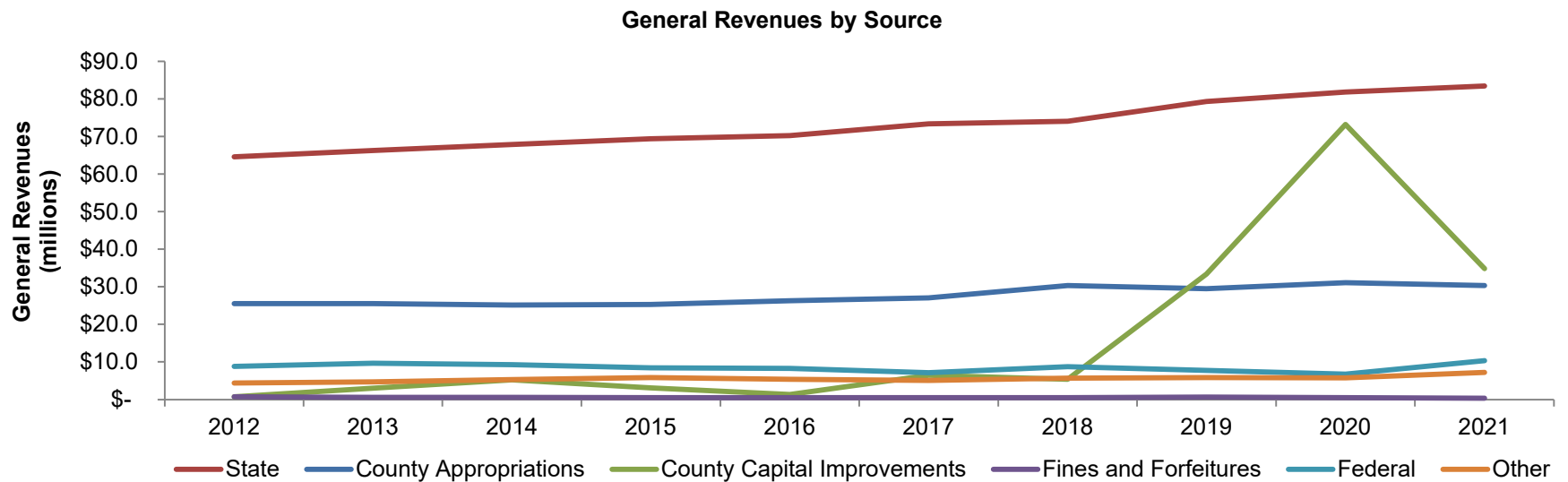
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable										
Inventories	\$ 500,029	\$ 479,519	\$ 481,082	\$ 325,147	\$ 242,577	\$ 231,962	\$ 374,044	\$ 308,041	\$ 174,525	\$ 323,764
Prepays	68,156	-	22,449	44,956	44,956	44,956	22,507	-	-	-
Restricted										
Stabilization by state statute	39,240	37,963	423,556	313,143	85,400	54,047	45,077	16,253	503,725	100
Assigned										
Subsequent year's expenditures	2,000,000	4,000,000	2,800,000	2,800,000	3,500,000	700,000	613,500	-	175,000	2,100,000
Unassigned	1,872,459	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
Total general fund	\$ 4,479,884	\$ 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
All other governmental funds										
Nonspendable										
Prepays	\$ 90,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted										
Stabilization by state statute	798,467	723,168	1,001,635	812,221	16,577	24,000	179,808	45,705	502,885	74,699
School capital outlay	163,518	292,092	276,815	818,299	831,542	3,130,664	2,202,571	1,011,665	1,488	2,884,637
Individual schools	721,842	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
Assigned										
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Other special programs	7,843,149	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
Total all other governmental funds	\$ 9,617,296	\$ 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

Governmental Fund Balances



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

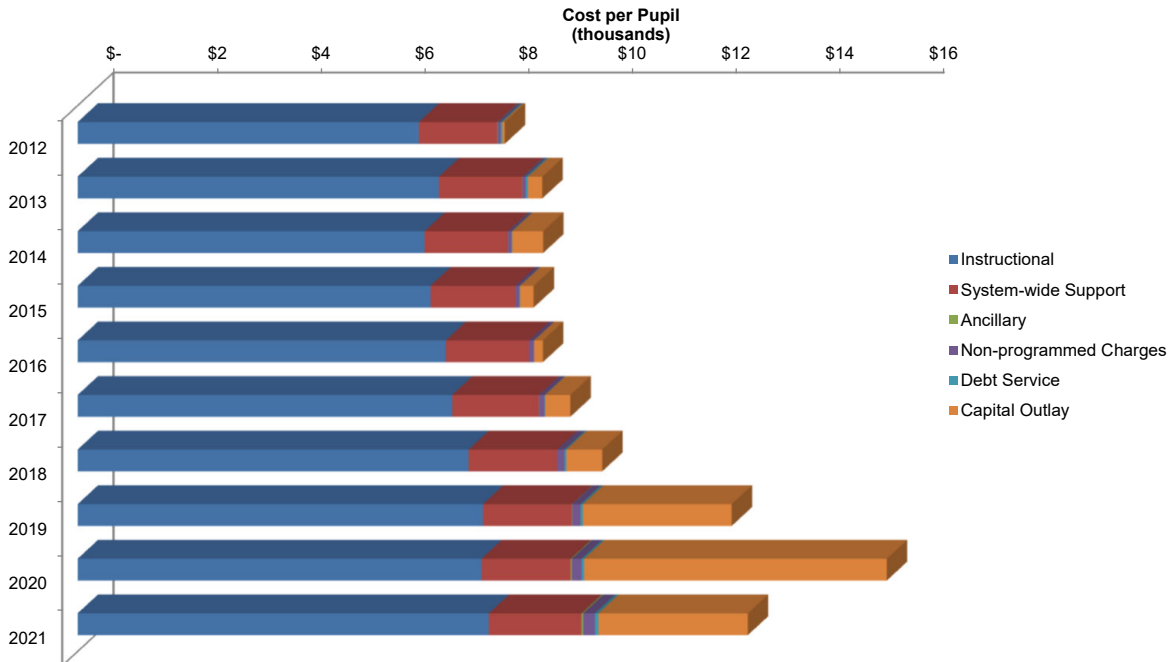
Fiscal Year	State	County Appropriations	County Capital Improvements	Fines and Forfeitures	Federal	Other	Total
2012	64,612,523	25,540,140	711,932	739,665	8,813,256	4,407,393	104,824,909
2013	66,309,681	25,540,140	3,007,565	565,348	9,630,298	4,708,425	109,761,457
2014	67,900,980	25,165,140	5,240,041	537,579	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



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

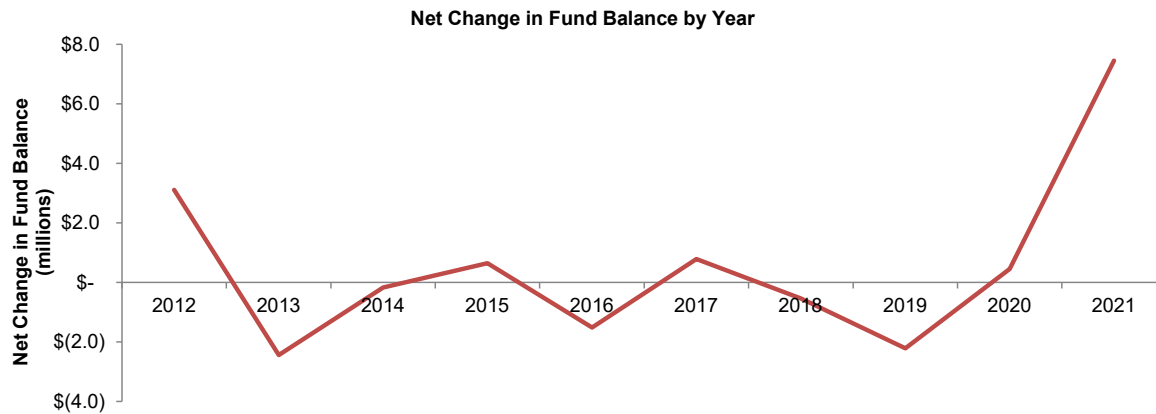
Fiscal Year	Average Daily Membership	Instructional Services	System-wide Support Services	Ancillary Services	Non-programmed Charges	Debt Service		Capital Outlay	Total
						Principal	Interest		
2012	12,371	6,575 81,343,140	1,508 18,657,842	6 70,888	60 744,689	33 406,655	1 11,686	45 555,661	8,228 101,790,561
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

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

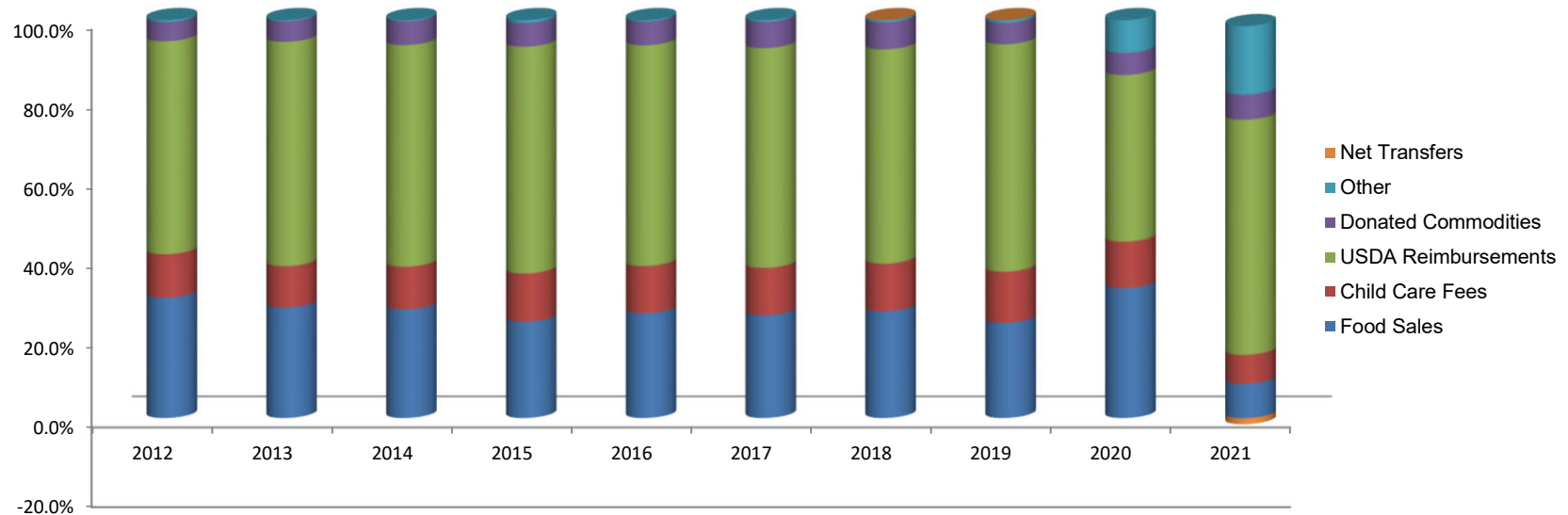
Fiscal Year	Excess of Revenues over (under) Expenditures	Transfers In	Transfers Out	Installment Purchases and Capitalized Leases	Insurance Proceeds	Total Other Financing Sources (Uses)	Net Change in Fund Balance	Debt Service As a Percentage of Noncapital Expenditures
2012	3,034,348	75,637	-	-	-	75,637	3,109,985	0.43%
2013	(3,105,786)	108,255	-	560,459	-	668,714	(2,437,072)	0.46%
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)	0.38%
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	0.49%
2021	6,555,663	157,854	(45,000)	783,144	-	895,998	7,451,661	0.63%



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
2012	1,661,079	599,603	2,938,508	266,243	24,814	(75,637)	5,414,610
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

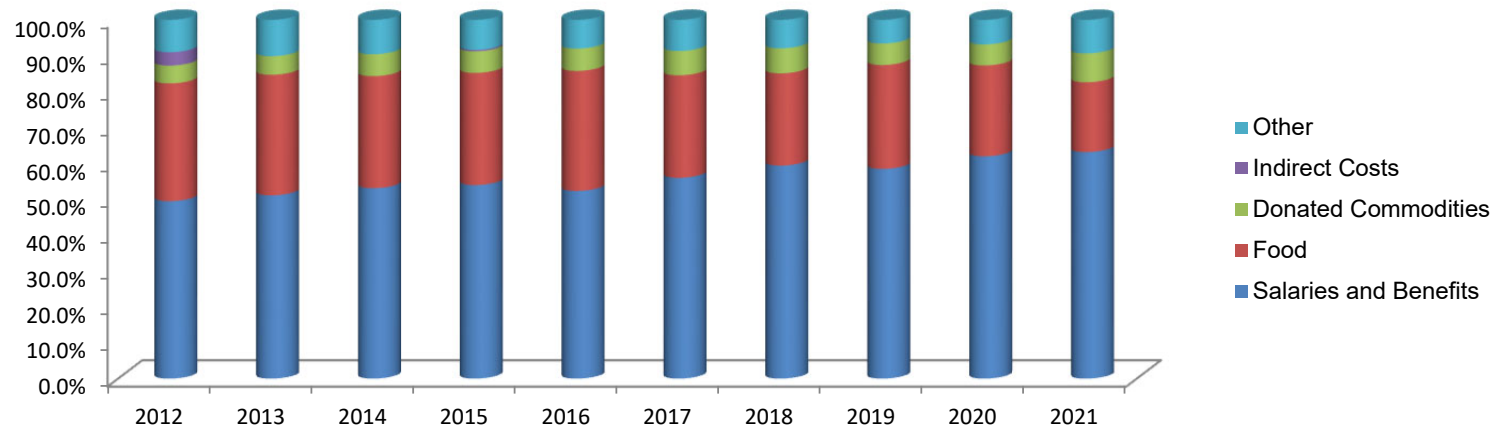
Proprietary Fund Revenues as a Percentage of Total



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

<u>Fiscal Year</u>	<u>Salaries and Benefits</u>	<u>Food</u>	<u>Donated Commodities</u>	<u>Indirect Costs</u>	<u>Other</u>	<u>Total</u>
2012	2,658,654	1,764,136	266,243	200,000	485,231	5,374,264
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

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 Installment Purchases	Business-type Activities Installment Purchases	Total Primary Government	Per Student
2012	238,786	-	238,786	19
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

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						
2012	\$ 335,301	\$ 12,028,871	\$ 765,752	\$ 159,780	\$ 1,341,543	\$ 45,997	\$ 11,902,164	\$ 0.465	\$ 11,852,093	100%
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%

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, 2021.

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>Direct Rates</u>										
County General	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.4650	\$ 0.5100	\$ 0.5100
Advanced Life Support (ALS)	0.0200	0.0200	0.0200	0.0200	0.0200	0.0300	0.0300	0.0400	0.0400	0.0400
<u>Municipality Rates</u>										
Aberdeen	0.4300	0.4300	0.4300	0.4300	0.4300	0.4700	0.4700	0.4700	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	0.4000	0.4300	0.4950	0.4950	0.4950	0.4950	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	0.0320	0.3500	0.3500	0.3500	0.3800	0.3800	0.3800	0.3800	0.3800	0.3800
Pinebluff	0.3700	0.3700	0.3700	0.3700	0.3800	0.3900	0.3900	0.3900	0.3900	0.4000
Pinehurst	0.2800	0.2800	0.2800	0.2800	0.2900	0.2950	0.2950	0.2950	0.3000	0.3000
Robbins	0.6600	0.6400	0.6400	0.6400	0.6400	0.6200	0.6200	0.6400	0.7500	0.7500
Robbins Tag Fee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	10.0000	10.00	10.00
Southern Pines	0.3500	0.3500	0.3500	0.3700	0.3800	0.3800	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	N/A	5.0000	5.0000
Taylortown	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.5000	0.5000
Vass	0.4800	0.4800	0.4800	0.4900	0.4900	0.4900	0.5000	0.5150	0.5150	0.5150
Whispering Pines	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.3700	0.4200
<u>Fire Districts</u>										
Southern Pines	0.0890	0.0890	0.0890	0.0890	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Crestline	0.0850	0.0830	0.0830	0.0830	0.0800	0.0850	N/A	N/A	N/A	N/A
Pinebluff	0.0890	0.0860	0.0860	0.0860	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Pinehurst	0.0840	0.0840	0.0840	0.0840	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Seven Lakes	0.0400	0.0400	0.0400	0.0400	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
West End	0.0590	0.0590	0.0590	0.0690	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Eastwood	0.0700	0.0700	0.0700	0.0700	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Circle V	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robbins	0.0610	0.0630	0.0630	0.0630	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Carthage	0.0670	0.0640	0.0640	0.0640	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Cameron	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Highfalls	0.0660	0.0660	0.0660	0.0660	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Eagle Springs	0.0780	0.0750	0.0750	0.0750	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Aberdeen	0.0930	0.0920	0.0920	0.0920	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Crains Creek	0.1110	0.1110	0.1110	0.1110	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
PH Munic Service	0.0500	0.0500	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Whispering Pines	0.0580	0.0580	0.0580	0.0580	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
V Cypress Point	0.0790	0.0810	0.0810	0.0810	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500
Westmoore	0.0710	0.0700	0.0700	0.0700	0.0800	0.0850	0.0900	0.0950	0.0950	0.9500

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, 2021.

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

Taxpayer	Fiscal Year 2021			Fiscal Year 2012		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy Progress, Inc	\$ 123,116,606	1	0.87%	\$ 75,714,384	2	0.64%
Resorts of Pinehurst	100,245,720	2	0.70%	173,892,159	1	1.46%
Pinehurst, Inc	47,731,470	3	0.34%			
Morganton Park, LLC	36,665,150	4	0.26%			
Lee Electrical Construction Inc	36,479,814	5	0.26%			
Pinehurst Surgical Clinic	31,618,140	6	0.22%	27,359,514	4	0.23%
Pinehurst Medical Group, LLC	28,418,020	7	0.20%			
Pinehurst LLC	27,333,942	8	0.18%			
SBV Southern Pines, LLC	26,505,280	9	0.19%			
Hawthorne Pinecrest, LLC	25,209,160	10	0.18%			
Forest Creek Holding Co., LLC				50,027,573	3	0.42%
Kirkpatrick, James R - Aberdeen Commons				27,018,285	5	0.24%
Country Club of North Carolina				23,572,431	9	0.20%
WRI Pinecrest Plaza				24,344,970	8	0.19%
Carolina Telephone & Telegraph				24,647,776	6	0.21%
Pine Needles				24,462,216	7	0.21%
Woodlake Partners				19,904,040	10	0.17%
Total	<u>\$ 483,323,302</u>		<u>3.40%</u>	<u>\$ 470,943,348</u>		<u>3.97%</u>

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

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
2012	\$ 55,370	\$ 54,870	99%	\$ 491	\$ 55,361	100%
2013	56,115	55,771	99%	333	56,104	100%
2014	57,793	57,539	100%	243	57,782	100%
2015	57,654	57,316	99%	324	57,640	100%
2016	55,773	55,524	100%	232	55,756	100%
2017	57,064	56,753	99%	288	57,041	100%
2018	58,326	57,993	99%	300	58,293	100%
2019	59,693	59,404	100%	241	59,645	100%
2020	70,494	70,067	99%	329	70,396	100%
2021	72,763	72,414	100%	-	72,414	100%

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

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 Bonds	Certificates of Participation	Capital Leases	Limited Obligation Bonds	Notes Payable	Unamortized Premium	USDA Bonds	Federal/State Revolving Loan	Notes Payable	Limited Obligation Bonds	Unamortized Premium	Bond Anticipation Note			
2012	\$ 79,945	\$ -	\$ -	\$ 27,980	\$ 198	\$ 2,864	\$ 12,513	\$ 14,909	\$ 1,014	\$ 8,305	\$ 601	\$ -	\$ 148,329	4.04%	\$1,651
2013	69,444	-	381	26,080	150	2,671	12,394	21,387	513	8,010	570	-	141,600	3.79%	1,541
2014	64,805	-	352	24,085	101	2,479	12,218	20,452	219	7,705	538	-	132,954	3.43%	1,433
2015	60,230	-	235	22,040	51	2,286	12,035	20,951	149	7,385	506	-	125,868	3.05%	1,339
2016	51,260	-	449	19,955	-	10,123	11,845	19,769	561	7,050	475	-	121,487	2.81%	1,288
2017	46,535	-	278	19,374	-	7,732	11,592	18,806	413	15,811	309	-	120,850	2.52%	1,262
2018	43,350	-	205	17,080	31,000	7,058	11,368	17,624	341	15,193	298	-	143,517	2.83%	1,476
2019	105,200	-	361	15,251	45,262	12,221	11,143	16,441	267	14,563	287	-	220,996	4.22%	2,186
2020	136,950	-	366	13,418	42,922	15,812	10,911	15,259	192	13,916	277	-	250,023	*	2,429
2021	148,295	-	231	57,419	40,825	24,594	10,440	1,364	116	26,338	2,993	1,395	314,010	*	3,016

* 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, 2021.

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>
2012	\$ 79,945	0.67%	\$ 890
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	0.82%	1,041
2020	136,950	0.99%	1,330
2021	148,295	1.04%	1,424

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, 2021.

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

	Year Taxes are Payable									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 952,173,124	\$ 964,714,170	\$ 993,258,652	\$ 989,304,259	\$ 957,200,393	\$ 979,341,759	\$ 999,814,982	\$1,024,190,107	\$1,104,712,965	\$ 1,138,120,551
Total net debt applicable to limit	<u>108,122,596</u>	<u>96,054,408</u>	<u>89,342,769</u>	<u>82,555,861</u>	<u>71,664,012</u>	<u>66,186,977</u>	<u>214,635,261</u>	<u>224,074,310</u>	<u>213,655,767</u>	<u>246,769,878</u>
Legal Debt Margin	<u>\$ 844,050,528</u>	<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>
Total net debt applicable to the limit as a percentage of debt	11.4%	10.0%	9.0%	8.3%	7.5%	6.8%	21.5%	21.9%	19.3%	21.7%
Legal Debt Margin Calculation for Fiscal Year 2021										
Appraised valuation - June 30, 2021	\$ 14,226,506,882									
Debt limit - eight percent (8%) of appraised value	1,138,120,551									
Gross Debt										
Total bonded debt	158,735,000									
Revenue bond anticipation note	1,395,000									
Limited obligation bonds	83,757,000									
Authorized and unissued bonds	-									
Federal/State revolving loan	1,364,133									
Notes payable	40,941,092									
Capital lease	<u>230,878</u>									
Gross debt	<u>286,423,103</u>									
Statutory Deductions	(39,653,225)									
Net debt	<u>246,769,878</u>									
Legal debt margin	891,350,673									

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, 2021.

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

Employer	2021			2012		
	Employees (Note)	Rank	Percentage of Total County Employment	Employees (Note)	Rank	Percentage of Total County Employment
Moore Regional Hospital	1,000 & over	1	*	1000 & over	1	*
Moore County Schools	1,000 & over	2	*	1000 & over	2	*
Pinehurst, LLC	500 - 999	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	*
Harris Teeter	250 - 499	7	*			
Pinehurst Surgical Clinic, PA	250 - 499	8	*			
Food Lion, LLC	250 - 499	9	*	250 - 499	9	*
Lee Electrical Construction Inc	250 - 499	10	*			
Wal-Mart Associates				250 - 499	7	*
Trident Management, Inc.				250 - 499	10	*
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, 2021.

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>
2012	89,802	3,669,496	40,636	12,477	9.2%
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	*	*	12,835	5.5%
2021	104,130	*	*	12,444	5.6%

* 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, 2021.

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

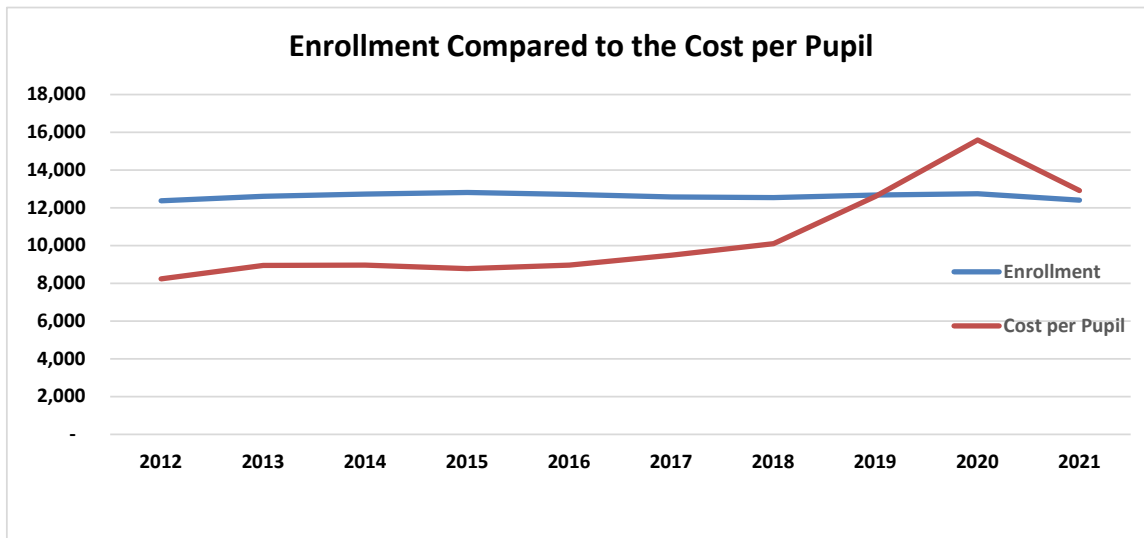
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
<u>School and School Based Support</u>										
Principals	23	23	23	23	23	23	23	23	24	23
Assistant Principals	23	27	28	27	28	29	28	28	29	28
Elementary Teachers	375	400	390	379	595	604	596	597	583	575
Secondary Teachers	117	117	112	107	113	104	105	105	106	105
Teacher Assistants	230	241	222	220	198	186	186	188	181	162
Other Teachers	294	328	331	332	114	119	117	112	112	111
Guidance Counselors	30	34	34	33	34	39	40	42	37	37
Psychological	11	11	11	10	9	9	11	11	10	11
Librarian / Audiovisual	22	22	22	22	20	22	22	21	22	20
Consultants	13	14	14	13	11	6	7	7	7	8
Other	58	63	69	70	72	91	94	101	106	106
Based Support	<u>1,196</u>	<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>Central Services</u>										
Administration and Management	7	9	9	11	9	8	7	7	8	8
Technicians	14	13	15	17	17	16	16	16	16	16
Clerical	76	76	77	78	85	91	89	90	98	93
Service Workers	176	183	179	163	165	169	180	173	186	174
Other	61	63	62	62	63	61	65	63	64	59
Total Central Services	<u>334</u>	<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>
Total Employees	<u>1,530</u>	<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>

Source: North Carolina Public Schools Statistical Profile

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

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Percentage Change</u>	<u>Operating Expenditures</u>	<u>Cost per Pupil</u>	<u>Percentage Change</u>	<u>Number of Schools</u>	<u>Graduating Class</u>
2012	12,371	-0.06%	101,790,561	8,228	-2.32%	23	877
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

Source: North Carolina Public Schools Statistical Profile



Board of Education of Moore County Schools
Capital Assets
For the Year Ended June 30, 2021

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	610
Cameron Elementary	26.400	79,962	1951	12	6	284	226
Carthage Elementary	16.810	77,397	1950	18	0	440	326
Highfalls (K-8)	22.000	68,362	1949	14	3	350	263
McDeeds Creek Elementary	38.710	117,693	2019	40	0	800	525
Pinehurst Elementary	12.650	118,346	2021	40	0	800	539
Robbins Elementary	28.910	50,372	1977	24	0	600	365
Sandhills Farm Life Elementary	14.000	73,442	1953	22	8	550	349
New Southern Pines Elementary	18.600	119,495	2020	40	0	800	550
Vass-Lakeview Elementary	30.420	99,274	1958	24	4	600	415
Westmoore (K-8)	32.300	63,734	1952	16	0	400	278
West End Elementary	38.590	56,039	1952	20	2	500	432
West Pine Elementary	25.420	70,500	2011	24	0	600	519
<u>Middle Schools</u>							
Crain's Creek Middle	49.000	89,456	2011	20	13	478	433
Elise Middle	27.600	53,376	1951	11	1	270	229
New Century Middle	40.000	98,731	1997	28	0	700	589
Southern Middle	67.140	99,331	1999	28	0	700	726
West Pine Middle	35.000	104,869	1997	28	6	700	804
<u>High Schools</u>							
North Moore High	51.000	118,130	1965	23	1	559	577
Pinecrest High	121.000	282,170	1969	66	17	1,650	2,104
Union Pines High	110.880	184,914	1963	43	18	1,068	1,338
<u>Alternative School</u>							
Community Learning Center @ Pinckney	20.5	16,303	1947	0	5	0	89

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



Independent Auditors' 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*

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of Moore County Schools, North Carolina ("Board"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated November 22, 2021.

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 over financial reporting.

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 reporting 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 may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Board’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 Board’s internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 22, 2021



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

Board of Education
Moore County Schools
Carthage, NC

Report on Compliance for Each Major Federal Program

We have audited the Board of Education of Moore County Schools, North Carolina ("Board") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the Board's major federal programs for the year ended June 30, 2021. The Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



Opinion on Each Major Federal Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 22, 2021



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

Board of Education
Moore County Schools
Carthage, NC

Report on Compliance for Each Major State Program

We have audited the Board of Education of Moore County Schools, North Carolina ("Board") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021. The Board's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Board's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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



Opinion on Each Major State Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

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

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

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

Dixon Hughes Goodman LLP

Winston-Salem, NC
November 22, 2021

1. Summary of Auditors' 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	Education Stabilization Fund
21.019	Coronavirus Relief Fund
84.010	Title I

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

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 Months of Employment

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, 2020.

Board of Education of Moore County Schools
Schedule of Expenditures of Federal and State Awards
For the Fiscal Year Ended June 30, 2021

Schedule 13

<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	\$ 316,091
Total Non-Cash Assistance			<u>316,091</u>
Cash Assistance			
Passed-through the N.C. Department of Public Instruction:			
Summer Food Service Program for Children	10.559	PRC 035	2,947,164
Total Cash Assistance			<u>2,947,164</u>
Total Child Nutrition Cluster			<u>3,263,255</u>
Total School Nutrition Program (Note 3)			<u>3,263,255</u>
<u>Total U.S. Department of Agriculture</u>			<u>3,263,255</u>
<u>U.S. Department of Education</u>			
Cash Assistance			
Direct Program:			
Impact Aid (School Assistance in Federally Affected Areas)	84.041		596,452
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	2,262,525
Total Title I Grants to Local Educational Agencies (Title I)			<u>2,262,525</u>
<u>Special Education Cluster:</u>			
Special Education - Grants to States (IDEA, Part B) - Education of the Handicapped	84.027	PRC 060	1,944,395
Targeted Assistance	84.027	PRC 070	390,735
Special Needs	84.027	PRC 114	286,936
Special Needs Targeted Assistance	84.027	PRC 118	14,152
Special Education - Preschool Grants (IDEA Preschool) - Preschool Handicapped	84.173	PRC 049	117,059
Targeted Assistance	84.173	PRC 119	1,159
Total Special Education Cluster			<u>2,754,436</u>
Career and Technical Education - Capacity Building Grants	84.048	PRC 017	184,257
Education for Homeless Children and Youth	84.196	PRC 026	37,134
English Language Acquisition Grant	84.365	PRC 104	10,309
Supporting Effective Instruction State Grants	84.367	PRC 103	431,200
Special Education - State Personnel Development	84.323	PRC 082	3,471
Student Support and Academic Enrichment Program	84.424	PRC 108	235,917
COVID-19 Education Stabilization Fund			
K12 Emergency Relief Fund - ESSER I	84.425D	PRC 163	749,423
Digital Curricula - ESSER I	84.425D	PRC 165	43,517
Learning Management System - ESSER I	84.425D	PRC 166	26,180
Exceptional Children Grants - ESSER I	84.425D	PRC 167	31,018
K12 Emergency Relief Fund - ESSER II	84.425D	PRC 171	1,796
Competency-Based Assessment - ESSER II	84.425D	PRC 178	46,235
Specialized Instructional Support for COVID-19 Response - GEER I	84.425C	PRC 169	299,556
K-12 Emergency Relief Fund - ESSER III	84.425U	PRC 181	225,177
Total COVID-19 Education Stabilization Fund	84.425		<u>1,422,902</u>
<u>Total U.S. Department of Education</u>			<u>7,938,603</u>

Board of Education of Moore County Schools
 Schedule of Expenditures of Federal and State Awards
 For the Fiscal Year Ended June 30, 2021

Schedule 13
 (Continued)

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Expenditures</u>
<u>U.S. Department of Defense</u>			
Direct Program:			
Army Youth Programs in Your Neighborhood	NONE		44,749
ROTC	NONE	PRC 031	110,881
<u>Total U.S. Department of Defense</u>			<u>155,630</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			
Summer Learning Program	21.019	PRC 121	493,675
School Health Support	21.019	PRC 122	38,838
Nondigital Resources	21.019	PRC 123	924
Student Computers and Devices	21.019	PRC 124	331,701
School Nutrition	21.019	PRC 125	385,522
Personnel Computers and Devices	21.019	PRC 126	109,151
Mobile Wi-Fi for Homes and Communities	21.019	PRC 128	48,627
Learning Management Platform	21.019	PRC 129	5,984
Services for Exceptional Children	21.019	PRC 132	150,166
Cybersecurity	21.019	PRC 135	64,612
Personal Protective Equipment	21.019	PRC 137	376,564
Passed-through Moore County:			
COVID-19 Coronavirus Relief Fund	21.019		159,127
Total COVID-19 Coronavirus Relief Fund	21.019		<u>2,164,891</u>
Total Federal Assistance			<u>13,522,379</u>
State Grants:			
Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
State Public School Fund			\$ 76,694,253
Driver Training - SPSF		PRC 012	231,260
School Technology Fund - SPSF		PRC 015	9
Career and Technical Education			
- State Months of Employment		PRC 013	3,812,611
- State Program Support Funds		PRC 014	483,873
Textbooks and Digital Resources		PRC 131	490,834
Passed-through Moore County			
Public School Building Capital Fund - Lottery Funds			<u>483,656</u>
Total N.C. Department of Public Instruction			<u>82,196,496</u>
<u>N.C. Department of Health and Human Services</u>			
Division of Child Development and Early Education:			
NC Pre-Kindergarten Program			350,754
State School Nurse Initiative			59,874
Non-Cash Assistance			
<u>N.C. Department of Public Instruction</u>			
School Buses Appropriation		PRC 120	<u>818,922</u>
Total State Assistance			<u>83,426,047</u>
Total Federal and State Assistance			<u>\$ 96,948,426</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, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of 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 \$1,135,013 were received during the year ended June 30, 2021. These non-cash items received were included in the determination of federal and state awards expended for the year ended June 30, 2021.